

ANNUAL REPORT 2019–20

Building resilience



Contents

OVERVIEW

MLA at a glance	2
2019–20 highlights	4
Chair's report	6
Managing Director's report	8
2019–20 summary statistics	10

REPORT TO STAKEHOLDERS

Strategic Plan 2016–2020: pillar overview	12
 Pillar 1 Consumer and community support	14
 Pillar 2 Market growth and diversification	22
 Pillar 3 Supply chain efficiency and integrity	28
 Pillar 4 Productivity and profitability	34
 Pillar 5 Leadership and collaborative culture	42
 Pillar 6 Stakeholder engagement	48

ABOUT MLA

What we do	53
How we work	54
How we're funded	56
How we're governed	57
Who we are	64
MLA organisational chart	67
Our subsidiary companies	68
Human resources	69

FINANCIAL REPORT

Financial summary	71
Directors' report	74
Financial statements	77

SUPPORTING INFORMATION

Appendix A. Status of MLA's 2019–20 key performance indicators	102
Appendix B. CoMarketing Program participants 2019–20	114
Appendix C. Rural R&D for Profit projects	115
Acronyms, glossary and index	117

Auditors: EY

Bankers: Commonwealth Bank

MLA acknowledges the matching funds provided by the Australian Government to support the research and development detailed in this report. Numbers in graphs and tables within the report may be affected by rounding.

© Meat & Livestock Australia 2019 ABN 39 081 678 364

This work is copyright. Apart from any use permitted under the Copyright Act 1968, all rights are expressly reserved. Requests for further authorisation should be directed to the Content Manager, PO Box 1961, North Sydney NSW 2059 or info@mla.com.au

Published September 2020

This report is printed on Precision Offset Laser, an environmentally responsible paper manufactured under the environmental management system ISO 14001 using Elemental Chlorine Free pulp sourced from sustainable forests.



Building resilience in the face of adversity

In early 2020, Deb Gray's (pictured on front cover) NSW cattle property was ravaged by bushfires, leading to extensive damage and livestock losses.

On the back of severe drought, the emotional and financial toll of the fires on Deb and her business was extreme.

Not knowing where to turn, Deb soon found out about MLA's free Back to Business program and received three one-on-one consultancy sessions with a local farm business consultant to get her business on the road to recovery.

Through Back to Business, she was given short, medium and long-term plans to restore her operation and build her business's resilience.

As a result of the sessions, she's also taken steps to increase carrying capacity and planned additional revenue streams to complement her business.

Read Deb's full story on page 47 or tune into episode 2 of MLA's Feedback podcast (mla.com.au/feedback-podcast).

MLA at a glance

OUR PURPOSE

To foster the long-term prosperity of the Australian red meat and livestock industry.

OUR VISION

To be the recognised leader in delivering world-class research, development and marketing outcomes that benefit the Australian red meat and livestock industry.

OUR MISSION

To collaborate with stakeholders to invest in research, development and marketing initiatives that contribute to producer profitability, sustainability and global competitiveness.

OUR VALUES

- customer centricity
- accountability through transparency
- outcomes that make a difference.



Our history

MLA was established in 1998 as a public company limited by guarantee, following the merging of two industry statutory organisations – the Australian Meat & Livestock Corporation and the Meat Research Corporation. MLA is the declared industry marketing body and the industry research body under sections 60(1) and 60(2) of the *Australian Meat and Live-stock Industry Act 1997*.



Our funding

MLA is primarily funded by transaction levies paid on livestock sales by red meat producers. The Australian Government also contributes a dollar for each levy dollar MLA invests in research and development. Other funding streams come from specific unmatched grants from the Australian Government and cooperative funding contributions from other Research and Development Corporations, individual processors, wholesalers, foodservice operators and retailers.

Processors and livestock exporters also co-invest levies into MLA programs through their service companies: Australian Meat Processor Corporation and Australian Livestock Export Corporation (LiveCorp). Individual exporters and importers can also co-invest with MLA on marketing activities.

MLA generates additional income via eligible commercial funding contributions which are matched by the Australian Government. This funding is invested in research and development partnerships that benefit the Australian red meat industry through MLA Donor Company. Integrity Systems Company also receives additional income via the sale of national vendor declaration books and the Livestock Production Assurance program accreditation fee.



Our members

Membership of MLA is voluntary and free to all levy-paying grassfed cattle, grainfed cattle, sheep, lamb and goat producers. MLA had 49,590 members at 30 June 2020 (page 55).



Our stakeholders

MLA works in partnership with industry and government to deliver products and services to the cattle, sheep and goat industries, and other entities along the supply chain.

Through the Science and Research Priorities and the Rural Research, Development and Extension Priorities, the Australian Government sets high-level priority research and development objectives covering community, industry and environmental concerns.

Peak industry councils provide policy direction on behalf of the red meat and livestock industry. These are the Australian Lot Feeders' Association, Cattle Council of Australia, Goat Industry Council of Australia and Sheep Producers Australia.

MLA also works closely with the Australian Meat Processor Corporation, Australian Meat Industry Council, LiveCorp and Australian Livestock Exporters' Council to develop programs that address key industry issues and opportunities through the supply chain, manage projects and communicate outcomes. See pages 54–55 for more on how MLA engages with its stakeholders and collaborators.



Our subsidiary companies

MLA owns two operating subsidiary companies.

MLA Donor Company works in partnership with investors in areas that bring value to the red meat supply chain through innovation and new technologies (page 68).

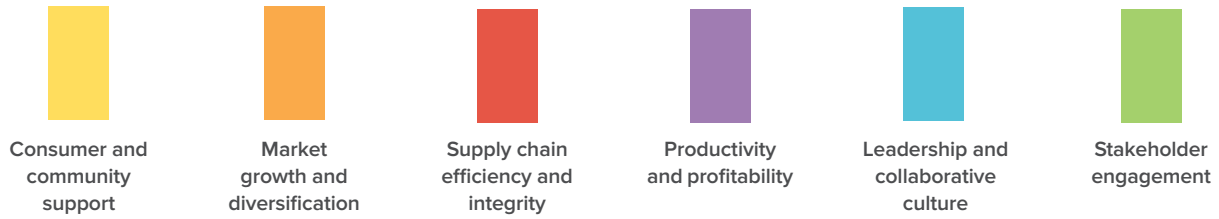
Integrity Systems Company administers the National Livestock Identification System database which records livestock movements. It is also responsible for the Livestock Production Assurance program and National Vendor Declarations (page 68).



Our decision making processes

MLA doesn't make investment decisions in isolation. This is carried out in collaboration with producers, the government, peak industry councils and other industry organisations (see 'Our stakeholders' and pages 54–55 for other consultation mechanisms). The regional consultation framework (page 37), which commenced in the second half of 2015, enables producers to have direct input into MLA's research and development priorities.

OUR STRATEGIC PILLARS



Additional investment areas, while not considered strategic pillars, are: corporate services, levy management and AUS-MEAT.



Our locations

MLA employees are based strategically to leverage the best possible access to all stakeholders and to drive demand for red meat in our key markets.



Our employees

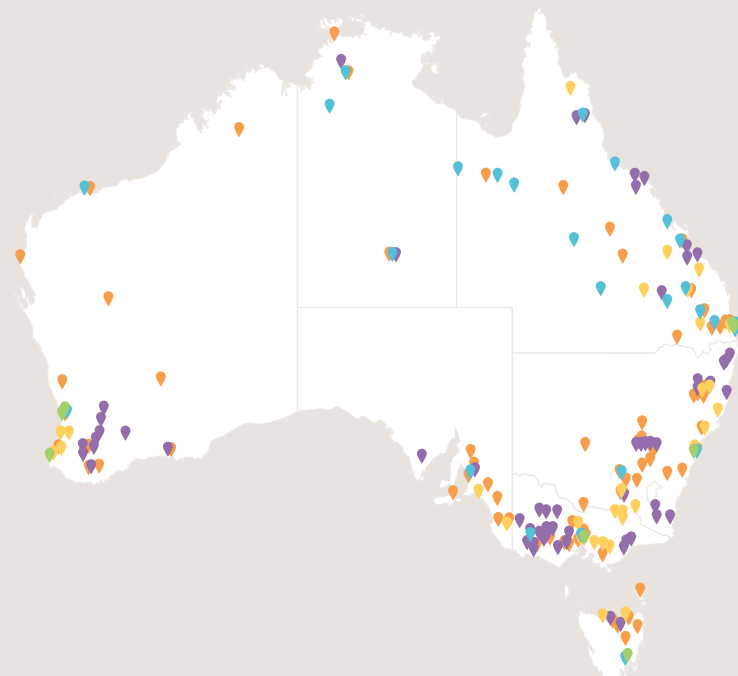
At 30 June 2020 MLA had 282 employees across nine countries. MLA's workforce profile reflects a balanced gender profile and age distribution across the organisation (page 69). More than 50% of employees are from a rural background.



Our engagement in 2019–20

- Adoption events and workshops
- Community engagement events
- Regional consultation activities
- Producer Demonstration Sites
- MSA workshops

These locations are in addition to 51 events sponsored by MLA.



2019–20 highlights

Highlights from major projects MLA has led, managed or contributed to include:

56.7%
reduction
in CO2
emissions

by Australia's beef industry since 2005 (page 18)

>\$100m

expected in additional returns to the Australian red meat industry from the easing of shelf-life restrictions in the Middle East (page 25)

\$172m
in additional
farm gate
returns

through Meat Standards Australia (page 30)

MLA's
school
resources

were accessed by students and teachers 15,500 times (page 18)

27 new
beef and lamb
dishes

were added to Australia's top three commercial caterers' menus following MLA masterclasses (page 27)

New
mobile-friendly

electronic National Vendor Declaration (eNVD) system launched, making it easier to complete livestock consignments (page 33)

TIMELINE OF ACHIEVEMENTS

JULY 2019

World's first beef boning automation R&D room announced (page 39).

SEPTEMBER 2019

Top Meat Standards Australia (MSA) beef producers named (page 31).

NOVEMBER 2019

MLA held Red Meat 2019 in Tamworth (page 51), where Jason Strong announced the Accelerated Adoption Initiative (page 50).

AUGUST 2019

MLA online weather services enhanced through new partnership with Weatherzone (page 51).

OCTOBER 2019

The red meat and livestock industry released its strategic plan, *Red Meat 2030* (redmeat2030.com.au).

DECEMBER 2019

The NLIS Early Warning status, a new risk management tool for cattle producers, was launched by Integrity Systems Company (page 33).

Genetics data

now easier

for producers to access due to MLA database improvements (page 36)

102 producers received access

to one-on-one support following natural disasters (page 47)

1,200 subscribers

signed up to receive the latest R&D via MLA's new e-newsletter, *R&D Round-Up* (page 50)

\$6.35m worth of new R&D investment

funded through the producer-driven annual call process (page 37)

MLA's Strategic Plan 2025

was launched (mla.com.au/strategicplan)

Accelerated Adoption Initiative

allows producers to receive selected MLA products and services free of charge (page 50)

JANUARY 2020

MLA provided support to bushfire-affected producers, including information sessions, sponsorships, a resources web page and the launch of the Back to Business program (page 47).

MARCH 2020

In response to the global pandemic, MLA created a COVID-19 resources page as well as a market insights hub to provide the latest information to producers (page 46).

MAY 2020

Two new podcasts – Feedback and On the ground – hit the airwaves (page 51).

FEBRUARY 2020

R&D Round-Up e-newsletter released, giving producers and industry stakeholders access to the latest R&D in a short, sharp, easy-read format (page 50).

APRIL 2020

An independent performance review of MLA returned positive results (page 9).

JUNE 2020

MLA launched its new *Strategic Plan 2025* (mla.com.au/strategicplan).

Chair's report

Operating environment, market information and Board business



Alan Beckett, Chair

In my first year as Chair of the MLA Board, I'm pleased to present MLA's *Annual Report 2019–20: Building resilience*.

Operating environment

Over 2019–20, we've experienced the best and most difficult aspects of what it means to be part of the Australian red meat and livestock industry.

This year we've seen both livestock and red meat prices soaring to historical highs.

While drought, bushfires and floods devastated many regions, we've also seen an extraordinary sense of resilience in our rural communities and the strong sense to rebuild in the aftermath of these disasters.

On the back of these efforts – and against the backdrop of a global pandemic – our farms are feeding the nation and the world.

It's evidence that despite the immense challenges this industry consistently faces, if we work effectively together, we can overcome them and emerge stronger.

COVID-19's impact on the Australian red meat industry

COVID-19 has been an unprecedented and unpredictable event for the world in 2020, creating unfathomable economic and social fallout. The red meat industry, although somewhat more protected than other industries, hasn't been immune to this, and had to adapt to the situation as it unfolded.

COVID-19 has substantially impacted consumption patterns. Foodservice is one of the hardest-hit industries globally, with restrictions significantly decreasing the number of people dining out. There has also been a shift towards cooking from home more regularly, further impacting foodservice sales.

Retail sales of red meat, however, have risen sharply, driven by concerns for food safety and a spike in 'panic buying'. This has created challenges with carcass imbalance, as higher value cuts that would typically be purchased through foodservice are now without a consistent market.

Other impacts of COVID-19 on Australian red meat include volatile market shifts, challenges with processing due to abattoir shutdowns, and export difficulties stemming from freight disruptions.

Although COVID-19 is not yet under control, the Australian red meat industry continues to adapt to deal with its impacts. MLA has been supporting foodservice and retail businesses to pivot operations during this period by helping consumers to access practical information on cooking red meat from home. For more on what MLA's doing to support levy payers during the pandemic, visit: mla.com.au/covid-19

Cattle and beef market

KEY TRENDS

- herd rebuild delayed but still on the horizon
- young and finished cattle prices move to record levels
- COVID-19 disruptions felt across the supply chain, in particular foodservice outlets

The Australian cattle market, like so many other commodity markets, finds itself in uncharted territory, with many diverging factors impacting the industry. However, for many southern producers, the outlook has changed dramatically on the back of an excellent autumn break. Opportunities for producers to restock paddocks has emerged and the prospect of the national herd entering a rebuild has significantly improved.

Australian cattle prices surged to record levels across all categories in March 2020. Young cattle and breeding stock have seen demand rise significantly on the back of improved seasonal conditions, as restockers, feeders and processors compete over a reduced pool of livestock. Finished cattle prices found support, reaching historically high levels, however, global demand uncertainty continues to dampen the upside for cattle prices.

Since the start of the COVID-19 outbreak, international market demand has been volatile. Adding to this, supply disruption to some of Australia's major competitors has led to a variable trading environment. However, demand for Australian beef remains strong, with the impact of African Swine Fever still a major influence on the global meat protein trade.

Sheepmeat market

KEY TRENDS

- positive signs for a recovery in the national flock
- market volatility due to COVID-19's impacts on trade access and foodservice
- prices expected to remain at historically high levels as industry enters period of expansion

The improvement in conditions across sheep producing regions has instilled an element of confidence in producers looking to rebuild depleted flocks, particularly in NSW. These intentions to restock should help support a recovery in the national flock, which is currently forecast at its lowest level in more than a century.

Similar to Australia's beef markets, sheepmeat markets have come under pressure from market volatility as the spread of COVID-19 has fostered instability, created logistical hurdles for trade and slowed foodservice industries around the world. Sheep and lamb prices have receded from their record highs as a result, but are expected to remain at historically high levels as the industry enters a period of expansion.

Goat market

KEY TRENDS

- the US is still the key market for boxed Australian goatmeat
- downward pressure on goatmeat prices throughout the year
- curtailed demand for live goats due to COVID-19 restrictions and reduced access to air-freight capacity

As one of the world’s largest exporters of goatmeat, Australia’s reliance on the strength of overseas markets is critical. The US remains the key market for boxed goatmeat, although trade disruptions and demand from foodservice channels have applied downwards pressure to prices throughout the year.

Demand for live goats has also been curtailed due to COVID-19 restrictions in Malaysia and reduced access to air-freight capacity.

Industry collaboration

The MLA Board places a high importance on industry collaboration and 2019–20 was no exception. As demonstrated in Appendix C (page 114), which outlines each of the projects MLA is involved in as part of the Australian Government’s Rural R&D for Profit program, we continue to invest in nationally coordinated, strategic research that delivers outcomes for producers and the agricultural sector as a whole.

Industry collaboration is also occurring through two sustainability frameworks, the Australian Beef Sustainability Framework and Australian Sheep Sustainability Framework (page 18), as well as through various consortiums (page 55) and commercial partnerships via MLA Donor Company (page 68).

Collaborating with the broader agricultural sector will continue to be a major focus of MLA’s Board, and we look forward to working with the Australian Government, research organisations, value chain partners and other Research and Development Corporations by continuing to co-invest in projects/consortiums with mutual benefits.

Board business

In 2019–20 we farewelled former Chair, Dr Michele Allan, and I would like to take this opportunity to thank Michele for her many years of service to MLA and the red meat industry.

We also welcomed a new MLA Board director, John Lloyd. John has proven to be an invaluable member of the Board and I have no doubt he’ll continue to be a strong contributor to the industry.

Speaking personally, serving my first year as MLA’s Chair of the Board has been a privilege. We are part of an exceptionally resilient industry, and witnessing how challenges have been met and overcome has been immensely encouraging as we look to drive the industry forward.

Looking ahead

With the release of MLA’s new *Strategic Plan 2025* (mla.com.au/strategicplan), the next 12 months will be critical. I’m confident our ‘fewer, bigger, bolder’ approach will help MLA to help meet the objectives of doubling the value of Australian red meat sales and for Australian red meat becoming the trusted source of the highest quality protein.

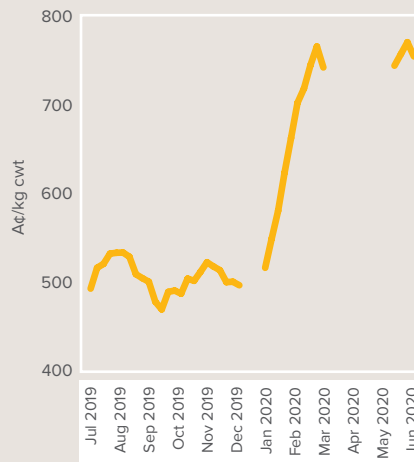
In closing, I want to thank the MLA Board, management team and employees for their service to the Australian red meat industry in 2019–20 and their role in fostering industry prosperity.



Alan Beckett
Chair

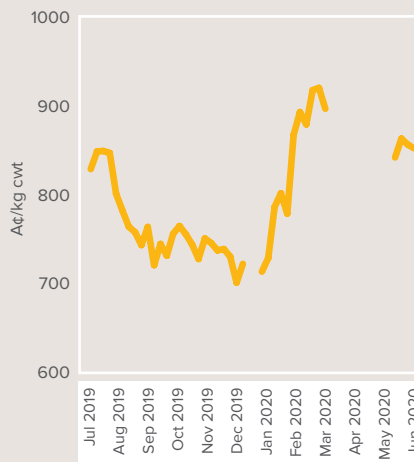
Cattle, lamb and goat indicators

EASTERN YOUNG CATTLE INDICATOR



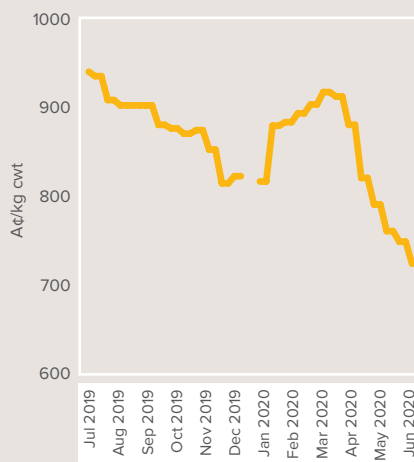
Sources: ABS, MLA

NATIONAL TRADE LAMB INDICATOR



Sources: ABS, MLA

GOAT OVER-THE-HOOKS INDICATOR



Sources: ABS, MLA

Managing Director's report

MLA's focus and outlook



Jason Strong,
Managing Director

It is my pleasure to present MLA's *Annual Report 2019–20* which celebrates the resilience of our industry despite the extreme adversities it has faced this year.

Building our resilience and developing better tools to predict, respond to and manage the changing conditions in which we operate is a key focus of the investments we make on behalf of the industry.

A good example of one of the ways MLA has supported levy payers in 2019–20 is through the Back to Business program, which gives producers in fire-affected regions access to free one-on-one-sessions with a local farm business consultant to help put their business back on track. See Deb Gray's case study on page 47 for more information.

As well as the natural disasters experienced this year, our industry has also had to deal with the additional challenge of COVID-19. MLA created several online 'hubs' to ensure producers can always access up-to-date information on the pandemic:

- COVID-19 resources hub (mla.com.au/covid-19), including information about border controls, mental health support and business assistance
- COVID-19 market insights hub (mla.com.au/covid-19-insights), including market information and insights about consumers and the retail/foodservice sectors.

The volatile nature of COVID-19 continues to influence the demand for red meat across the globe, with most markets experiencing a spike in retail sales and a plunge in foodservice.

A great demonstration of how the MLA team is connected to the ever-changing market environment was the response to these trends. Planned programs that would have been negatively impacted if executed were put on hold and a global strategy was implemented to adapt marketing and adoption programs to ensure Australian red meat remains on plates around the world (page 27).

The strategy focuses on:

1. **Food hacks:** Helping consumers learn how to cook at home with red meat through inspirational online content.
2. **Trust and immunity:** Consumers are gravitating towards brands they trust and foods with nutrition benefits therefore reinforcing the nutritional benefits of Australian red meat is key.
3. **Digital development:** MLA is moving as many events and seminars online as possible, including key extension and adoption workshops.
4. **Tactical support:** MLA introduced short-term additional financial support measures via the CoMarketing program to support brand owners during this difficult trading environment.
5. **Clear communication:** MLA has adapted a number of its

communication channels to provide a clear and consistent line of communication with global stakeholders.

Despite the disruptions throughout the year, MLA has made progress on this strategy as well as a number of the key initiatives announced at recent annual general meetings. I'd like to take the opportunity to update our levy payers on each of these below, and also discuss MLA's recent performance review and new strategic plan.

Progress on major initiatives

Accelerated Adoption Initiative

The Accelerated Adoption Initiative (page 50), launched at Red Meat 2019, ensures that when producers face challenges such as drought, bushfires and other financially straining circumstances, they're still able to access a number of MLA's products and support services free of charge.

The initiative is planned to run until June 2021 and removes the cost to cattle, sheep and goat levy payers of key products and services. This includes Livestock Production Assurance (LPA) accreditation and audits, LPA National Vendor Declaration books, eDEC tokens, and Meat Standards Australia Vendor Declaration books.

The initiative has also provided free membership to Sheep Genetics, with LAMBPLAN and MERINOSELECT services seeing an increase in clients since the announcement.



Jason Strong launching the Accelerated Adoption Initiative at Red Meat 2019 in Tamworth, NSW.

Olympic and Paralympic partnership

At Red Meat 2018, MLA announced that Australian Beef would be an official partner of the 2020 Australian Olympic and Paralympic teams.

Due to COVID-19, the Tokyo 2020 Olympic and Paralympic Games have been postponed to 2021.

MLA is working closely with the Australian Olympic Committee and Paralympics Australia to re-align Australian Beef partnership activities, originally scheduled for February–September 2020.

This partnership will create exciting opportunities for reigniting beef's connection to healthy lifestyles using our Olympian and Paralympian Australian Beef Ambassadors, and sharing their stories of greatness.

MLA will now partner with our Olympian and Paralympian Australian Beef Ambassadors in activities throughout 2020–21.

Carbon Neutral by 2030

The Australian red meat and livestock industry continues to make progress towards its ambitious target to be carbon neutral by 2030 (CN30) which was announced at Red Meat 2017.

MLA is working on a range of tools and technologies for producers to reduce net greenhouse gas emissions, boost the value of red meat sales and communicate the environmental stewardship practices to customers, consumers and the community.

During 2019–20, MLA has:

- worked with producers to develop 50 carbon accounting case studies to inform a carbon accounting training manual (due for release in late 2020)
- conducted six workshops on carbon accounting, on-farm practices for reducing emissions and increasing stored carbon
- invested in technologies for reducing emissions and storing carbon on-farm.

See page 19 for more details.

DEXA

MLA announced a plan in November 2016 to accelerate the adoption of dual energy X-ray absorptiometry (DEXA) technology in Australian processing plants and increase the accessibility of the resulting data across the value chain.

DEXA is an objective management tool that accurately measures carcass composition through examining the levels of meat, fat and bone present.

The precise measurements provided by DEXA improve the prediction of lean meat yield by two-to-three fold, significantly increasing the capacity of processors to provide carcass value feedback to producers.

Since launching in 2016, DEXA systems continue to be adopted by meat processing plants with ongoing integration at Bordertown (SA), Brooklyn (Vic) and Gundagai (NSW) occurring in 2019–20 (page 38). Although further installations were scheduled, they were postponed due to the impacts of COVID-19.

In 2020–21, DEXA technology will separate the whole carcass yield into a fore, middle and hindquarter regional yield. This will further optimise lean meat yield predictions, increasing the overall value of the carcass as processors can more easily identify which cuts to sell to specific markets.

MLA's positive performance review

An independent review of MLA's performance between 2016 and 2020 concluded the organisation is well managed, delivering value for money, meeting its levy payer and Government obligations, and is well positioned to effectively tackle future challenges for the red meat and livestock industry.

Key conclusions from the report include:

- MLA is a large, complex and relatively mature organisation with ample evidence to suggest that it's well governed and managed.
- MLA has met the substantive obligations of its Statutory

Funding Agreement and obligations to levy payers and industry to deliver high quality research & development and marketing outcomes, in a cost-effective way.

- Over the review period, MLA has enhanced efforts to engage meaningfully with stakeholders, delivering benefits to industry across the red meat supply chain.
- MLA's approach to assessing the economic impact and value of its research activities aligns with current best practise, however MLA should increase its efforts to assess social and environmental benefits and quantify these where possible.

On behalf of red meat producers and the wider red meat supply chain, we see this review as an opportunity to further enhance our effectiveness and ensure we are setting the organisation up for future success.

Red Meat 2030 and MLA's Strategic Plan 2025

MLA welcomed the release of the Red Meat Advisory Council's *Red Meat 2030*, which sets out the high-level strategic direction of the Australian red meat and livestock industry over the next decade.

MLA's own *Strategic Plan 2025* (mla.com.au/strategicplan) is closely aligned with *Red Meat 2030* and its vision and direction for the industry: to double the value of Australian red meat sales.

Our Plan highlights the importance of strengthening existing systems in support of biosecurity, food safety and traceability. It also highlights the importance of activities that accelerate data capture, end-to-end supply chain verification and knowledge transfer within the supply chain to support business decision making.

With a focus on delivering 'fewer, bigger and bolder' programs of work, our Plan shows where MLA will concentrate its efforts to create the greatest impact for red meat levy payers.

Through the delivery of this new strategic plan, MLA will build on the successes of the last five years, and further strengthen the resilience and sustainability of our cattle, sheep and goat supply chains.



Jason Strong
Managing Director



MLA's Strategic Plan 2025 is closely aligned with Red Meat 2030 and its shared vision for the industry: to double the value of Australian red meat sales.

2019–20 summary statistics

as at 30 June 2020

See page 71 for the full financial summary.

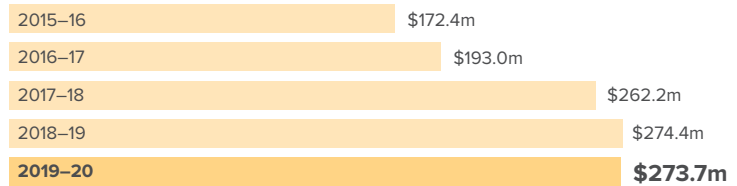
Revenue

↓ **0.1% to**
\$269.7 million



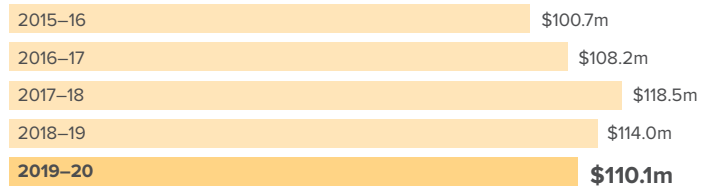
Expenditure

↓ **0.3% to**
\$273.7 million



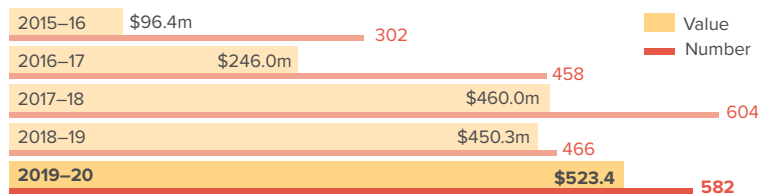
Retained earnings

↓ **3.4% to**
\$110.1 million



Number of research contracts

582 research contracts
worth \$523.4 million



Number of MLA employees

↑ **4.1% to**
282 employees



Number of MLA members

↓ **0.2% to**
49,590 members



Key performance indicators

↑ **8 percentage points**
to 76% achieved



Report to stakeholders




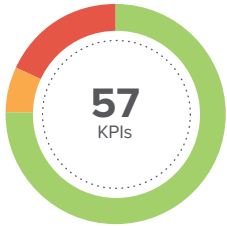
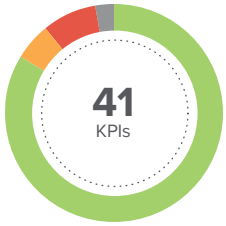
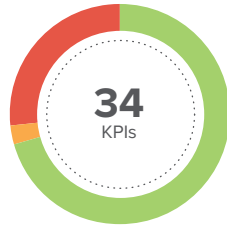
This 'Report to stakeholders' reports against the pillars and priorities outlined in MLA's *Strategic Plan 2016–2020* and provides transparency around the organisation's actual activities and outcomes.

MLA objectives and planned activities in 2019–20 were directed by its *Annual Investment Plan 2019–20*. All these activities enable MLA to deliver on its Strategic Plan. MLA regards the *Annual Investment Plan 2019–20* as the final year of the *MLA Strategic Plan 2016–2020*.

The *MLA Strategic Plan 2016–2020* is aligned to the *Meat Industry Strategic Plan 2020* and the Australian Government's Science and Research Priorities and its Rural Research, Development and Extension Priorities. The *MLA Strategic Plan 2016–2020* was released in April 2016, following the publication of the *Meat Industry Strategic Plan 2020* in September 2015. MLA's new *Strategic Plan 2025* was launched in June 2020.




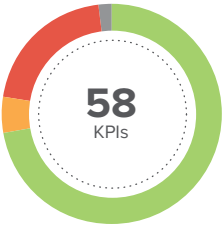
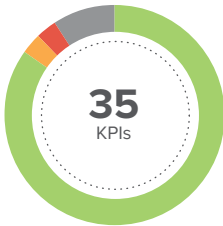
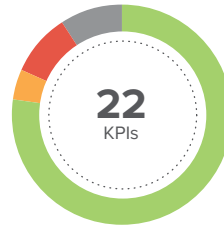


Strategic Plan 2016–2020: pillar overview

Strategic Plan 2016–2020		Pillars
		<p>1.  Consumer and community support</p> <p>2.  Market growth and diversification</p> <p>3.  Supply chain efficiency and integrity</p>
	Outcomes by 2020	<p>The community continues to support and trust the Australian red meat and livestock industry, with industry practices in step with community expectations.</p> <p>Improved access to markets, with marketing programs and value-creating innovation driving increased consumer and customer preference and premiums for Australian red meat.</p> <p>Increased returns through the value chain, with participants and customers confident in product quality, pricing and integrity systems.</p>
	Priorities	<ul style="list-style-type: none"> • Continuous improvement of the welfare of animals in our care • Stewardship of environmental resources • Role of red meat in a healthy diet <ul style="list-style-type: none"> • Efficiency and value in trade and market access • Marketing and promoting Australian red meat and livestock <ul style="list-style-type: none"> • Optimising product quality and cost efficiency • Guaranteeing product quality and systems integrity
	Programs	<ul style="list-style-type: none"> • Animal health • Animal welfare • Nutrition • Livestock export market activities • Livestock export (research and development) • Sustainability (off-farm) • Sustainability (on-farm) • Beef productivity • Feedbase production and infrastructure • Industry leadership and capacity building • Communication (community) <ul style="list-style-type: none"> • Market knowledge (domestic) • Marketing and promotion (domestic) • Market access • Market knowledge (international) • Marketing and promotion (international) • Livestock export market activities • Livestock export (research and development) • Market access science • High Value Food Frontiers <ul style="list-style-type: none"> • Eating quality • Market access science • Integrity systems • Objective measurement • High Value Food Frontiers • Digital value chain information
Milestone scorecard		 <p>57 KPIs</p> <ul style="list-style-type: none"> • Achieved 43 • Partly achieved 4 • Not achieved 10
		 <p>41 KPIs</p> <ul style="list-style-type: none"> • Achieved 34 • Partly achieved 2 • Not achieved 4 • Not available 1
		 <p>34 KPIs</p> <ul style="list-style-type: none"> • Achieved 24 • Partly achieved 1 • Not achieved 9

MLA is an outcomes-based company and is committed to providing transparency to our stakeholders. For a full report on our key performance indicators, see Appendix A on page 102.

Please note some KPIs from MLA's *Annual Investment Plan 2019–20* could apply across several strategic plan pillars. In these cases, KPIs have been counted more than once.

			Strategic Plan 2016–2020		Annual Investment Plan 2019–20	Milestone scorecard
			Outcomes by 2020	Priorities		
4. Productivity and profitability 	5. Leadership and collaborative culture 	6. Stakeholder engagement 	Productivity gains through the value chain from the adoption of tools and technologies.	Industry participants are confident in industry leadership capability.	Industry participants are confident that the levy investment is delivering value.	
			<ul style="list-style-type: none"> • Production efficiencies in farms and feedlots • Processing productivity • Live export productivity 	<ul style="list-style-type: none"> • Building leadership capability • Protecting and promoting our industry 	<ul style="list-style-type: none"> • Engagement with producers and stakeholders 	
<ul style="list-style-type: none"> • Livestock export market activities • Livestock export (research and development) • Producer adoption • Productivity (off-farm) • Beef productivity • Feedbase production and infrastructure • Goat productivity • Livestock genetics • Sheep productivity • Innovation capability building • Digital agriculture • Feedlot productivity 	<ul style="list-style-type: none"> • Innovation capability building • Industry leadership and capacity building • Communication (stakeholder) • Corporate services 	<ul style="list-style-type: none"> • Market knowledge (domestic) • Industry leadership and capacity building • Communication (stakeholder) 				
 <p>58 KPIs</p> <ul style="list-style-type: none"> • Achieved 42 • Partly achieved 3 • Not achieved 12 • Not available 1 	 <p>35 KPIs</p> <ul style="list-style-type: none"> • Achieved 29 • Partly achieved 1 • Not achieved 1 • Not available 4 	 <p>22 KPIs</p> <ul style="list-style-type: none"> • Achieved 17 • Partly achieved 1 • Not achieved 2 • Not available 2 				

OVERALL SUMMARY OF MLA'S 2019–20 KEY PERFORMANCE INDICATORS*

Status	Symbol	2019–20 KPIs in MLA's Strategic Plan 2016–2020	KPIs from MLA's Annual Investment Plan 2019–20	Total result	Percentage
Achieved	●	14	116	130	76
Partly achieved	●	1	7	8	5
Not achieved	●	6	20	26	15
Not available	●	2	4	6	4
Total		23	147	170	100

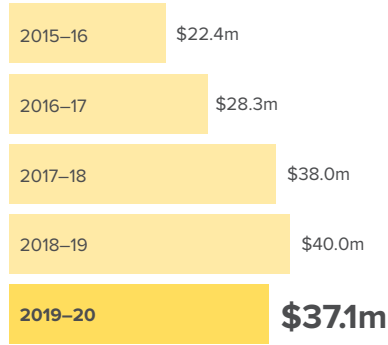
* For a detailed overview of MLA's KPIs for 2019–20, see page 102.



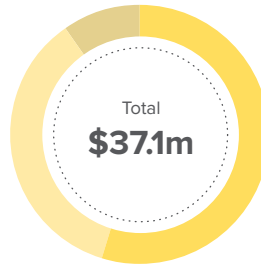
Consumer and community support

This pillar invests in research into the superior nutritional properties of red meat. It also includes research and development to enhance the industry’s animal welfare, disease control and environmental practices. This includes the communication of these actions and commitments by the industry to the community.

Investment over time

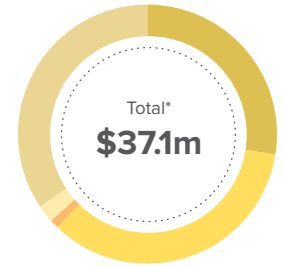


2019–20 investment by priority



- Continuous improvement of the welfare of animals in our care **\$20.4m**
- Stewardship of environmental resources **\$13.2m**
- Role of red meat in a healthy diet **\$3.6m**

2019–20 investment by funding source



- Producer levies **\$10.3m**
- Government funding **\$12.8m**
- Processor contributions **\$0.4m**
- LiveCorp contributions **\$0.9m**
- Other sources **\$12.7m**

* Total includes \$17.7m invested via MLA Donor Company



Key performance indicators



- 43 achieved
- 4 partly achieved
- 10 not achieved

See Appendix A for a full list of KPIs. Please note some KPIs may be relevant across several pillars.

Alignment to industry and government priorities

MEAT INDUSTRY STRATEGIC PLAN (MISP) 2020 PRIORITIES

- Continuous improvement of the welfare of animals in our care
- Stewardship of environmental resources
- Role of red meat in a healthy diet

AUSTRALIAN GOVERNMENT PRIORITIES

Science and Research

- Food
- Soil and water
- Environmental change
- Transport
- Resources
- Health

Rural Research, Development and Extension

- Adoption of research and development
- Soil, water and managing natural resources
- Advanced technology
- Biosecurity

HIGHLIGHTS

3.3kg hot carcass weight advantage

for treating cattle with a dewormer (page 16)



Red meat's story was shared

by producers through 11 sustainability-focused videos, which were viewed 63,350 times (page 19)



MLA's school resources

were accessed by students and teachers 15,500 times (page 18)



56.7% reduction in CO₂ emissions

by Australia's beef industry since 2005 (page 18)



Cattle properties covered

by biosecurity plans increased from 25% to 90% (page 18)



Pain relief usage

in the beef industry increased from 15% to 21% (page 18)



Solutions identified for reducing flystrike

in sheep (page 17)



At least 60% of GPs and dietitians

believe MLA's nutrition information and resources are credible and relevant (pages 20–21)

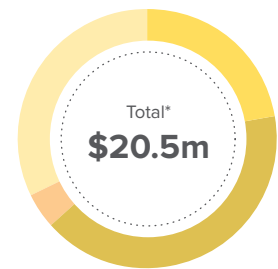


The community has high expectations about the way livestock are treated and how animal welfare standards are applied. It's important the red meat industry continues to improve the welfare of livestock by enhancing husbandry practices through adoption of new research.

This priority also seeks to improve welfare by ensuring the continued freedom of herds and flocks from exotic diseases and minimising the impact of endemic diseases.

Equally, it's important to clearly communicate these improvements to the Australian and global community to earn their trust and maintain their support for the industry.

2019–20 investment by funding source



- Producer levies **\$4.6m**
- Government funding **\$8.4m**
- LiveCorp contributions **\$0.9m**
- Other sources **\$6.6m**

* Total includes \$12.2m invested via MLA Donor Company

OVERVIEW

Effectiveness of registered antimicrobials proven

A two-year project aimed at determining the status of antimicrobial resistance for bovine respiratory disease pathogens in feedlot cattle has resulted in significant findings for the Australian lot feeding sector.

Surveillance of resistance of bovine respiratory disease pathogens to common veterinary antimicrobial agents was conducted across 10 Australian feedlots in 2019 to encourage antimicrobial stewardship practices.

The main bacteria which cause the disease were tested for antimicrobial resistance and, in general, most bacteria were sensitive to all tested antimicrobials. This means the antibiotics Australian feedlots use to treat bovine respiratory disease have been proven effective.

Going forward, lot feeders are being encouraged to participate in ongoing surveillance and integrate this into their antimicrobial stewardship plans because:

- measuring levels of antimicrobial resistance contributes to the national bovine respiratory disease isolate database, which may be important for future vaccine development
- the data can be shared with consulting feedlot veterinarians to devise management practices to reduce further antimicrobial resistance development.

Deworming delivers production benefits

New research has confirmed the productivity benefits of administering effective parasite control to feedlot cattle. The MLA-funded project evaluated the effectiveness of six different deworming treatments to determine the level of resistance to dewormers present in Australian feedlot cattle, as well as the benefits of deworming on productivity.

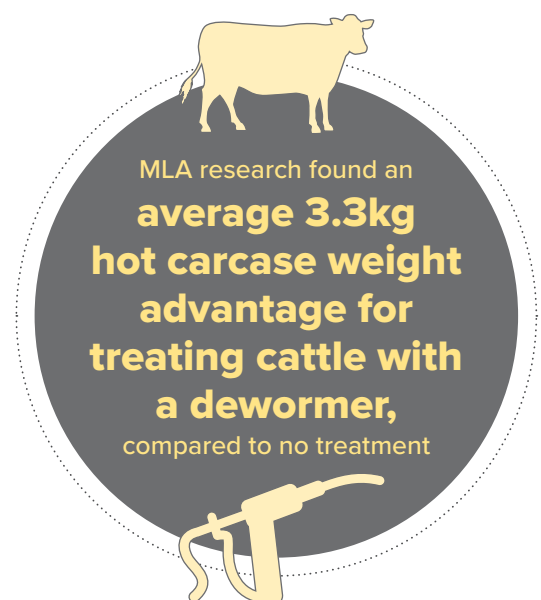
Researchers found:

- an average 3.3kg hot carcass weight advantage for treating cattle with a dewormer, compared to no treatment

- no economic advantage to combination treatment over any of the single-active dewormers tested
- the presence of hydatid cysts in livers reduced hot carcass weight by 7.2kg, which reemphasised the need for wild dog control and appropriate deworming strategies within farm dogs.

This research also produced several practical recommendations for lot feeders, including:

1. Cattle should be dewormed at induction to the feedlot with the anthelmintic of choice, with consideration of the types of parasites targeted.
2. Feedlots should aim to reduce faecal egg counts to 25 eggs/gram following treatment in order to prevent the impact of gastrointestinal parasites on animal productivity.
3. Consider incorporating a low-intensity parasitological component into feedlot management systems to monitor the effectiveness of dewormer treatments and ensure worm burdens don't impact productivity.



Strategic approaches to reducing flystrike in sheep

An extensive review of flystrike control and technological developments has been conducted, identifying possible pathways towards short, medium and long term solutions for eliminating flystrike in sheep.

Flystrike is a continuing issue and is estimated to cost the Australian sheep industry more than \$170 million/year. In addition to the large economic cost, flystrike is a serious animal welfare issue. Reducing flystrike by non-chemical, non-surgical means has the triple impact of:

- improving animal welfare
- reducing chemical use
- ensuring sustainable and ethical production of sheep in Australia.

The final report for this review provides producers with the essential tools and information to reduce the incidence and prevalence of flystrike. Recommendations from the report include:

Immediate solutions (1–3 years)

- more efficient use of available tools, including management of fly resistance to chemicals
- improved identification and management of affected animals to minimise pain, suffering and mortality.

Medium term solutions (3–8 years)

- breeding sheep that are less susceptible to flystrike
- enhancing producers' ability to predict and respond to fly waves.

Longer term solutions (5–15 years)

- addressing the problem of blowfly population control
- gaining a better understanding of the complex host-parasite relationship.

Lamb loss project wins Science and Innovation Award



Dr Thomas Clune, Murdoch University

Murdoch University researcher Dr Thomas Clune was awarded the Australian Wool Innovation Award at the 2020 Science and Innovation Awards for his work on the MLA-funded project 'Reducing foetal and lamb losses in young ewes'.

The Science and Innovation Awards recognise innovative scientific projects which will contribute to the ongoing success and sustainability of Australia's agricultural industries.

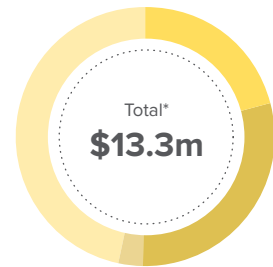
Although the project has so far shown disease to be a small component of lamb loss causes, Thomas received the award for his work on exploring how chlamydia is impacting the health and welfare of ewes (and their lambs) and whether it contributes to lamb loss. By May 2021, the project aims to deliver a quick, low-cost and portable tool for diagnosing chlamydia in sheep so vets can work with producers to control chlamydia outbreaks.



Livestock production relies on natural resources. Future increases in production will depend on efficiently and effectively managing soil health, weeds, invasive animals, water, methane emissions, biodiversity and climate variability. These aims provide the focus for MLA's research and development work to assist the industry in improving productivity and sustainability.

Maintaining the industry's environmental impact in line with community expectations is also a primary goal. This is achieved by the red meat and livestock industry engaging with consumers to demonstrate it is an ethical and responsible custodian of livestock, land and natural resources.

2019–20 investment by funding source



- Producer levies **\$2.8m**
- Government funding **\$3.9m**
- Processor contributions **\$0.4m**
- Other sources **\$6.2m**

* Total includes \$5.5m invested via MLA Donor Company

OVERVIEW

Teaching school children about Australian red meat production

MLA's school education program continues to offer free, curriculum-linked resources to improve teachers' and students' understanding of the Australian red meat and livestock industry.

MLA collaborates with a variety of education experts and school teachers to produce a range of interactive materials:

- downloadable lesson plans
- study guides and classroom activities
- digital farm visits and online board games
- virtual classrooms livestreamed from the farm
- live Q&As with industry experts on topics such as biodiversity, nutrition and technology.

In 2019–20, these online resources were accessed 15,500 times from goodmeat.com.au and MLA's partner websites – a 200% uplift from last year.

The virtual classrooms, supported by MLA's producer advocacy program, saw 11 producer advocates host 22 livestream classes and reached more than 13,880 students (a 20% increase from 2018–19). This program enables students to engage with beef, lamb and goat producers via livestream and experience what they do on-farm while taking part in educational activities, quizzes and interacting with other students.

In response to COVID-19, MLA also launched 'Your Expert Classroom', a new program tailored to home-schooled students aged 5–14 years which covers topics such as biodiversity, the use of technology in agriculture and red meat nutrition as part of healthy balanced meals.

Australian Beef Sustainability Framework update

The Australian Beef Sustainability Framework (ABSF) was developed in 2017 in response to the changing expectations of customers, consumers, investors and other stakeholders around sustainable production practices.

The ABSF released its third *Annual Update* in June 2020, highlighting significant progress in how the industry cares for natural resources, animals and people.

MLA is the Secretariat for the Red Meat Advisory Council (RMAC)-led framework, which acts as a sustainability scorecard for the Australian beef industry from paddock-to-plate. It's led by an independent, grassroots Sustainability Steering Group.

Sustainability highlights from the ABSF's 2020 *Annual Update* include:

- reduced CO2e emissions by 56.7% since 2005*
- cattle properties covered by documented biosecurity plans increased from 25% to 90%
- 99.9% compliance with Australian standards for chemical residues
- improved pain relief usage from 15% to 21%
- 59% of feedlots have an antimicrobial stewardship plan, up from 39%.

* Note: The figure from last year's report has been revised from 55.7 to 52.1%. The Department of Industry, Science, Energy and Resources review and update activity data and the inventory methodology each year, and changes are applied retrospectively to past inventories.

The Australian Sheep Sustainability Framework update

The Australian Sheep Sustainability Framework (ASSF) is currently under development by Australia's sheepmeat and wool industry.

MLA is the Secretariat for the Sheep Producers Australia and WoolProducers Australia-led framework, which aims to demonstrate sustainable practices, identify areas for improvement and better communicate these with customers and consumers.

The demonstration of sustainable production of sheepmeat and wool is critical in securing access to local and global markets.

The ASSF will:

- identify opportunities, challenges and impacts for sheep production

- promote the sheep industry to the community and customers
- inform industry investment for improvement in priority areas
- help protect and grow access to investment and finance by providing evidence of performance and improvement
- foster constructive relationships with stakeholders to work collaboratively
- report on the industry's sustainability performance.

Considerable progress has already been made:

- **September 2019:** the framework board (comprising members from Sheep Producers Australia and WoolProducers Australia) appointed a Sheep Sustainability Steering Group to lead the development of the framework.
- **March 2020:** a consultative review was completed with key industry bodies across the sheepmeat and wool sector, with a focus on the sheep industry's key issues, and the principles and structure of the sustainability framework.
- **May 2020:** the first draft of the framework was approved by the framework board and the steering group.
- **June 2020:** a first draft framework consultation with internal and external stakeholders was undertaken; from this, the second draft framework was developed.

Carbon neutral by 2030 progress

The Australian red meat industry continues to make progress towards its ambitious target to be carbon neutral by 2030 (CN30).

MLA is working on a range of tools and technologies for producers to reduce net greenhouse gas (GHG) emissions, boost the value of red meat sales and communicate the environmental stewardship practices to customers, consumers and the community.

During 2019–20, MLA has:

- worked with producers to develop 50 carbon accounting case studies which will inform a carbon accounting training manual (due for release in late 2020)
- conducted six workshops on carbon accounting, on-farm practices for reducing emissions and increasing stored carbon, with 36% of participants implementing a carbon account for their business within a few months of completing the workshop
- invested in technologies for reducing emissions and storing carbon on-farm, including:
 - importation, rearing and release of dung beetles to improve soil health and soil carbon storage
 - legumes such as desmanthus and leucaena which reduce enteric methane emissions and improve livestock productivity/soil health
 - devices such as multi-sensor soil core scanning system and flux towers to help producers measure soil carbon storage
 - livestock supplements such as biochar, red asparagopsis and 3-NOP to reduce enteric methane emissions and improve livestock productivity.

Producers share red meat's story



Red meat producers were front and centre in a new series of on-farm videos designed to showcase the industry's strong environmental, social and animal welfare credentials to consumers.

Produced by MLA for the Australian Good Meat program, the 11 videos featured beef and lamb producers sharing their own stories about how they care for their animals and natural resources. The videos transport viewers onto farms across the country as producers explain their approaches to consistently producing the clean, green and safe red meat for which Australia is renowned.

As at 30 June, 63,350 people had viewed the videos, with 243 of these sharing the posts on social media.

To view the videos, visit: goodmeat.com.au/producers



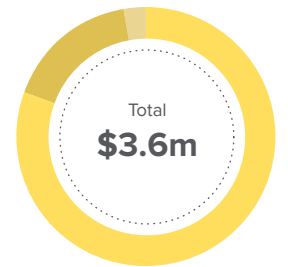


Role of red meat in a healthy diet

Red meat faces strong competition from protein sources like pork and chicken. Securing red meat’s place in a healthy, balanced diet and giving consumers a compelling reason to purchase requires consistent messages to be delivered about the nutritional benefits of red meat.

Defending the role of red meat in a healthy diet also requires informing domestic and global nutrition policy and key opinion leaders with evidence on the amount and frequency of red meat consumption to achieve healthy living.

2019–20 investment by funding source



- Producer levies **\$2.9m**
- Government funding **\$0.6m**
- Processor contributions **\$0.1m**

OVERVIEW

Communicating red meat nutrition insights to consumers

MLA’s Healthy Meals program promotes the role of red meat in a healthy diet and was developed by generating and connecting data and insights about Australians’ changing ‘nutrition communication’ needs.

The key findings from this program were published in the MLA *Healthy Meals* report and inform MLA’s communication around nutrition, which is tailored around making it easier for Australians to enjoy red meat in line with the Australian Dietary Guidelines.

Key findings:

With increasing interest in health and wellbeing, Australians are looking for ways to make their meals healthier. Red meat is popular and its nutrition credentials are well established and appreciated, but consumers aren’t always confident about how much is recommended for good health.

Through the provision of nutrition information along the ‘path to purchase’ (i.e. the steps taken before making a decision to buy a product), Australians can begin to understand how to enjoy three to four red meat meals a week as per Australian Dietary Guidelines. This approach will maintain current consumption (57g/day) in line with Australian Dietary Guidelines (65g/day).



>6,000 dietitians received a copy of the MLA *Healthy Meals* report to help provide practical guidance on how much red meat is recommended for good health as part of a healthy diet.

The *Healthy Meals* report found Australians are most interested in receiving product information for meal planning that delivers value beyond price, including:

- guidance on portion size for purchasing and planning balanced meals, including how much to buy
- visual cues and guidance on how to cook lean cuts
- meal ideas for different cuts
- ‘how to’ practical cooking and storage tips.

Health professionals remain trusted sources of information when it comes to providing dietary advice. MLA provides red meat nutrition information to health professionals, such as dietitians and GPs, via the *Healthy Meals* website and targeted communication campaigns. More than 6,000 dietitians received a copy of MLA’s *Healthy Meals* report this year.

Approximately 120,000 MLA nutrition resources were distributed during 2019–20. The resources were well received by both consumers and health professionals, with at least 60% of GPs and dietitians believing MLA’s nutrition information and practical resources are credible and relevant.

At least 60% of GPs and dietitians believe MLA’s nutrition information and resources are credible and relevant.



New MLA Healthy Meals website



To coincide with the release of the MLA *Healthy Meals* report, a new MLA Healthy Meals website has also been launched. The website includes up-to-date, evidence-based nutrition information, FAQs on red meat consumption and practical guidance for health professionals on enjoying red meat in line with the Australian Dietary Guidelines.

The website also includes a range of resources to show Australians easy ways to get enough key nutrients, and how to mix and match meals for variety, balance and enjoyment.

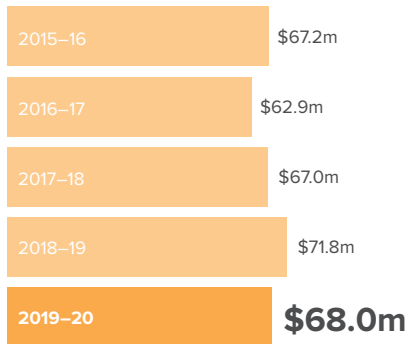
The new website has received an 80% increase in traffic since the launch and has been well received by key stakeholders.



Market growth and diversification

Improving market access is the primary way for the Australian red meat industry to grow demand and diversify markets. This pillar strives to reduce economic and technical barriers to trade, defend existing gains in trade and proactively identify and develop new business opportunities. It also recognises the integrity systems that underpin marketing efforts to differentiate Australian red meat from other red meat competitors and proteins.

Investment over time

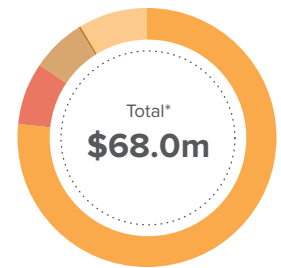


2019-20 investment by priority



- Efficiency and value in trade and market access **\$8.7m**
- Marketing and promoting Australian red meat and livestock **\$59.3m**

2019-20 investment by funding source



- Producer levies **\$52.2m**
- Government funding **\$5.3m**
- Processor contributions **\$4.5m**
- LiveCorp contributions **\$0.2m**
- Other sources **\$5.8m**

* Total includes \$6.1m invested via MLA Donor Company



Key performance indicators

41
KPIs

- 34 achieved
- 2 partly achieved
- 4 not achieved
- 1 not available

See Appendix A for a full list of KPIs. Please note some KPIs may be relevant across several pillars.

Alignment to industry and government priorities

MEAT INDUSTRY STRATEGIC PLAN (MISP) 2020 PRIORITIES

- Efficiency and value in trade and market access
- Marketing and promoting Australian red meat and livestock

AUSTRALIAN GOVERNMENT PRIORITIES

Science and Research	Rural Research, Development and Extension
<ul style="list-style-type: none"> • Food 	<ul style="list-style-type: none"> • Advanced technology • Adoption of research and development

HIGHLIGHTS

Two new free trade agreements

entered into force
(page 24)



Trade negotiations

with the EU and the UK continue despite COVID-19 and Brexit
(page 24)



Eased shelf-life restrictions

in the Middle East expected to generate >\$100 million in additional returns to the Australian red meat industry
(page 25)



Indonesia-Australia

Comprehensive Economic Partnership Agreement to provide more trade certainty
(page 25)



25% of consumers

said they would pay more for Australian beef and lamb following MLA's summer marketing campaigns
(page 26)



90% of exporters

at the True Aussie trade stand at Japan's Supermarket Tradeshow reported new business opportunities
(page 26)



>300 beef, lamb and goatmeat brands received support

through MLA's CoMarketing program
(page 27)



27 new beef and lamb dishes

were added to Australia's top three commercial caterers' menus following MLA masterclasses
(page 27)

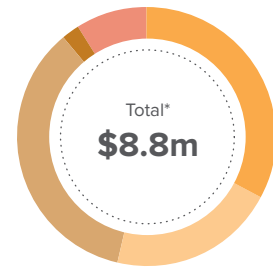




Australian red meat faces tariffs, quotas and technical barriers to trade across the globe, impose billions of dollars in additional costs across the value chain. These barriers also prevent or restrict trade which limits the diversity of markets and, consequently, reduces the number of potential customers for Australian red meat.

In response, MLA collaborates with industry stakeholders including the Australian Government, Australian Meat Processor Corporation (AMPC) and Australian Livestock Export Corporation (LiveCorp) to drive growth in exports. MLA does this by prioritising and taking action to reduce economic and technical barriers to trade in global markets.

2019–20 investment by funding source



- Producer levies **\$3.0m**
- Government funding **\$1.9m**
- Processor contributions **\$3.2m**
- LiveCorp contributions **\$0.2m**
- Other sources **\$0.5m**

* Total includes \$0.9m invested via MLA Donor Company

OVERVIEW

Tariff reductions continue to benefit red meat producers

Early 2020 signalled the annual flow of additional tariff reductions which not only aid Australian red meat's competitiveness in international markets, but help deliver a more open and diversified trading environment.

These tariff cuts were realised under various free trade agreements (FTAs) Australia has secured with China, Korea, Japan, the 11 nation Trans-Pacific Partnership, ASEAN, Thailand, and the US.

Reaping the benefits of these existing agreements was coupled with several other positive outcomes for Australia's market access (with MLA, on behalf of the Australian red meat and livestock industry, having an involvement with each initiative):

- **17 January 2020:** The Australia-Hong Kong FTA entered into force, providing greater trade and investment for Australian red meat
- **11 February 2020:** The Peru-Australia FTA entered into force, facilitating an additional gateway to Latin America and a potential new market for Australian red meat
- **23 March 2020:** The Australia-Singapore Digital Economy Agreement negotiations concluded, paving the way for export businesses to benefit from digitalisation, including electronic certification.

Free trade agreement negotiations with the EU and UK

MLA is the secretariat for the EU and UK Red Meat Market Access Taskforce and, over the past 12 months, has contributed to submissions associated with the ongoing A-EU free trade agreement (FTA) negotiations and the recently launched (17 June 2020) FTA negotiations with the UK.

This effort included representations and advocacy both in Australia and across Europe and maintaining negotiating momentum with the EU (albeit via video conference during the COVID-19 disruption). MLA will be assisting the Australian

government to continue this effort well into 2020–21 as negotiations continue.

MLA also provided input into the industry's 'defence of access' arrangements under the EU grainfed beef quota regime (which has now been amended to favour US beef), as well as opposition to the split of Australia's existing small beef and sheepmeat/goatmeat EU quotas as a consequence of the UK's impending 'Brexit'.

These latter two instances indicate that despite being in the midst of bilateral discussions to improve market access, circumstances can also arise to reduce Australia's access.

Trade reform during COVID-19

Continued effort on trade reform is critical, particularly given:

- the drift towards the use of protectionist measures in some G20 countries since the global financial crisis
- indications the 'protectionist' trend could accelerate in the wake of COVID-19.

With many countries chasing improved trade as a stimulus to post-COVID-19 economic recovery, the Australian red meat industry will remain on the front foot to defend existing – and secure new – global access. This is equally relevant when it comes to technical (or non-tariff barrier) trade reform.

Despite the China-Australia free trade agreement ultimately eliminating tariffs on all red meat products entering China, non-tariff barriers remain, with a number of Australian export establishments remaining ineligible to supply this growing market and only limited access is in place for chilled product. The impact of a change in technical access was evident in the first half of 2020 following the suspension of four Australian export establishments by Chinese authorities.

MLA continues to build commercial relationships in China to minimise the risk of future supply chain disruptions. Work also continues in demonstrating to Chinese officials the Australian red meat industry's integrity systems and traceability capability. This program is being implemented with the support of industry's China Trade Group, led by the Australian Meat Industry Council.

Longer shelf life for Middle Eastern markets

A positive development on the non-tariff barrier front in 2019–20 was securing a longer shelf life for chilled meat products in many Middle Eastern markets. Previously, only a limited length of time was granted for meat to be stored and be considered safe for human consumption (despite the product potentially remaining suitable for a considerably longer period if the cold chain is controlled).

To address shelf life concerns, MLA's Dubai-based employees collaborated with the Department of Agriculture, Water and the Environment and the Department of Foreign Affairs and Trade, as well as the Australian Meat Industry Council and commercial alliances. It has been a concerted effort over many years, involving:

- collating and disseminating detailed scientific research
- undertaking advocacy with trade and various country governments
- sponsorship and presentations at food safety conferences
- compiling and lodging technical submissions
- actively engaging with in-country operatives to build an understanding of the trade implications of shelf-life constraints.

Countries which have allowed longer shelf life on chilled, vacuum-packed red meat products include:

- Kuwait approved shelf-life extension from 70 days to 120 days for beef and 90 days for sheepmeat
- Jordan approved a temporary shelf-life extension on beef from 90 to 120 days
- Qatar is in the final stage of amending beef shelf-life from 90 days to 120 days
- Saudi Arabia disseminated a draft regulation to take red meat shelf-life from a mandatory 70 days to being non-prescribed, meaning commercial entities can determine the expiry.

It's estimated that once these eased restrictions are fully implemented, the extension of shelf-life conditions will generate more than \$100 million in additional returns to the Australian red meat and livestock industry.

This is a significant benefit as longer shelf life allows more time for product to be sold after entering the country, more product to be sent by sea rather than air and less product discarded at the expiry date.

MLA is currently assisting exporters in taking advantage of the changes and will continue to advocate for permanent changes in markets that have not yet made adjustments.

Overall, MLA's contribution to the reform of both economic access conditions and the alleviation of non-tariff barriers is assisting the delivery of the *Red Meat 2030* vision of 'doubling the value of red meat sales' and 'reducing trade barriers by \$1 billion'.

More trade certainty for live cattle and red meat exports



The Indonesia-Australia Comprehensive Economic Partnership Agreement (IA-CEPA) entered into force on 5 July 2020, paving the way for more trade certainty for live cattle exports and the elimination of tariffs for all boxed product.

Benefits of the IA-CEPA to the Australian red meat and livestock industry include:

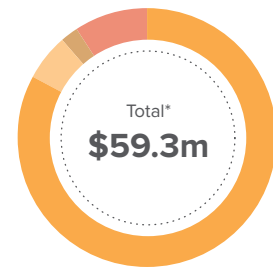
1. Duty-free quota for 575,000 head of live male cattle in the first year, which will grow by 4% a year over five years to 700,000 head
2. Import permits to be issued automatically on an annual basis and (without seasonal restrictions)
3. Liberalised access for live female cattle exported to Indonesia, with 0% tariff on entry into force of the agreement and no quota or import permit restrictions
4. Immediate or gradual liberalisation of tariffs applicable to boxed beef and sheepmeat exports to Indonesia – whereby those tariff lines not already benefiting from 0% tariffs secured under the ASEAN-Australia-New Zealand FTA, will benefit from either a 0% or 2.5% tariff on entry into force (down from 5%). The tariffs will be eliminated altogether over five years.



With Australian red meat facing increasing competition from other red meat suppliers and protein products in global markets, the industry must aggressively promote its superior points of difference to global customers and consumers – safety, quality and traceability. MLA also segments markets based on the size of the opportunity and the risks.

MLA's focus in the domestic market is to ensure beef and lamb remain popular meal choices by focusing on Australian red meat's value proposition and business development.

2019–20 investment by funding source



- Producer levies **\$49.2m**
- Government funding **\$3.4m**
- Processor contributions **\$1.4m**
- Other sources **\$5.3m**

* Total includes \$5.3m invested via MLA Donor Company

OVERVIEW

Australian beef continues to be ‘the greatest’

MLA's 2019 pre-summer beef campaign inspired consumers to feel pride in choosing not just beef, but ‘the greatest meat on earth’ for their easy mid-week dinners.

The campaign responded to MLA consumer insights which identified that while beef is a desired protein, the decision to buy it is often impacted at the point of purchase. This is mainly driven by:

- lower prices of competitor proteins
- the fact that beef isn't usually considered for quick and easy meals

To change the perception that beef is hard to cook, the campaign showcased quick and easy beef recipes using outdoor advertising and shopping centre ad panels to appeal to shoppers as they entered supermarkets and butcher shops.

The six-week campaign built on the successful ‘Australian Beef. The Greatest’ tagline and featured Brian the Butcher. It resulted in 25% of consumers agreeing to pay more for beef (the campaign target was 21%). The integrated campaign ran across

TV, online, social, radio and in public spaces, generating strong engagement:

- 1.4 million online TV views
- reached >3.7 million people on social media (up 68% from previous campaign)
- 1.1 million online video views (up 24% from previous campaign).

Aussies reconnect face-to-face with lamb

MLA's highly-anticipated 2020 summer lamb campaign, ‘Lambalytica’, inspired Australians to disconnect from their devices and reconnect face-to-face with Australian lamb.

The six-week integrated campaign reminded a tech-obsessed nation about real-life connection and reunited Aussies – distracted by their phones, screens and social platforms – over delicious lamb meals. Following the campaign, 25% of consumers agreed to pay more for lamb (the campaign target was 21%).

Promoted across TV, radio, digital, social, outdoor and point of sale channels, Lambalytica generated strong national interest with 466 pieces of media coverage and 888,000 TV commercial views.

True Aussie around the world

Aussie red meat takes a trip to Japan

Australian beef and lamb featured prominently at the annual Supermarket Tradeshaw held in Japan in February 2020, with MLA's True Aussie Beef and Lamb stand hosting 10 Australian exporters.

Visitors to the True Aussie stand enjoyed beef and lamb tastings prepared by celebrity Chef Kudo, as well as live cooking demonstrations and education sessions.

The tradeshow – attended by more than 80,000 people – provided an excellent opportunity for the 10 Australian exporters to connect with all major supermarket chains in Japan. As a result of this event, 90% of exporters who attended reported new business opportunities.



Bringing the taste of Australia to the US

The True Aussie brand set out on a mission to bring the taste of Australian beef and lamb to influential tastemakers in the American food industry by creating an exclusive and sensorial three-night dinner series held in Washington DC.

The overarching goal was to create conversations beyond the event and have True Aussie Beef and Lamb recognised as high quality and the preferred red meat choice.

Event highlights include:

- 176 attendees
- 26 industry influencers attended with a combined reach of 775,000
- 95 media articles published reaching 47.7 million
- 70 million social media impressions
- 780,000 people engaged on social media.

Consumer awareness activities such as these immersive dinners, TV appearances and hotel programs contributed to an increase in sales of 11.9% for Australian beef and 1.8% for Australian lamb in Washington DC.

Pivoting marketing campaigns during COVID-19

The volatile nature of COVID-19 is having an influence on the demand for red meat across the globe, with most international markets experiencing a spike in retail sales and a plunge in foodservice.

MLA is responding to these trends by implementing a global strategy to ensure red meat remains on plates around the world. The strategy focuses on:

1. **Food hacks:** Helping consumers learn how to cook at home with red meat through inspirational online content.
2. **Trust and immunity:** Consumers are gravitating towards brands they trust and foods with nutrition benefits therefore, reinforcing the nutritional benefits of Australian red meat is paramount.
3. **Digital development:** With large gatherings likely to be forbidden for some time, people are turning to online communications like never before, so MLA will move as many business development events and seminars online as possible.
4. **Tactical support:** COVID-19 has caused disruption to supply chains with an oversupply of some cuts and substantial revenue loss for some customers. MLA introduced short-term additional financial support measures via the CoMarketing program to support brand owners during this difficult trading environment.
5. **Clear communication:** MLA has adapted a number of its communication channels to provide a clear and consistent line of communication with global stakeholders.

CoMarketing

MLA continued to support the development and marketing of Australian red meat brands through the CoMarketing initiative.

CoMarketing assists producers, processors and licensed meat exporters with beef, veal, lamb and goat brands to develop superior marketing strategies, create customer loyalty and build sustainable brand growth. This investment delivers added value back down the supply chain to producers and effectively expands the reach of Australian red meat marketing programs through our global markets.

Beef:

- MLA worked with 60 beef brand owners promoting 285 beef brands, covering 675 individual activities across 29 countries/regions, with a total MLA contribution of \$3.43 million.
- 88% of beef CoMarketing participants rated their overall satisfaction with their outcomes as 7/10 or higher.

Lamb:

- MLA collaborated with 20 lamb brand owners promoting 54 brands, covering 118 individual activities across 22 regions/countries, with a total MLA contribution of \$585,000.
- 75% of lamb CoMarketing participants rated their overall satisfaction with their outcomes as 7/10 or higher.

Goatmeat:

- MLA contributed approximately \$19,816 to 13 goatmeat activities in two countries.

Ensuring the best experience for foodservice customers



MLA's Corporate Chef Sam Burke

MLA is keeping red meat on menus by partnering with foodservice companies to build their employees' skills and knowledge of red meat through masterclasses.

MLA's Corporate Chef, Sam Burke, offers foodservice operators tailored menu solutions as well as in-house training to ensure the right red meat cut is used with the right cook method to get the best eating experience.

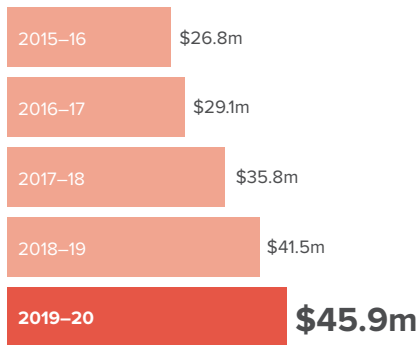
2019–20 MLA masterclass highlights include:

- >650 foodservice professionals attended 29 MLA masterclasses.
- MLA conducted menu development and delivered masterclasses to Australia's top three commercial caterers, with a total of 27 red meat recipes adopted into these businesses.
- Meat Standards Australia and culinary training was conducted with frontline chefs on-board the P&O Explorer cruise ship, leading to an additional 2.5 tonnes of beef and lamb consumed on-board the cruise ship over a three-day period.
- Estia Health Aged Care's annual beef and lamb purchases increased from 115 tonnes to 130 tonnes.

Supply chain efficiency and integrity

Satisfied customers and industry partners working in collaboration are signs of a well-functioning value chain. The red meat and livestock industry strives to achieve this through Meat Standards Australia, which guarantees consumers a minimum eating quality in their red meat purchases, and also through integrity systems that underpin clean, safe, natural and traceability claims. Integrity systems underpin marketing efforts to differentiate Australian red meat from other red meat competitors and proteins. Additionally, integrity systems underpin Australian strong reputation as a supplier of quality, safe and wholesome red meat products.

Investment over time

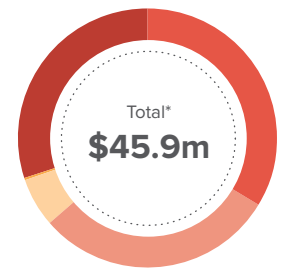


2019-20 investment by priority



- Optimising product quality and cost efficiency **\$29.9m**
- Guaranteeing product quality and systems integrity **\$16.0m**

2019-20 investment by funding source



- Producer levies **\$15.5m**
- Government funding **\$13.8m**
- Processor contributions **\$2.8m**
- LiveCorp contributions **\$0.1m**
- Other sources **\$13.7m**

* Total includes \$14.0m invested via MLA Donor Company



Key performance indicators

34
KPIs

- 24 achieved
- 1 partly achieved
- 9 not achieved

See Appendix A for a full list of KPIs. Please note some KPIs may be relevant across several pillars.

Alignment to industry and government priorities

MEAT INDUSTRY STRATEGIC PLAN (MISP) 2020 PRIORITIES

- Optimising product quality and cost efficiency
- Guaranteeing product quality and systems integrity

AUSTRALIAN GOVERNMENT PRIORITIES

Science and Research	Rural Research, Development and Extension
<ul style="list-style-type: none"> • Food • Transport 	<ul style="list-style-type: none"> • Advanced technology • Adoption of research and development • Biosecurity

HIGHLIGHTS

\$172 million in additional farm gate returns

through Meat Standards Australia (page 30)



Average MSA Index increased

to a record 58.03 (page 30)



57% of the national lamb slaughter

processed through MSA licensed processors (page 30)



Eating Quality Graded (EQG) cipher adopted

by the Australian beef industry (page 30)



2,021 producers

now have access to valuable carcase feedback through Livestock Data Link (page 32)



NLIS Early Warning

status made available to help the supply chain manage biosecurity and food safety risks (page 33)



A new, mobile-friendly version

of the electronic National Vendor Declaration (eNVD) system was launched (page 33)



New online hub for Australia's red meat integrity system

(page 32)



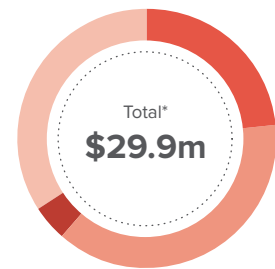


Optimising product quality and cost efficiency

Since its inception in 1998, the industry’s uptake of Meat Standards Australia (MSA) has helped lift the eating quality of red meat in the domestic market. The opportunity now exists to broaden the reach of MSA to export markets by providing marketers with a tool to sell Australian beef and lamb with eating quality claims.

This priority also works with individual supply chains to reduce the eating quality variation within a production run and segregate and extract higher premiums for product with higher eating quality. There is also opportunity to improve the value of the carcass through value-based pricing, underpinned by accurate and transparent objective measurements.

2019–20 investment by funding source



- Producer levies **\$7.0m**
- Government funding **\$11.4m**
- Processor contributions **\$1.3m**
- Other sources **\$10.2m**

* Total includes \$13.2m invested via MLA Donor Company

OVERVIEW

Meat Standards Australia (MSA) update

Beef

MSA delivered an estimated \$172 million in additional farm gate returns to beef producers during 2019–20. A record-breaking 3.8 million cattle were MSA graded, representing 46% of the national adult cattle slaughter, up 3% from last year. MSA compliance rates for beef increased to 94.4% from 93.8% in 2018–19.

The MSA Index is a score between 30 and 80, assigned to beef carcasses to represent the eating quality potential of a whole carcass. It’s a tool that producers and lot feeders can use to benchmark the impact of genetic and management interventions on eating quality, across time periods. In 2019–20, the national average MSA Index increased to a record 58.03, up from 57.48 in 2018–19.

Sheepmeat

The number of sheep following MSA pathways in 2019–20 represented 22% of the national lamb slaughter (4.3 million sheep), with 64% of these going on into MSA-trademarked brands. Out of the national lamb slaughter, 57% was processed through MSA licensed processors.

Brands

In June 2020, brand owners and processors (who represent 50% of MSA graded beef) adopted the Eating Quality Graded (EQG) cipher for both domestic and international markets.

The implementation of the EQG cipher is a recommendation from the Australian Beef Language Review. Estimated to potentially add \$46 million to the supply chain each year, the EQG cipher is offered as an alternative to dentition-based ciphers, giving MSA brand owners the option to pack and label beef according to consumer eating quality outcomes.

Changes to MSA

MSA rolled out several changes to its beef model, the MSA Vendor Declaration Form and myMSA in 2020 to deliver more benefits throughout the value chain, particularly to consumers.

Although the changes were originally scheduled for June 2019, the implementation timeline was extended as per MLA’s *Annual Investment Plan 2019–20*, with changes taking effect in June 2020.

These changes commercialise seven years and \$12 million worth of investment in eating quality research, including doubling the amount of consumer taste test data, and are set to benefit the entire supply chain.

Key enhancements include:

- Hump height is now used as a direct predictor of eating quality rather than an estimate of tropical breed content.
- The number of ‘cut by cook’ combinations have increased from 169 to 275 to give cut options to the foodservice industry and provide increasingly popular cooking methods such as sous vide and combi-oven roasting.
- The MSA Vendor Declaration Form has been revised to simplify how producers record tropical breed content. It also provides an option for owners who use agistment or custom feeding to receive direct carcass feedback through the myMSA feedback portal.
- New myMSA features will enable producers to access an Opportunity Index on cattle that did not meet minimum MSA grading requirements, giving producers an indication of the potential value of those carcasses if they addressed the reasons for non-compliance. The myMSA online portal has also been refreshed to be more user-friendly.

The upgrades were supported by the MSA Pathways R&D Committee, MSA Beef Taskforce and, the Australian Meat Industry Language and Standards Committee.

MSA producer awards

MSA-registered beef producers who consistently deliver superior eating quality beef were recognised through the biennial MSA Excellence in Eating Quality series.

The series included six state-based events, with the program including a producer education forum, and awards presentation which attracted 543 attendees.

The theme of the forum was 'Consumer trends driving on-farm change' which brought speakers from across the value chain including representatives from brands, processors, supermarkets and restaurants to help producers:

- understand the links between consumer trends, customer requirements and on-farm production
- learn how to use the *2019 Australian Beef Quality Insights* report as a tool to understand the on-farm production factors and choices that impact beef eating quality
- learn what tools and resources are available to make practical on-farm change to the benefit of their herd's eating quality outcomes.

Awards were announced in each state for 'Most Outstanding MSA Feedlot' and two awards for 'Most Outstanding MSA Beef Producers', to recognise producers of both larger and smaller (non-feedlot) MSA consignment volumes. One producer from each state also won the MSA Excellence in Eating Quality Progress Award for showing the greatest improvement in their MSA results since the last Awards series.

The event produced positive results, with 93% of attendees rating the information sessions as four or five out of five (one being poor and five being excellent) and more than one third said they would change their on-farm practices as a result of the information they heard in the forums.



Martin and Rosemary Walker, Flinders Island, won the MSA Progress Award for showing the greatest improvement in their MSA results since the last Awards series in 2017.

Early adopters of MSA reaping rewards



The Campbell family, Merriwa, NSW

A decision to register for Meat Standards Australia (MSA) 20 years ago is paying off for the Campbell family at Merriwa, NSW, who are reliably selling into domestic supermarkets all year round despite drought conditions.

The Campbell family won the 2019 MSA Excellence in Eating Quality Awards for Most Outstanding MSA Producer, Band 1, in NSW.

Peter Campbell and his family run a 2,640ha mixed-farming operation where they breed Angus cattle, run a crossbred lamb enterprise and crop around 600ha.

They supply 450 head of cattle a year to Woolworths under a supplementary-fed contract, which allows the Campbells to finish stock using grain.

The cattle are mostly managed in a rotational grazing system on native and improved lucerne-based pastures, but in recent times, Peter has finished them in drought paddocks using a grain ration of wheat, barley, sorghum and hay to help stock reach live weights of at least 500kg.

As well as nutrition, Peter says low stress stock handling plays an important role in meeting MSA compliance.

MSA figures show how stress in cattle has a direct correlation with high pH levels. Cattle that want to run or spook easily cause the pH levels to go up and that can make for tough beef. It's for this reason that MSA has a minimum requirement of meat pH to be lower than 5.71.

To reduce stress in their livestock, the Campbell family:

- cart their own stock, so they can manage the animals right up until slaughter
- only use quad bikes and dogs in the paddock
- handle the stock daily in the yards without dogs.

The Campbell family was able to achieve 99.7% compliance to MSA requirements during 2017–19.

Australian red meat is marketed as clean, safe and natural, underpinned by its disease-free status and advanced food safety and integrity systems. As our competitors build their own capabilities to deliver a similar product claim, it is essential for Australia to enhance our systems and technologies to keep ahead of our competitors and maintain our point of difference.

Raising the bar of our integrity systems also helps Australia continue to access markets which demand higher levels of product assurance. With the development of the *Integrity System 2025 and Beyond Strategy*, investments will be made into sourcing the best technology and data systems available, which will strengthen the systems even further, while also reducing the complexity and demands of the system on the supply chain.

2019–20 investment by funding source



- Producer levies **\$8.5m**
- Government funding **\$2.3m**
- Processor contributions **\$1.5m**
- LiveCorp contributions **\$0.1m**
- Other sources **\$3.5m**

* Total includes \$0.9m invested via MLA Donor Company

OVERVIEW

Integrity System 2025 Strategic Plan update

Integrity Systems Company (ISC) has implemented several new initiatives as part of the *Integrity System 2025 and Beyond Strategy* (IS2025 Plan), which aims to:

- prepare the industry for the future
- guide valuable investment into the integrity system and its programs
- ensure the system remains recognised and trusted globally as underpinning a quality product, produced to rigorous standards and embedded in Australian livestock management.

One of the key activities undertaken in 2019–20 was the development of revised National Livestock Identification System (NLIS) device standards.

The revised standards promote assessment of animal identification technologies based on tangible outcomes, and provide customers with more clarity around the 'lifetime traceability' objectives of NLIS; for example, ensuring animals can be traced effectively for disease control and food safety purposes.

Other examples of new initiatives as part of IS2025 include:

- With the ultimate objective of the IS2025 Plan to integrate automation where possible, ISC is examining how other industries around the world are verifying products through technology, rather than relying on systems and paperwork.
- ISC has undertaken a global investigation to explore new approaches to compliance in different industries or sectors that have similar objectives to the Livestock Production Assurance (LPA) program.
- ISC has also started research and development on an implantable radio-frequency identification (RFID) microchip for cattle.

Livestock Data Link

A range of enhancements to the online carcass feedback resource, Livestock Data Link (LDL), were released in 2019–20.

Animal disease and defect feedback reporting in LDL was expanded beyond sheep to include beef consignments at participating processors. This allows producers to monitor

disease prevalence in their livestock and make informed decisions to maximise carcass yield outcomes and profitability.

The beef disease and defect report in LDL is initially reporting on five conditions – liver abscesses, liver fluke, hydatids, nephritis and pneumonia – with feedback on additional conditions available in the future.

For producers consigning to participating processors, there is a Solutions to Feedback library available in LDL, providing information on the conditions and prevention and treatment options. As at 30 June 2020, LDL was used by 2,021 producers, an increase of 386 year-on-year.

Through its link with LDL, the National Sheep Health Monitoring Project has been able to supply 2019–20 animal health feedback for around 5.5 million sheep.

New online hub for Australia's red meat integrity system

Livestock producers and supply chain stakeholders can now access information and resources for Australia's red meat integrity system in the one location with the Integrity Systems Company (ISC) website launched in November 2019.

The website (integritysystems.com.au) houses all resources for the three key elements which make up Australia's red meat integrity system:

- the Livestock Production Assurance (LPA) program
- National Vendor Declarations (NVDs)
- the National Livestock Identification System (NLIS).

The website brings together all of the integrity system's resources that were previously housed on multiple websites, in a format that is easy to navigate for new and existing producers.

Since its launch, integritysystems.com.au had 192,678 visitors and 1,235,144 page views.

Integrity Matters e-newsletter is also distributed monthly to keep producers up-to-date on the latest integrity system developments.

Livestock Production Assurance update

The Livestock Production Assurance (LPA) program is the on-farm assurance program that underpins market access for Australian red meat. It provides evidence of livestock history and on-farm practices when transferring livestock through the value chain.

More than 152,000 producers have now completed the accreditation process under the Integrity Systems Company's (ISC) enhanced program since its launch on 1 October 2017. Of these producers: 28,705 were new accreditations, 18,835 were voluntary renewals and 104,460 were requested renewals.

While LPA is a voluntary program, it's recognised both domestically and internationally, and demanded by supply chains around the globe. As part of the program, ISC oversees close to 2,000 random audits and 1,000 targeted audits of LPA-accredited producers each year.

National Livestock Identification System update

The National Livestock Identification System (NLIS) is Australia's system for the identification and traceability of cattle, sheep and goats. NLIS reflects Australia's commitment to biosecurity and food safety and provides a competitive advantage in a global market.

NLIS movement recording compliance was 96.01% in 2019–20. This was just above the published key performance indicator of 96%. NLIS data showed cattle movements decreased by 3% to 22.7 million. NLIS sheep (mob) movements decreased by 4% to 36.6 million and goat (mob) movements decreased by 16% to 2.1 million. Individual NLIS sheep movements increased 9% to 12 million and individual goat movements increased 14% to 8,835.

In 2019–20, the NLIS Early Warning status was made available to all account holders within the NLIS database to help the supply chain manage the biosecurity or food safety risks that come with buying and selling animals. The NLIS Early Warning status identifies whether the vendor's property has an animal on-farm that may be considered a risk to the buyer. It does not identify what the status relates to or which specific animal it is assigned to.

ISC Stakeholder Forum and Red Meat 2019

The opportunities available through data systems and technology to simplify yet strengthen Australia's red meat integrity system were among the key topics at the inaugural Integrity System Company (ISC) Stakeholder Forum. The forum was held in Sydney in August 2019 and attended by more than 80 producers and industry stakeholders.

ISC also shared developments in integrity system programs and assisted stakeholders with accessing the latest tools and resources at Red Meat 2019 (page 51). At the flagship industry event, ISC hosted a panel discussion of stakeholders from throughout the value chain. The panel agreed that improved use of data and technologies is key to ensuring transformational change in Australia's red meat integrity system in order to maintain Australia's competitive edge in the global market.

Updated eNVD system launched



A new, mobile-friendly version of the electronic National Vendor Declaration (eNVD) system was launched in April 2020, providing an efficient and convenient platform to complete livestock consignments and meet Livestock Production Assurance (LPA) program requirements.

The updated eNVD has a user-centric design that is easy to navigate, removes duplication and can be completed on a mobile device or desktop computer by LPA accredited producers, feedlots and value chain stakeholders.

Other changes include the release of updated versions of LPA NVDs for all species on 1 July and the decommissioning of the eDEC system at the end of 2020.

The development of updated versions of LPA NVDs for all species followed a review of all current NVD versions by SAFEMEAT in 2019, which recommended a number of changes be made.

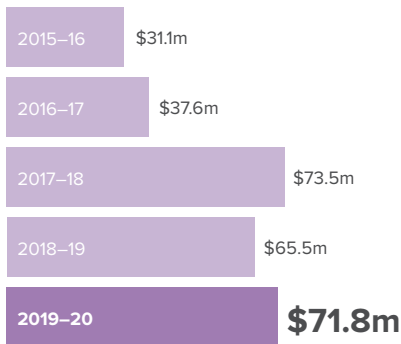
With the release of the new eNVD system – which does everything the eDEC does but in a more user-friendly way – the eDEC system will be decommissioned on 31 December 2020.

Productivity and profitability

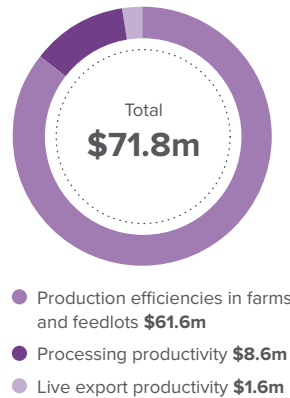
Increasing productivity and profitability across the red meat and livestock industry will assist all supply chain participants to raise their competitiveness, improve long-term sustainability and help offset the long running cost-price squeeze.

Encouraging the red meat supply chain to increase its productivity requires a new approach to research adoption. Providing producers, lot feeders, live exporters and processors with compelling commercial benefits to implement research and development is another priority. Also critical is the supply of timely, accurate and relevant tools, technologies and information.

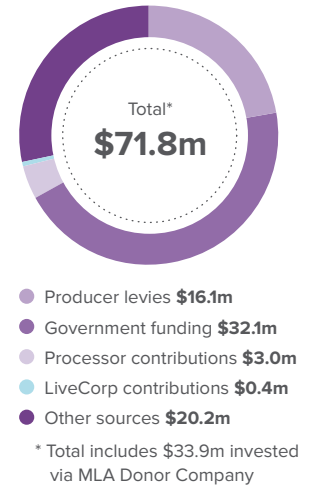
Investment over time



2019-20 investment by priority



2019-20 investment by funding source



Key performance indicators

58
KPIs

- 42 achieved
- 3 partly achieved
- 12 not achieved
- 1 not available

See Appendix A for a full list of KPIs. Please note some KPIs may be relevant across several pillars.

Alignment to industry and government priorities

MEAT INDUSTRY STRATEGIC PLAN (MISP) 2020 PRIORITIES

- Production efficiencies in farms and feedlots
- Processing productivity
- Live export productivity

AUSTRALIAN GOVERNMENT PRIORITIES

Science and Research

- Soil and water
- Food
- Transport
- Environmental change
- Advanced manufacturing
- Energy

Rural Research, Development and Extension

- Advanced technology
- Adoption of research and development
- Soil, water and managing natural resources

HIGHLIGHTS

Genetics data easier to access
(page 36)



>8,000 visitors
to MLA's new genetics hub
(page 36)



30% improvement in phosphorus use
efficiency demonstrated
(page 36)



\$6.35 million worth of new R&D investment
funded through the producer-driven annual call process (page 37)



New feedlot technologies
progress towards commercialisation
(page 37)



Adoption of DEXA technology
continues across Australia (page 38)



Two carcass value calculators developed
for beef and lamb
(page 39)



620% increase in livestock imports
for a key Vietnamese supply chain
(page 41)



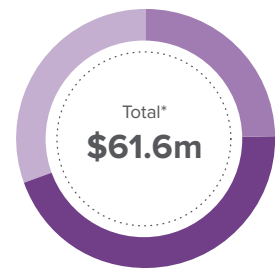


Production efficiencies in farms and feedlots

For producers and lot feeders to remain competitive and sustainable in the long-term, MLA's research, development and adoption programs need to deliver outcomes that improve their bottom line. This priority is focused on providing producers and lot feeders with options to improve the efficiency of their operations through programs including genetics and genomics, feedbase, reproduction, animal nutrition, compliance to market specifications and feed efficiency.

MLA will support the uptake of new practices through outcomes focused on producer education, training and coaching.

2019–20 investment by funding source



- Producer levies **\$15.3m**
- Government funding **\$27.6m**
- Other sources **\$18.7m**

* Total includes \$31.7m invested via MLA Donor Company

OVERVIEW

Genetics: easier to access than ever before

In 2019–20, MLA's genetics team focused on widening the impact of their research by making its outputs more accessible to more people. Through upgrading web interfaces (see examples below) to offer a more user-friendly design, it's now easier than ever to access genetics data and use it on-farm to boost productivity and profitability.

To produce the data that will drive genetic progress across traits such as productivity and eating quality, MLA's genetics program focused on a number of key projects. These include:

Sheep and lamb genetics:

Genomics database. Sheep CRC's extensive genomics database was transitioned to MLA as a boost to the Sheep Genetics program. Genomic testing in the sheep industry has substantially increased over a 12-month period, with 70,000 parentage tests and 40,000 genomic tests being added to the database.

Research breeding values. Sheep Genetics has released research breeding values for four reproduction traits, including 'ewe rearing ability' as a measure of lamb survival. Lamb survival is a crucial factor in successful sheep operations but producers haven't been able to select for it until now. This development will allow producers to start selecting for it directly in the first example of improving lamb survival through genetics.

Terminal sire indexes. Ongoing research into eating quality is underpinning new terminal sire indexes that lead to an improvement in gains for intra-muscular fat while maintaining productivity traits. More than 2,000 lambs are currently being tested through consumer sensory testing for eating quality to provide information on this.

Beef genetics:

BREEDPLAN. In consultation with cattle breed societies, MLA has progressed the implementation of multi-breed BREEDPLAN evaluations. These evaluations are the result of a number of projects investigating technical and data barriers currently within the beef genetics space, and will focus on enabling producers to access multi-breed data.

Accelerating productivity with genetics

MLA's genetics hub (genetics.mla.com.au) was launched in mid-2019 with a suite of materials rolling out from July. This launch came after 12 months of pre-work: filming videos, developing animated resources, collecting case studies and building the new website.

The hub was designed to help producers navigate genetics fundamentals. It assists people who have very little knowledge in the genetics space to understand their importance in livestock operations and to consider using genetics in their business.

As at June 2020, there were more than 8,000 unique visitors to the website, with 16% of people returning for further information. There have also been more than 12,000 video views, and more than 50 industry stakeholders (such as breed societies) have shared the hub resources through their own communications channels.

A second round of short videos will be released in the second half of 2020 and will further assist producers seeking to accelerate their productivity with genetics.

Feedbase program delivering results

MLA's feedbase program focuses on creating producer resources to improve productivity, profitability, efficiency and resilience in livestock enterprises. The program produced a number of key outputs in 2019–20, including:

Phosphorus-efficient pastures project

This MLA-funded project demonstrated a 30% improvement of phosphorus (P) efficiency through the targeted use of P fertiliser to soils and the use of more P-efficient legumes. Researchers found the key is to fertilise pasture to its critical soil test requirement, as this is expected to slow the 'locking' of P in soil.

The project also identified P-efficient legumes that produce multiple benefits for producers, including pasture productivity, and using both rainfall and soil nutrients more efficiently.

This work provides producers with resilient pastures for the future, underpinning higher productivity and profitability of operations. To find out more, visit: mla.com.au/phosphorus

Pasture Trials Network

Producers can often have a lack of confidence in transitioning to new pasture varieties, driven by limited comparative variety performance data or a low level of trust in the data available.

Since 2014, the MLA-supported Pasture Trials Network project has conducted 104 pasture trials across 31 sites (encompassing 12 species) to provide objective measures of seasonal pastures. The results of these are now available at tools.mla.com.au/ptn and provide producers with the relevant variety performance data to make decisions on-farm.

Pasture dieback science forum

Pasture dieback causes death of grass pastures across a range of sown and native species in Queensland and the northern coast of NSW.

MLA's Pasture Dieback Science Forum in June 2020 was an opportunity for further collaboration among key researchers and red meat industry groups as work continues to find solutions to the destructive pasture condition, for which mealybug is the leading suspect.

Seven new MLA-funded projects focused on pasture dieback will soon commence which directly address the research, development and adoption priorities for grassfed beef and sheepmeat industries. To stay up-to-date on the latest pasture dieback news, visit: mla.com.au/dieback

Regional Consultation addresses producer priorities

MLA's Regional Consultation framework provides an opportunity for producers to have their say on how their levies are being spent and where they would like to see them drive improvements for the industry.

In the 2019–20 investment call, producers directly influenced the endorsement of 14 R&D projects worth a total of \$6.35 million:

Refining body condition score for region, season, breed and responsiveness	A review of the impact of heat stress on reproductive performance in sheep
Increasing lambing percentages through better use of pregnancy scanning technology	Calf 48 hour – better detection of calving events for improved productivity
Improved calf output utilising real-time monitoring of cow reproductive behaviours	Boosting natural regeneration of the nitrogen capital in grazing lands
Quantifying spatial and temporal changes in feed supply and demand	Integrated management and development of additional agents for Parkinsonia
Quantifying neonatal mortality and reproductive performance in southern beef herds	Not enough nodules – impacts of herbicides, pesticides and other farm management tactics
A new hope for the biological control of blackberry	A novel amino acid approach to lamb survival
Calf loss consortium	Confinement feeding for sheep

For more information on the projects listed above, visit: mla.com.au/investmentcall

A win for feedlot technology



Alec Gurman and Dr Stuart McCarthy of Manabotix with BunkBot

MLA invests grainfed levies to increase the lot feeding industry's productivity and profitability through the development of innovative technologies.

After initially trialling 'BunkBot' and 'BunkScanner' – automated technology to objectively determine remaining feed in bunks at feedlots – in 2019, these technologies, developed by Manabotix, are progressing towards commercialisation.

The technology offers the potential for reduced feed waste and human resources to be allocated to other areas of the feedlot as feed calling becomes automated.

Experiments are currently underway across two separate feedlots to determine the value proposition of BunkScanner. Through analysing carcass weights, feed intake and animal health performance, clear indications of value will soon be evident to potential buyers.

BunkBot demonstrations are also set to be held at a Darling Downs feedlot from November 2020. The demonstrations will give lot feeders the opportunity to examine the technology in action and see how it's already benefiting the feedlot's bunk management regime.

Sales have already been initiated on both BunkScanner and BunkBot technologies, with the first commercial sale of a BunkBot unit to a lot feeder occurring in 2020. At the time of print, implementation at the feedlot was yet to occur due to COVID-19 restrictions.

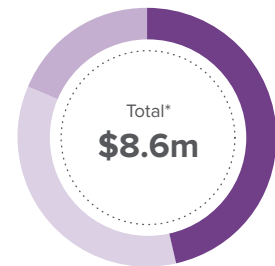


Processing productivity

With Australian red meat facing intense price competition from other proteins and exporting nations, every cent counts during processing.

To help processors increase their efficiency and minimise production costs, this priority is focused on maximising value, addressing labour availability and workplace health and safety issues. Automation technologies and objective measurement will be the primary avenues to achieve this.

2019–20 investment by funding source



- Government funding **\$4.0m**
- Processor contributions **\$3.0m**
- Other sources **\$1.6m**

* Total includes \$2.2m invested via MLA Donor Company

OVERVIEW

Adoption of DEXA systems across Australia

Dual energy X-ray absorptiometry (DEXA) is an objective management tool that accurately measures carcass composition through examining the levels of meat, fat and bone present.

Since the technology's launch in 2016, DEXA systems have continued to be adopted by meat processing plants across Australia, with ongoing integration at Bordertown, Brooklyn and Gundagai occurring in 2019–20. Although further installations were scheduled, they were postponed due to the impacts of COVID-19.

The precise measurements provided by DEXA improve the prediction of lean meat yield by two-to-three fold (compared with other weight and fat depth measures), significantly increasing the capacity of processors to provide carcass value feedback to producers.

In 2020–21, DEXA technology will separate the whole carcass yield into a fore, middle and hindquarter regional yield. This will further optimise lean meat yield predictions, which can increase the overall value of the carcass as processors identify which cuts to sell to specific markets.

Dual-energy X-ray absorptiometry has come a long way over the past five years and is already demonstrating long-term impacts for the red meat industry.

- **2014** Trials in New Zealand demonstrated the feasibility of DEXA technology to measure lean meat yield
- **2015** JBS Bordertown conducted a DEXA feasibility demonstration
- **2016** First lamb DEXA calibration completed by Murdoch University
- **July 2016** ALMTech Rural R&D for Profit Program established; DEXA calibration and test method developed
- **May 2017** MLA Board approved the roll-out of DEXA technology to the wider red meat industry
- **July 2017** Objective Measurement Adoption Committee established
- **August 2017** Installation of lamb DEXA technology at JBS Brooklyn
- **September 2017** Objective carcass measurement supported by the Senate Standing Committees on Rural and Regional Affairs and Transport
- **December 2017** Installation of beef DEXA technology at Teys Australia Lakes Creek
- **July 2019** MLA announced a world-first beef boning automation R&D room to be built at Teys Australia Lakes Creek, enabled by DEXA (page 39)
- **December 2019** Installation of lamb DEXA technology at Gundagai Meat Processors

Installations of lamb DEXA technology at Frew Group in Stawell and Wammco in Katanning are also expected in 2020–21, pending no COVID-19 related delays.

Carcase value calculators in development

Development of lamb and beef carcass value calculators, led by MLA through the Australian Livestock Measurement Technologies (ALMTech) program, is underway to estimate retail carcass cut weights and enable industry to implement value-based pricing models.

This work has resulted in two decision-support calculators, which are now being evaluated by various red meat supply chain participants:

- The Carcass Value Calculator will facilitate more precise predictions of primal and cut weights, and more accurate price modelling for carcass types.
- The Boning Room Optimiser is designed to allocate carcasses to their most suitable market. This ensures the highest level of profitability is being achieved.

The adoption of these calculators will give processors, retailers and exporters enhanced ability to allocate carcasses and cuts to their most valuable markets.

Objective eating quality improvements

While consumer preferences surrounding eating quality are subjective, the attributes which make up 'high quality red meat' tend to revolve around tenderness, juiciness and flavour, of which marbling score and intramuscular fat are both important components.

In 2019–20, innovative grading cameras demonstrated their ability to measure beef marbling score – as well as other grading characteristics – through spectral imaging, enabling processors to objectively score some parts of the beef carcass for their eating quality attributes.

Although there is currently no subjective or objective production measurement of marbling or intramuscular fat for lamb carcasses, a number of candidate technologies begun assessment via the Australian Livestock Measurement Technologies (ALMTech) program in 2019–20. These potential technologies cover both eye-muscle cut surface and uncut carcass measurement opportunities.

Going forward, this individual carcass data for eating quality will complement DEXA technology and enable lamb producers to manage the balance required between yield and eating quality.

Differentiation through objective measurement is expected to reinforce the superior quality of Australia's red meat products and further strengthen the industry's reputation in global markets.

Higher carcass values through automation



The new beef boning automation room will leverage on findings from the current lamb boning automation technology, LEAP™

In collaboration with industry partners Teys Australia, Rapiscan Systems™, Scott Automation and Robotics and Greenleaf, MLA has invested in a five-year project (commencing in 2019–20) to establish the world's first beef boning automation research and development room.

Leveraging on learnings from the current lamb boning automation technology known as LEAP™, the beef boning automation room will be enabled by 3D X-ray computed tomography and DEXA (dual-energy X-ray absorptiometry) objective carcass measurement technology.

The boning technology will automate the critical horizontal and vertical carcass scribing cuts, as well as a more precise breakdown of valuable beef cuts such as the ribset and striploin primals to maximise meat yield while minimising trim losses.

The adoption of beef boning automation is expected to increase carcass value by more than \$36/head and will provide long-term financial benefits to processors and beef producers around Australia.

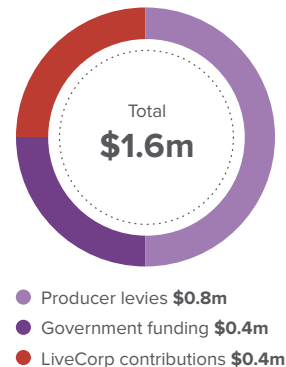


Live export productivity

One of the significant challenges for the Australian livestock export industry is to remain internationally competitive while working within existing regulatory frameworks.

This priority addresses this by identifying cost savings, particularly in regulatory compliance and transport. This area also aims to improve animal health and welfare and productivity through the supply chain.

2019–20 investment by funding source



OVERVIEW

***Eid Al Adha* support for exporters**

Australian exporters who transport livestock to the Middle East North Africa (MENA) region have been supported to mitigate compliance risks during the religious *Eid Al Adha* period.

Eid Al Adha is generally considered a high risk period for Australian livestock exports, as there is a cultural preference to sacrifice and consume home-grown livestock for the festival.

The *Eid Al Adha* Support Program was developed through MLA's Live Export Program (LEP) to provide assistance to exporters over the period, including the provision of reports based on market insights that highlight key risks around the festival and support with planning.

During the 2019 festival, held from 11–12 August, the LEP conducted site visits across Jordan, the United Arab Emirates, Kuwait and Oman to provide real-time, daily updates to exporters so they could adapt operations as necessary. Feedback from these exporters indicated they value the independent opinion of the LEP in these scenarios and often used this information in their discussions with the Australian government about their compliance during the festival.

This program demonstrates a wide-reaching response to industry challenges and the capacity of reliable insights to inform in-market strategies.

Animal Welfare Officers' Forum in Indonesia

A key challenge for the livestock export industry is to ensure the trade continues to meet community expectations and remains supported and profitable in global markets.

As part of a continued effort to meet these expectations, the Animal Welfare Officers' Forum in Indonesia was formalised through MLA's Live Export Program (LEP).

Along with the formalising process, the Animal Welfare Officers' Forum has broadened significantly over the past few years

to include not only animal welfare management, but also business development, reporting, training and stakeholder communications for markets such as Indonesia.

The LEP facilitated a number of workshops and leadership seminars over the past year to assist the Animal Welfare Officers' Forum in revamping its committee and organisational structure so members are well prepared to lead their regions and present in public and academic forums.

Training Animal Welfare Officers' Forum members has helped bridge the communication gap between importers and exporters, and better inform the Australian Livestock Exporters' Council (ALEC) on supply chain and market access issues.



Business development in Vietnam

Through the Live Export Program (LEP), MLA has been working in Vietnam over the last three years to:

- understand the nature of Vietnamese supply chains and how they trade
- identify existing and future bottlenecks for Australian product
- develop resilience for Australian live export industries.

Vietnam has been a particularly challenging market to operate in due to the fragmented and developing nature of its cattle/beef industry. To combat this, the LEP placed supply chain business development officers on the ground to identify what's causing these fragmentations and how Australian exporters can maintain a consistent supply – regardless of the challenges.

Changing traditional mindsets within Vietnam to create a more sophisticated and mature market has been critical to the business development program's success, and has revolved around promoting the consistency and reliability of Australian beef.

Demonstrating Australian beef as a higher value product that could provide successful offerings in both foodservice and retail sectors resulted in a number of highlights for live export productivity.

One key Vietnamese supply chain that sources cattle from Australian producers increased livestock imports by 620% year-on-year in 2019–20. More than 10,000 head of Australian cattle are now being processed in this supply chain per year.

More importantly, this resulted in an in-market demonstration of the feasibility/advantages created by differentiating sales and distribution models, and how addressing technical barriers can increase business opportunities.

Now this concept has been successfully demonstrated, it will potentially open opportunities for its expansion to new markets and businesses in Vietnam. However, adoption into commercial operations such as these rely on businesses investing in change – something made more difficult amid COVID-19.

In contrast, COVID-19 has underpinned an opportunity in Vietnam to demonstrate the value in differentiating product lines. Supply chains that have the ability to differentiate their products in the market or to create a point of difference have demonstrated greater resilience, as they were not competing or dropping prices to achieve higher processing throughput – a promising development for Australian exporters.

Vietnam will remain a focus for the LEP to continue increasing Australia's livestock export productivity in the country.

Quality control in Vietnamese abattoirs



A traditional Vietnamese abattoir

MLA continues to support training in Vietnamese abattoirs to ensure the quality control of Australian product, and to transform them to meet modern consumer expectations around safety.

Traditional Vietnamese abattoirs (pictured) were recognised to have little-to-no control systems in place. As consumers grow increasingly health-conscious globally, this required a new approach to ensure Vietnamese abattoirs that import Australian red meat met standards of hygiene and safety.

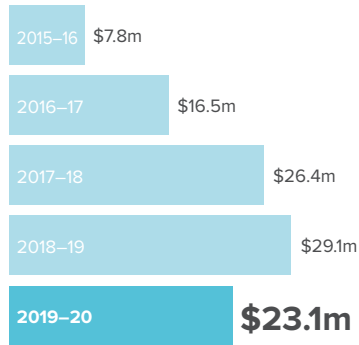
A continued drive to support the growth of meat processing plants in the country to meet health standards has resulted in a more sophisticated system with best practice methods for assuring quality.



Leadership and collaborative culture

Securing the potential of the Australian red meat and livestock industry and delivering on the ambitions of the *Meat Industry Strategic Plan 2020* requires strong industry leadership, a capable workforce and the ability to attract the best and brightest minds to the industry. For MLA, the delivery of its own Strategic Plan relies on the strength of our team and the expertise of our people. Our progress will be continually monitored, objectively measured, and transparently communicated to all stakeholders.

Investment over time



2019-20 investment by priority



- Building leadership capability **\$21.3m**
- Protecting and promoting our industry **\$1.8m**

2019-20 investment by funding source



- Producer levies **\$4.9m**
- Government funding **\$9.9m**
- Processor contributions **\$3.8m**
- Other sources **\$4.5m**

* Total includes \$10.8m invested via MLA Donor Company



Key Performance Indicators

35
KPIs

- 29 achieved
- 1 partly achieved
- 1 not achieved
- 4 not available

See Appendix A for a full list of KPIs. Please note some KPIs may be relevant across several pillars.

Alignment to industry and government priorities

MEAT INDUSTRY STRATEGIC PLAN (MISP) 2020 PRIORITIES

- Building leadership capability
- Protecting and promoting our industry

AUSTRALIAN GOVERNMENT PRIORITIES

Science and Research	Rural Research, Development and Extension
<ul style="list-style-type: none"> • Food • Environmental change 	<ul style="list-style-type: none"> • Adoption of research and development • Biosecurity

HIGHLIGHTS

60% of 2020 Nuffield Scholarship applicants

were from the red meat industry (page 44)



63% of Livestock Consulting interns

are still working with their initial program employers (page 44)



8/10 producers

found Farmers2Founders workshops useful and were willing to recommend them to their peers (page 45)



Livestock Leaders program

launched to build trust in the Australian red meat industry (page 45)



Short-term financial support measures

for red meat brands introduced through MLA's CoMarketing program (page 46)



Two new communication initiatives

announced to keep producers up-to-date amid COVID-19 (page 46)



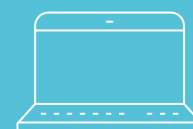
102 producers received access

to one-on-one support following natural disasters (page 47)



1,300 people registered

to join MLA's 12 Back to Business webinars (page 47)





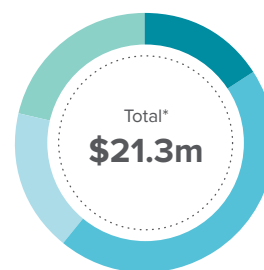
Building leadership capability

The red meat and livestock industry depends on leaders who are capable, skilled and experienced to deliver on its strategic plans.

In this priority, MLA works with the peak industry councils and other value chain participants to build the industry's capability and invest in current and emerging industry leaders through a range of professional development, graduate training, mentoring and scholarship opportunities.

Building capability extends to communicating with all industry stakeholders about the value of collaborative investment in marketing, research and development and ways for producers and other value chain participants to develop more productive and profitable businesses.

2019–20 investment by funding source



- Producer levies **\$3.4m**
- Government funding **\$9.6m**
- Processor contributions **\$3.8m**
- Other sources **\$4.5m**

* Total includes \$10.8m invested via MLA Donor Company

OVERVIEW

Livestock Consulting Internship begins third program

Following two successful Livestock Consulting Internship programs in 2016–17 and 2018–19, a third program has been launched. The program involves successful applicants undertaking internships with reputable livestock consulting businesses over a two-year period.

The project is co-funded by MLA, Meridian Agriculture (who manage the project) and the contributing employer to pay for the wages of interns. Ten employers from around Australia will take part in the program over the next two years to support 10 interns.

The Livestock Consulting Internship includes workshops and retreats to build skills useful to the consulting sector such as people management, network building and presentation skills. Taking on feedback from the previous programs, two new aspects were added in 2020 to improve the interns' development:

1. A skill development plan where interns and employers discuss expectations at the commencement of the program; areas of improvement are identified to ensure the experience is as developmental as possible.
2. A compulsory period of four weeks spent working with another livestock consulting business, to share and gain skills in an area where the intern's employer may not focus.

Much of the training has been moved to a virtual scenario since the outbreak of COVID-19, with interns accessing webinars run by guest speakers and experts to develop their training skills. Face-to-face retreats have been postponed until 2021.

From the first two programs, 63% of interns are currently working with the employer they signed up to the program with. A further 21% remain in livestock consulting and 10% still work in the livestock industry, reflecting the success of the program in boosting the number of new entrants to the livestock consultancy field.

Applying international research findings down under

MLA is focused on building a bright future in the red meat and livestock industry through its support of several scholarship programs that bridge the gap between education and agricultural research, including the Nuffield Australian Farming Scholarships.

Nuffield Australia's scholarships aim to increase practical farming knowledge and management skills through the study of international farming practices. Scholars are awarded the opportunity to travel overseas with the expectation they will return to Australia with research findings that can be applied across industry.

In 2020, MLA's Nuffield Scholar was Nicholas Krebs from Moura, Queensland, who currently works as the Aggregation Manager



The Livestock Consulting Internship's 2019 graduating class

Livestock leaders of the future



for Hewitt Cattle Australia across four adjoining properties. His research is focused on attracting and retaining people in agriculture through observing a number of different nations and their methods for achieving this.

Of Nuffield's 2020 scholars, 60% of applicants were from the red meat industry.

Entrepreneurial producers develop new skills

Farmers2Founders is a unique entrepreneurship program designed to attract proactive, innovative producers looking to grow their businesses through the adoption of new technologies.

The program focuses on developing producers' skills in entrepreneurship, as well as their technology development and commercialisation capabilities to solve critical industry challenges and bring new ag-tech and food-tech to the market.

The pilot year of the four-year Farmers2Founders program concluded in March 2020. Originally evolved from MLA's Producer Innovation Fast-Track program, the first workshop for the program was held in Atherton, Queensland in April 2019.

During the pilot year, Farmers2Founders delivered 16 workshops across Australia. More than 400 attendees were present at these workshops, including over 200 producers.

Each workshop focused on an industry-relevant theme and technology trials to raise awareness of the many opportunities producers have to involve themselves in both ag-tech and food-tech. This information was then expanded on to reveal how producers can receive commercial returns to their businesses through entrepreneurial engagement with each opportunity.

Eight out of 10 producers who attended workshops indicated they found them to be useful and were willing to recommend them to other producers. According to those in attendance, the most practical aspects of the workshops was the opportunity to network with experts and participants from their regions.

In 2020, MLA initiated 'Livestock Leaders', a program which identifies future leaders within the Australian red meat and livestock industry and upskills them so they can confidently represent and defend the industry to the wider community.

Livestock Leaders aims to engage a variety of 'advocates' from around Australia each year to ensure industry voices are heard from all sectors and are adding maximum value across the red meat supply chain.

These future leaders attend workshops to learn a range of new skills, including:

- how to engage with the media and the importance of this
- social media skills for management and brand building
- 'shared values' communication (engaging with people of different values and building trusting relationships)
- media training, including public speaking skills and interview techniques
- content creation, especially on-farm.

The Livestock Leaders program, managed by The Livestock Collective, empowers producers and industry representatives to speak on the Australian red meat and livestock industry's behalf for years to come.

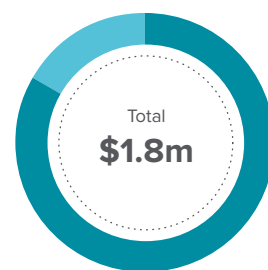


Protecting and promoting our industry

Within this priority, MLA is supporting the creation of frameworks and collecting evidence to measure the progress of the red meat and livestock industry's development. MLA is also supporting the development and implementation of a framework for efficiently reporting on its sustainability credentials.

The ability for the red meat and livestock industry to respond quickly to a sudden or unexpected threat or risk can minimise the impact of a crisis. This priority addresses this need by reviewing and updating the industry's detailed Crisis Response Plan to prepare individual sectors to avoid or mitigate the impact of any crisis and to be ready and able to manage industry issues in a coordinated manner.

2019–20 investment by funding source



- Producer levies \$1.5m
- Government funding \$0.3m

OVERVIEW

Supporting industry through COVID-19

MLA has been proactive in protecting and promoting the red meat industry throughout COVID-19 to ensure it's well placed to adjust to challenges and create new opportunities for livestock producers.

The key goal throughout the pandemic has been to inform industry stakeholders of the latest insights and to guarantee easy access to these resources.

A range of government and market resources have been made available online across a variety of MLA's new and existing communication channels. MLA's On the ground podcast and the COVID-19 market insights hub (mla.com.au/covid-19-insights) were both created to help producers and the wider red meat value chain stay up-to-date on market developments in an easy, digestible format.

Also in response to COVID-19, MLA's Collaborative Marketing (CoMarketing) program introduced additional short-term financial support measures for red meat brands. Through CoMarketing, MLA is collaborating with Australian red meat brand owners to market their brands and products globally amid the pandemic.

Responding to industry challenges

During 2019–20, MLA responded to several evolving situations in the Australian agriculture sector to support and protect the red meat industry.

Market information

Domestic and global markets have been particularly volatile over the past 12 months due to severe seasonal conditions in Australia and the impacts of COVID-19.

Reassurances around supply and product quality for diversified markets, and translating both domestic and international market forces and their impacts on Australian red meat, have been critical outputs MLA has managed over the past year to ensure relevant, timely information is provided to the industry (mla.com.au/prices-markets).

Red meat sustainability

Red meat is facing increasing demand from consumers who want to know more about where their food comes from and how it's produced, particularly regarding animal welfare and sustainability. In 2019–20, MLA focused on 'sharing the story' of red meat to inform the public of its sustainability, welfare and nutrition credentials.

On-farm videos, virtual classroom experiences and reinforcing MLA's target to be carbon neutral by 2030 (CN30) all address this consumer demand around the sustainable, ethical production of red meat. The Good Meat program also revolves around building and maintaining community trust for Australian beef, lamb and goatmeat (goodmeat.com.au).

Pasture dieback communications

The emergence of pasture dieback (page 37) has highlighted the importance of communicating with producers about the extent of the problem and ongoing research to address dieback.

The red meat and livestock industry is working in close collaboration to respond to the on-farm challenges presented by the disease.

MLA has remained committed over the past year to funding research and trials into potential causes and management of the issue, and delivering findings back to the industry (see mla.com.au/dieback).

Back to Business after natural disasters

In 2019–20, producers across Australia faced a number of unprecedented natural disasters such as bushfires, drought and flooding that caused widespread damage to enterprises. To support levy payers in recovering from these disasters, MLA initiated the Back to Business program as a means of providing practical information to those who needed it most.

The Back to Business program's face-to-face events, such as workshops and consultancy sessions, provided social and networking opportunities for affected communities to find support in shared experiences and to build a strong understanding of what's required for agricultural operations to recover.

As well as offering considerations on immediate actions in the wake of natural disasters, the workshops also focused on strategies to build long-term business resilience for farm management, succession planning and meeting goals.

Producers could also access free one-on-one support sessions with local farm management consultants for up to three sessions as part of the Back to Business initiative. As at 30 June 2020, 102 producers across Australia had accessed these services.

The Back to Business program also held 12 webinars in 2020, which 1,300 people registered for.

Rising from the ashes to build a resilient business

More than 100 producers in bushfire-affected regions across Australia have benefited from farm business advice to get back on track since MLA launched the free Back to Business program in January.

One producer who now knows the value of external expert advice is Deb Gray, who reckons the one-on-one sessions with a local farm business consultant was a ticket back to success when times were tough.

In early 2020, bushfires ravaged Deb's property at Araluen, NSW. More than half of her land was damaged and she lost livestock – on the back of recent severe drought, Deb said the emotional and financial toll to her and the business were extreme.

"We got through the drought and 2020 was already going to be a tight year financially, but then the fire hit and it just shattered us," Deb said.

"We came back after being evacuated and my last three paddocks of feed had been burnt to the ground.

"Our neighbours and Rural Fire Service volunteers had been amazing in saving our house and what stock and pastures they could, but in that moment I didn't know what to do."

Deb said they didn't have a set recovery plan after the fires – just the goal to reach May and sell their calves on the ground for cashflow.

"I was treading water during that period," Deb said.

"I was down to 42 head of cattle from 60, which I was keeping alive with the help of my family who got me in some feed. I had tight finances and my only plan was getting to May."

It was during this time Deb saw the Back to Business program advertised in MLA's e-newsletter, *Friday Feedback*.

"Accessing a consultant wasn't something I'd done before, but I was willing to try anything," Deb said.

"Alastair of RaynerAg was assigned to us and from the first session I had with him, we started to map out a plan of recovery."

Deb said the sessions stepped out short, medium and long-term plans for her business, and helped it grow in strength. Her goals are now:

Short-term

- weed management
- retaining calves originally earmarked to sell to rebuild the breeding program.

Medium-term

- shopping for bulls, using Estimated Breeding Values and growth weights to turn stock off sooner and to produce a genetically stronger herd.

Long-term

- developing strategies to increase carrying capacity from 60 to 80
- identifying additional revenue streams to complement the beef business, such as producing lucerne hay.

Transformation

Deb said the three consultation sessions she accessed through Back to Business have transformed her operation and her mental mindset.

"It really helped me to get back on my feet and feel excited about farming again," Deb said.

"If you're eligible for this sort of thing, give it a crack.

"Personally, the consultation sessions have been so valuable for us that we've actually renewed Alastair on a new 12-month contract.

"Having a consultant come in with an unbiased view to look at our business has seen its potential grow enormously, and it really was a godsend when we needed it most."

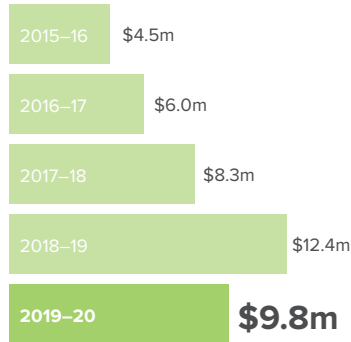


Listen to Deb's story
in episode 2 of the
Feedback podcast:
[mla.com.au/feedback-
podcast](http://mla.com.au/feedback-podcast)

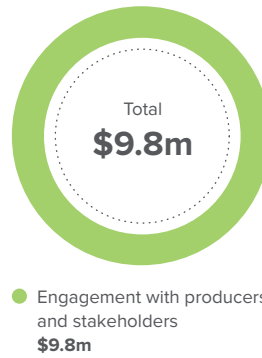
Stakeholder engagement

The successful delivery of MLA's *Strategic Plan 2016–2020* will require an enhanced level of collaboration between MLA and its many stakeholders. This pillar focuses on extending the breadth and depth of stakeholder engagement and communications across MLA. Genuine two-way consultation and collaboration will provide mutual benefit in the delivery of MLA's marketing, research and development services to industry. This pillar also includes the delivery of MLA's corporate reporting responsibilities within a culture of continuous improvement.

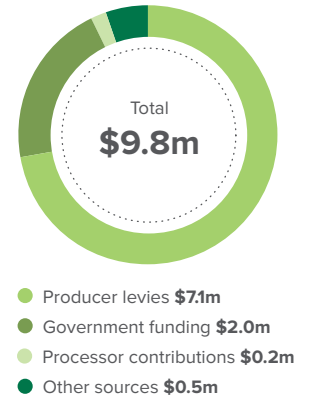
Investment over time



2019–20 investment by priority



2019–20 investment by funding source



David and Clare Lee hosted a producer tour at Windy Station, the property they manage for Romani Pastoral Company, during Red Meat 2019

Key performance indicators

22
KPIs

- 17 achieved
- 1 partly achieved
- 2 not achieved
- 2 not available

See Appendix A for a full list of KPIs. Please note some KPIs may be relevant across several pillars.

Alignment to industry and government priorities

AUSTRALIAN GOVERNMENT PRIORITIES	
Science and Research	Rural Research, Development and Extension
<ul style="list-style-type: none"> • Food 	<ul style="list-style-type: none"> • Adoption of research and development



HIGHLIGHTS

1,200 subscribers

signed up to receive the latest R&D via MLA's new e-newsletter, *R&D Round-Up* (page 50)



The Accelerated Adoption Initiative

allows producers to receive selected MLA products and services free of charge (page 50)



New partnership with Weatherzone

enhances online weather services (page 51)



Two new podcasts released

to cover red meat industry news and market (page 51)



550 producers attended Red Meat 2019

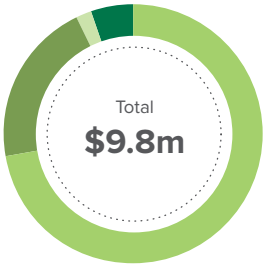
(page 51)



MLA engages with a wide range of producers and stakeholders, ensuring all levy payers are given the opportunity to provide feedback on its research, development and marketing activities.

This priority centres on stakeholder engagement and communication initiatives to build awareness of MLA's programs and demonstrate the value of these investments.

2019–20 investment by funding source



- Producer levies \$7.1m
- Government funding \$2.0m
- Processor contributions \$0.2m
- Other sources \$0.5m

OVERVIEW

Translating science into plain English

MLA demonstrated its commitment to its core values of accountability through transparency, outcomes that make a difference and customer centricity through the release of the *R&D Round-Up* e-newsletter – a monthly publication of short, easy-to-read project summaries for the latest in red meat research and development (R&D).

The newsletter provides producers and industry stakeholders, including scientists, advisors and the government, easy access to the outcomes of MLA's recent R&D investments.

R&D Round-Up focuses on providing updates on technical projects in a simple format that ensures 'science jargon' is explained in plain English. To make the information even more accessible, the newsletter has been broken down by species to ensure readers can easily access projects relevant to them.

Since the release of the newsletter in February 2020, more than 1,200 people have signed up to receive *R&D Round-Up* each month via mla.com.au/enews. This indicates a growing interest in the R&D space and on new findings that can be used to improve business operations.

Accelerated adoption key to improving resilience

A new initiative to support producers to accelerate their adoption of cutting-edge R&D was launched by MLA Managing Director Jason Strong at Red Meat 2019 in November.

The Accelerated Adoption Initiative was designed to ensure that even when producers face challenges such as drought, bushfires and other financially straining circumstances, they're still able to access a number of MLA's products and support services free of charge.

Under the initiative, which runs until June 2021, MLA is providing relief to cattle, sheep and goat levy payers for costs incurred on the delivery of key products and services. This includes Livestock Production Assurance (LPA) accreditation and audits, LPA National Vendor Declaration books, eDEC tokens, and Meat Standards Australia (MSA) Vendor Declaration books.

The initiative has also provided free membership to Sheep Genetics, with LAMBPLAN and MERINOSELECT services both seeing an increase in clients since AAI was announced.



The volume of data being submitted to each service also increased, allowing for better representation of animals on each database.

Due to COVID-19 restrictions, many of the workshops that had been made freely available under the initiative (such as MeatUp and BeefUp forums) have been postponed. Prior to restrictions, MLA held four Bred Well Fed Well workshops which were attended by a total of 155 producers across Tasmania and NSW.

MLA online weather services enhanced

Reliable, up-to-date weather forecasts are critical for producers to access and use for decision making on-farm, so in 2019, MLA partnered with Weatherzone to provide a new and improved weather service that is freely available.

The service has been enhanced for users of myMLA, a free online tool where producers are able to personalise weather information and analysis to suit their location. There are also 28-day and 12-month rainfall forecasts available to let users know the seasonal outlook.

The enhancements to the service provide deeper weather insights, including extended rainfall forecasts, detailed historical observations and climatology.

Producers without a myMLA account can register for free via the MLA website. Along with access to enhanced weather services, the myMLA tool provides producers with personalised market indicators and reports, news, event listings and resources.

New podcasts released

In 2019–20, a producer survey revealed 70% of responders listened to podcasts at least once a week, with 'in car/truck' the most common listening setting and 'learning about what other producers are doing' the most popular interest.

In response to this information, MLA launched the new Feedback podcast. Covering stories, news, information and interviews from across the industry, it represents a new way for stakeholders to engage with MLA content, especially while occupied with other tasks on-farm.

Two episodes of Feedback were released in 2020, with more than 870 downloads as at 30 June 2020.

MLA has also developed On the ground, a fortnightly podcast series looking at the disruptions COVID-19 has caused around the globe and the effects on Australian red meat's international markets (page 46).



Red Meat 2019



Killara Feedlot in Tamworth, NSW, hosted one of the producer tours as part of Red Meat 2019. Pictured here is Stuart McKechnie, Livestock Manager (left) and Peter Kearney, Commodity Manager.

Red Meat 2019, MLA's flagship event, was held in Tamworth from 18–20 November 2019. The event brought together producers and industry stakeholders to showcase Australian beef, lamb and goatmeat.

The program included two tours of cattle operations, an MLA showcase to demonstrate key programs of work across the supply chain, forum presentations covering the latest in R&D, marketing and sustainability and an industry breakfast to share red meat's story.

550 producers attended Red Meat 2019 across the three days. A survey emailed to attendees about the quality of the event revealed overall satisfaction was very high, with particular praise given to the networking opportunities and thought-provoking panel discussions that were held.

About MLA



MLA chefs Sam Burke (left) and Julie Ballard (right) with Uwe Stiefel, Corporate Executive Chef at P&O Cruises, during Red Meat 2019

What we do

MLA invests in research and marketing activities for the benefit of the Australian red meat and livestock industry.

Research, development and adoption

MLA invested \$171.9 million in a range of research, development and adoption programs during 2019–20. This included \$82.5 million invested through MLA Donor Company (MDC). This investment includes matching funds from the Australian Government and grants.

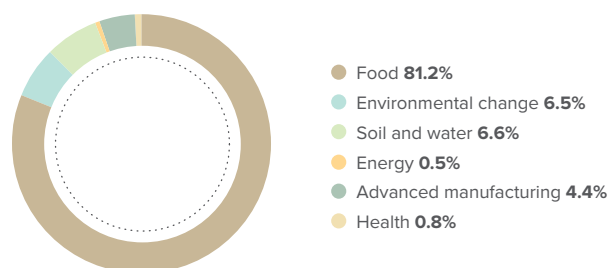
These programs are linked to the Australian Government's Science and Research Priorities and Rural Research, Development and Extension Priorities. This alignment is shown in the graphs at right.

In 2019–20, MLA completed or terminated 309 research contracts, worth \$108.9 million. These include 98 MDC contracts, contributing a total value of \$65.4 million. MLA commenced 273 new research and development contracts totalling \$103.0 million in 2019–20. This included 51 contracts through MDC that were worth \$50.0 million, with milestones across multiple years. This has resulted in 582 current contracts as at 30 June 2020, worth \$523.4 million.

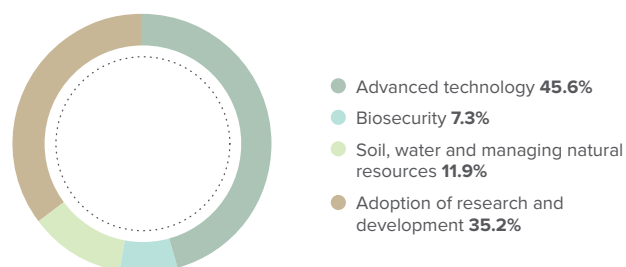
Marketing, market access and insights

During the year MLA invested \$101.8 million in marketing, market access and insights to grow demand for Australian red meat and livestock domestically and abroad. The majority of this investment was ineligible to be matched with funds from the Australian Government.

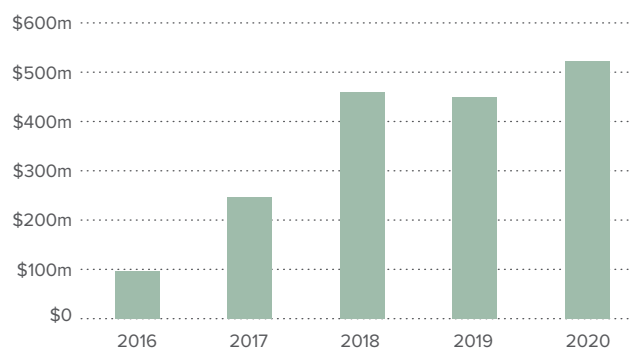
ALIGNMENT WITH GOVERNMENT SCIENCE AND RESEARCH PRIORITIES



ALIGNMENT WITH GOVERNMENT RURAL RESEARCH, DEVELOPMENT AND EXTENSION PRIORITIES



VALUE OF RESEARCH CONTRACTS AT 30 JUNE



How we work

Strategic alignment

MLA's *Annual Investment Plan 2019–20* has guided the company's investment over the past year, outlining the company's programs, budgets and key performance measures.

The strategic direction of this Plan was informed by the Australian Government's Science and Research Priorities and Rural Research, Development and Extension Priorities, the *Meat Industry Strategic Plan 2020* and the *MLA Strategic Plan 2016–2020*.

MLA's *Strategic Plan 2016–2020* is aligned closely with the *Meat Industry Strategic Plan 2020*, giving focus and direction to MLA's work to build demand, productivity and trust for the Australian red meat and livestock industry. The figure below provides an overview of MLA's strategic and operational planning process.

Stakeholders

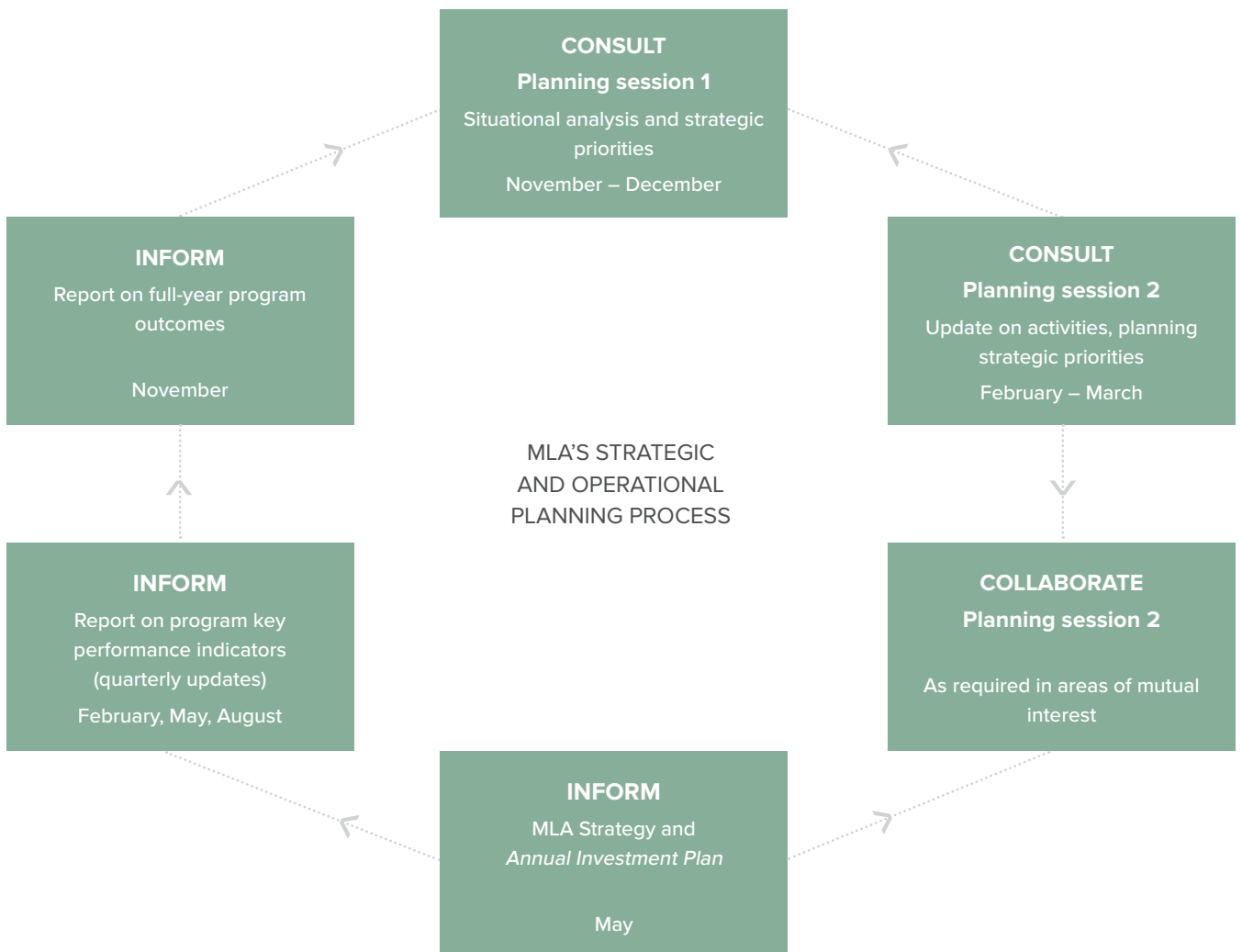
MLA operates in partnership with the Australian Government and value chain partners to deliver research, development and marketing to benefit red meat and livestock producers, value chain partners and the Australian community.

The Australian Government sets high priority research and development objectives covering community, industry and environmental concerns.

Peak industry councils assist MLA consult with levy payers on industry needs and priorities, and provide guidance to ensure MLA strategy reflects these. The councils are the Australian Lot Feeders' Association, the Cattle Council of Australia, the Goat Industry Council of Australia and Sheep Producers Australia. MLA meets with the peak industry council committees quarterly to:

- report on program performance against approved plans
- respond to direct requests for information that supports their policy processes.

MLA also works closely with the Red Meat Advisory Council, the Australian Meat Processor Corporation, the Australian Meat Industry Council, LiveCorp and the Australian Livestock Exporters' Council to develop programs that address key industry issues and opportunities through the supply chain, manage projects and communicate outcomes.



Industry consultation arrangements

Livestock producers influence the investment of their levies through a number of industry consultation mechanisms.

The Red Meat Advisory Council (RMAC) is the peak body that represents the collective interests of the Australian red meat industry. RMAC is responsible for the development of the red meat industry's strategic plan (*Red Meat 2030*) which provides the overarching strategic framework that enables the direction, measurement and reporting of overall industry progress to government and industry stakeholders. Levy payers and the wider industry were consulted by RMAC during the development of *Red Meat 2030*.

Examples of areas where consultation occurs include:

On planning and whole-of-red-meat-industry priority areas:

- Red Meat 2030
- MLA Strategic Plan
- MLA Annual Investment Plan
- Beef Industry Sustainability Framework.

Each year, MLA also consults with the peak industry councils regarding research, development and marketing investments.

Examples of where consultation occurs include:

On research and development:

- Red Meat Panel
- Regional consultation model that sits under the Red Meat Panel (see page 37) through the Southern Australia Meat Research Council, the Western Australian Livestock Research Council and the North Australia Beef Research Council
- Sheep and beef forecasting committees
- Sheep Genetics Advisory Committee
- BREEDPLAN owners
- MSA Beef Taskforce
- Sheepmeat Industry Taskforce
- MSA Beef and Sheepmeat R&D Pathways Committee
- Integrity Systems Taskforce
- Producer adoption reference group
- Live Export Research & Development Advisory Committee
- Objective Measurement Advisory Committee
- National Livestock Genetics Consortium Taskforce.

On marketing:

- Region-specific global marketing and market access strategies for beef, sheepmeat and goatmeat (Australia, Japan, Korea, North America, Middle East, Europe/Russia, Indonesia, China and South Asia)
- Market Access Taskforce supporting red meat market access initiatives – EU & UK FTA Taskforce
- MSA Beef Taskforce
- Sheepmeat Industry Taskforce.

The global marketing and market access consultation process underpins the overarching market strategy specific to each region. This process involves peak industry councils and industry representatives consulting with MLA to help set strategic priorities for growing demand and improving market access for the Australian red meat industry across global markets.

The consultation process involves a number of steps for industry to guide MLA's global market investment strategy. This encompasses reviewing the output/outcomes from the previous year's activities and investments, evaluating MLA's performance, setting strategic priorities, advising budget allocations for the upcoming financial year and importantly, confirming key performance indicators.

MLA strives to ensure all members have the opportunity to participate in the Annual General Meeting (AGM) by rotating its location around the nation. The 2019 AGM was held in Tamworth, NSW and was preceded by Canberra, ACT (2018), Alice Springs, NT (2017), Hahndorf, SA (2016), Brisbane, Queensland (2015), Sydney, NSW (2014), Wodonga, Victoria (2013), Fremantle, WA (2012), Longreach, Queensland (2011), Launceston, and Tasmania (2010).

Collaboration

MLA has a long history of collaborating with the Australian Government, research organisations, value chain partners, Cooperative Research Centres and other Research and Development Corporations by co-investing in projects and consortiums with mutual benefits.

In 2019–20, MLA was successful in having one project approved in the fourth round of the Department of Agriculture, Water and the Environment Rural R&D for Profit program. MLA is the lead for nine projects and is a partner organisation in a further eight projects. Refer to Appendix C for an overview of all Rural R&D for Profit projects involving MLA.

During 2019–20 MLA also partnered with various consortiums:

- Managing Climate Variability Program – phase V
- National Sheep Health Monitoring project
- Animal Welfare Strategic Partnership
- Livestock Productivity Partnership
- Australian Pastures Genebank
- Rural Safety and Health Alliance
- RDC Collaborative Data Working Group
- Climate Research Strategy for Primary Industries.

MLA continued its participation in the National RD&E framework strategies such as animal biosecurity, animal welfare, climate research, water use and soil.

Collaboration with relevant CRCs included SmartSat CRC, Food Agility CRC and the CRC for North Australia.

Membership

Membership of MLA is voluntary and free to all levy-paying grassfed cattle, grainfed cattle, sheep, lamb and goat producers. MLA had 49,692 members at 30 June 2019, a decrease of 436 members from the previous year. The table below shows the composition of MLA's members.

COMPOSITION OF MLA'S MEMBERS

Members	2015–16	2016–17	2017–18	2018–19	2019–20
Grassfed cattle	42,275	42,087	42,266	41,910	41,774
Grainfed cattle	5,430	5,453	5,478	5,456	5,497
Sheep/prime lambs	18,583	18,634	18,963	18,820	18,710
Sheep only	9,483	9,415	9,363	9,135	8,988
Goats	2,415	2,403	2,426	2,402	2,380
Total members	49,892	49,726	50,128	49,692	49,590

How we're funded

Transaction levies

MLA is primarily funded by transaction levies paid on livestock sales by producers. Levies received by MLA are accounted for in two streams – one to support marketing activities and the other to support research and development.

Transaction levies are charged by the Australian Government on the sale of each head of cattle, sheep and goat sold under the *Primary Industries (Excise) Levies Act 1999*.

Transaction levies are collected, administered and disbursed by the Department of Agriculture, Water and the Environment on a cost-recovery basis and invested back into the industry to assist in research and development, marketing and market access services. Total levies charged in 2019–20 were \$5/head of grassfed and grainfed cattle transacted, \$1.50/head for lambs*, 20¢/head for sheep+ and 37.7¢/head of goats transacted (see figures below).

MLA is not the only recipient of livestock transaction levies – it is one of three organisations alongside Animal Health Australia and the National Residue Survey.

Government-matched contributions

The Australian Government also contributes a dollar for each levy dollar MLA invests in eligible research and development.

Government-matched voluntary contributions

MLA generates additional income via voluntary contributions which are matched by the Australian Government. This funding is invested in research and development partnerships that benefit the Australian red meat industry through MLA Donor Company.

Unmatched grants and partner contributions

MLA also receives unmatched grants from the Australian Government and cooperative contributions from other Research and Development Corporations, individual processors, wholesalers, foodservice operators and retailers. This includes grants as part of the Rural R&D for Profit program (see Appendix C).

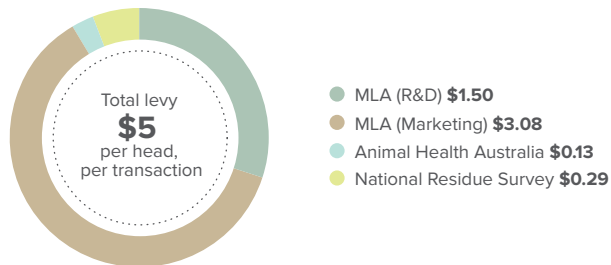
CoMarketing funding

Exporters and importers can also co invest with MLA (via transaction levies) on marketing activities through the CoMarketing Program (see page 27).

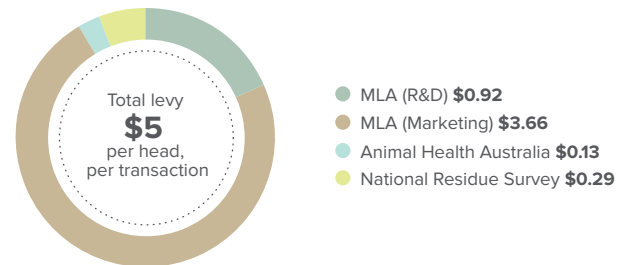
Other levies

Processors and livestock exporters also co-invest levies into MLA programs through their service companies: Australian Meat Processor Corporation and LiveCorp. See pages 72–73 for a summary of MLA's income and expenditure by funding source in 2019–20.

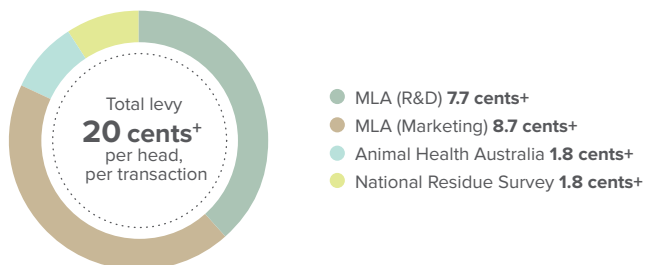
GRAINFED CATTLE LEVY ALLOCATION



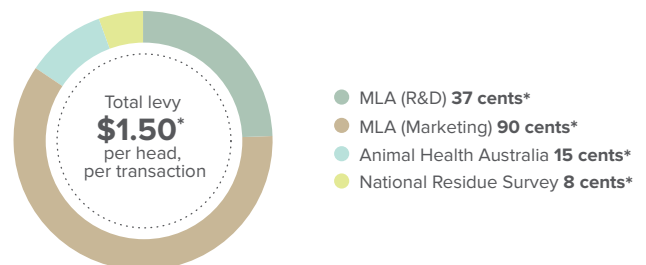
GRASSFED CATTLE LEVY ALLOCATION



SHEEP LEVY ALLOCATION



LAMB LEVY ALLOCATION



GOAT LEVY ALLOCATION



+ Per head, where defined sale price is greater than or equal to \$10. Where defined sale price is less than or equal to \$10, levy is 2% of the sale price. Where there is no defined sale price, levy is set at 20 cents per head.

* Per head, where defined sale price is greater than \$75. Where defined sale price is less than or equal to \$75, levy is 2% of the sale price. Where there is no defined sale price, levy is set at 80 cents per head.

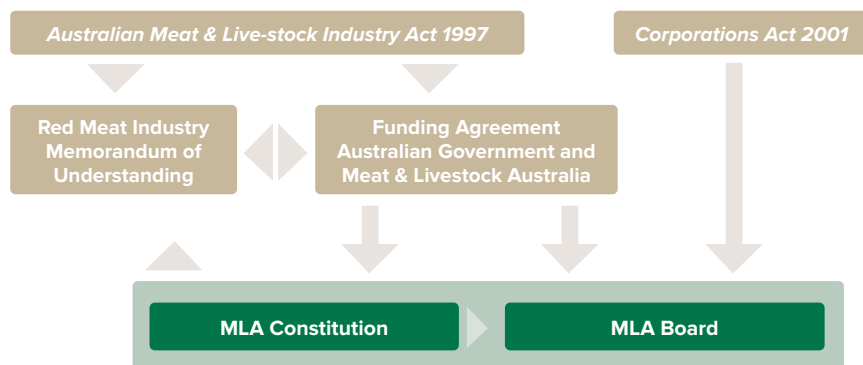
How we're governed

Corporate governance

MLA's corporate governance framework is set by the Board having regard to the best interests of our members, the values of our organisation, MLA's obligations set out under our Funding Agreement with the Commonwealth of Australia dated 13 October 2016, and in accordance with the *ASX Corporate Governance Council's Corporate Governance Principles and Recommendations* (4th edition).

This long-established framework operates to ensure we remain accountable to our stakeholders and that stakeholder interests are protected. MLA's governance arrangements are reviewed regularly to reflect industry developments, stakeholder expectations and regulatory and legislative changes. This statement, and documents and policies relevant to our corporate governance framework, are also available on MLA's website.

MLA'S GOVERNANCE FRAMEWORK



The Board

The MLA Board's nine directors combine a broad range of skills, experience and expertise to work with industry to set strategic priorities for the company and to approve and monitor progress against MLA's *Strategic Plan 2016–2020*. It evaluates performance and budgets, oversees risk management and compliance, and ensures the company abides by its obligations under the Red Meat Industry Memorandum of Understanding, the Funding Agreement, and under corporations law. Many directors are also producers and members of the company.

Please see pages 64–65 for the Board member biographies.

Board selection

The Managing Director is the only executive director and is appointed by the Board. Otherwise, directors are nominated through the Selection Committee and appointed by members at MLA AGMs for a three-year term. After such term, a director may reapply for a position on the Board in the same way as other candidates. Further information about the Selection Committee is on page 58.

Dr Michele Allan (previous Chair of the Board) retired at the 2019 MLA Annual General Meeting at which time Mr Alan Beckett assumed the role of Chair. He was elected in 2014 and is an Independent Director.

Board committees

Two Board committees met during the year:

- Audit, Finance and Risk Committee
- Remuneration Committee.

These Committees are comprised solely of non-executive directors, with management attending committee meetings by invitation only.

The Chair of each Committee provides a verbal update of each

committee meeting to the Board. The role of each Committee is set out in the Committee charters, which are regularly reviewed. The members of each Committee, together with each member's attendance at meetings, are set out in the 'Directors' report' on page 74.

Audit, Finance and Risk Committee

The Audit, Finance and Risk Committee assists the Board to fulfil its oversight responsibilities relating to MLA's risk management framework, the company's treasury and financial reporting, internal control structure and the internal and external audit functions. In keeping with community expectations, the Chair of the committee is not the Chair of the Board.

The Audit, Finance and Risk Committee is required to meet at least four times a year and holds closed sessions with the auditors at least once each year. The Audit, Finance and Risk Committee is responsible for making recommendations to the Board for the approval of the annual audit plan and annual financial statements.

As at 30 June 2020, the Audit, Finance and Risk Committee consisted of Rob Fitzpatrick (Chair), Erin Gorter, Russell Lethbridge, Andrew Michael and John Lloyd. Details of each members' attendance at meetings is set out in the 'Directors' report' on page 74.

Internal auditor

The Audit, Finance and Risk Committee reviews the adequacy and effectiveness of internal controls, including the company's policies and procedures, to assess, monitor and manage business risk, legal and ethical compliance programs. This review includes monitoring the implementation of MLA's Risk Management Plan, Fraud Control Plan and Intellectual Property Management Plan. It also reviews the company's foreign exchange and treasury management and oversees the company's risk management program.

To assist its function, the Audit, Finance and Risk Committee, with management and a dedicated Risk & Compliance Manager, worked with internal auditor KPMG. During 2019–20, KPMG conducted reviews of data governance, cyber maturity, stakeholder management, treasury management and purchase to pay.

Internal audit activities are designed to assist management with independent and objective assurance on the effectiveness of our governance, risk management and internal control processes.

External auditor

MLA's external auditor is Ernst & Young (EY). The Audit, Finance and Risk Committee holds discussions with the external auditors and management before the annual financial statements are submitted to the Board. The Committee oversees MLA's relationship with EY, including:

- making recommendations to the Board about the appointment of MLA's auditors based on their qualifications, independence, engagement, fees and performance
- reviewing and assessing the performance, independence and objectivity of EY
- reviewing EY's proposed annual audit scope and audit approach, including materiality levels.

Remuneration Committee

The Remuneration Committee consisted of Erin Gorter (Chair), Alan Beckett, Jo Pye and Manny Noakes as at 30 June 2020.

The responsibilities of the Remuneration Committee include the review and oversight of:

- remuneration matters, including:
 - establishing and monitoring KPIs, a remuneration framework for, and the performance of, the Managing Director
 - remuneration and incentive framework for senior executives and all staff
 - recruitment, remuneration and retention strategies
- succession plans for senior executives and key staff
- strategic human resources policies and practices to ensure they are appropriate and consistent with MLA's objectives and values.

Details of each members' attendance at meetings is set out in the 'Directors' report' on page 74.

Selection Committee

Each year the Selection Committee is tasked to assess Board candidates against a range of criteria, including experience and skills, personal qualities and their available time commitment, and report to MLA members on the suitability of candidates for election.

Following a rigorous interview and selection process of candidates by the Selection Committee and in accordance with good governance practice, appropriate checks of each candidate are undertaken before each nominee is put forward to members as a candidate for election as a director.

The composition of the Selection Committee, together with each member's attendance at meetings, is set out in the 'Directors' report' on page 74.

Board meetings

The Board had six scheduled meetings during 2019–20. The agendas for each of the MLA Group of companies are formulated in preparation for each meeting. They incorporate items from an annual work plan to ensure regular review of key aspects of the business of the MLA Group including performance, compliance and governance.

Meeting agendas include regular reviews of MLA's financial position and management reports, detailed reviews of the company's strategic imperatives and marketing and R&D programs.

The Board continually strives to ensure its meetings are conducted efficiently to enable sufficient discussion and contribution from all directors. The Board regularly considers and discusses key strategic issues at both a group company and industry level. Management attends and presents information relevant to their portfolios and to respond to information requested in Board meetings.

Independence

The Board considers each director's independence on an annual basis. Directors are considered to be independent if they are not a member of management and are free of any business or other relationship that materially interferes with – or could reasonably be perceived to materially interfere with – the independent exercise of their judgement.

In assessing a director's independence, materiality is considered on a case-by-case basis by reference to each director's circumstances. A policy on the independence of directors, which requires that the Board assess independence annually, or more regularly if a director's circumstances change, is currently implemented and in force. The Board has determined that all the non-executive directors are independent.

Conflicts of interest

In accordance with the requirements of the Corporations Act, the Funding Agreement and MLA's conflict of interest policy and procedures, directors must declare any conflict of interest they may have and must follow the procedures set out in MLA's policy.

In certain circumstances, directors will abstain from participating in any discussion or voting on matters in which they have a material personal interest. At the time of their appointment and as notified from time to time, each director provides to the Board information about their business and other interests. The Board records such notifications in its minutes and maintains a register in accordance with the ASX Corporate Governance Council's *Corporate Governance Principles and Recommendations* (4th edition) and in compliance with the requirements of MLA's Funding Agreement.

Reporting framework

On 13 October 2016, MLA and the Commonwealth of Australia (through its Department of Agriculture, Water and the Environment) agreed to a Funding Agreement for the period 2016–2020. The Funding Agreement sets out the requirements for the company's expenditure of levy funds and matching funds, and provides a framework under which the company must report to the Department.

On a six-monthly basis MLA's Chair, Managing Director and key management personnel meet with government representatives to discuss MLA's performance of its functions and compliance with the terms of the Funding Agreement.

Financial management

The Audit, Finance and Risk Committee has received a written declaration from the Managing Director and Chief Operating Officer that the financial reports represent a true and fair view, in all material respects, of the company's financial condition and operating results, and are in accordance with relevant accounting standards.

Risk management

MLA's Risk Management Plan outlines the process of identifying, assessing and managing risks, which is in line with AS/NZS ISO 31000:2018 Risk Management Standard and undertaken by the business. MLA reviews its Risk Management Plan and updates its risk profile annually. A risk register is maintained to outline identified risks and how they are managed and monitored within the Board's risk appetite. This register is reported to the Audit, Finance and Risk Committee quarterly.

In 2020, the Risk Management Plan was reviewed by the MLA Board, during which time the Board reviewed its risk appetite and endorsed updates to the plan. These updates included continuous improvement mechanisms through a range of risk management training provided through the induction program, business unit workshops and online training modules, to raise the awareness of risk management and risk culture within the organisation.

Mitigation strategies are also monitored regularly by both the Audit, Finance and Risk Committee and the Board.

A full summary of the drivers affecting MLA's operating environment can be found in MLA's *Annual Investment Plan 2020–21* which outlines the risk outlook for the year ahead: mla.com.au/aip.

Code of business conduct and ethics

The Board has endorsed the Code of Business Conduct and Ethics (the code), which embodies the company's values of customer centricity, accountability through transparency and outcomes that make a difference. The Code otherwise sets out principles which must be met to ensure the company and its business associates meet its commitments to all stakeholders.

A copy of the code is on MLA's website and is provided to all new employees on commencement. It is a feature of the formal induction training which is provided to new employees. It is reviewed regularly to maintain its relevance and to reflect changes in the regulatory environment, with the most recent changes reviewed and approved by the Board in July 2020.

Ongoing work to review MLA's current supply chain and its potential modern slavery risks using a risk-based assessment is underway. By 31 March 2021, MLA is required to submit an annual modern slavery statement to the Commonwealth outlining:

- the potential modern slavery risks in MLA's operations and supply chains

- the actions MLA has taken to assess and address those risks
- MLA's due diligence and remediation processes.

As part of an annual program of training and capability building within MLA, staff received training in privacy and the Data Breach Notification Scheme, Competition and Consumer Act compliance, risk management assessments and intellectual property management. Staff also received performance training sessions on competencies and capabilities. Additionally, an external training platform operates and is available to all staff on-demand for a wide range of courses.

Diversity

MLA recognises the importance of a workforce that represents a range of experience and backgrounds as well as age, ethnicity, sexual orientation, religious beliefs and physical abilities. The diversity and inclusion policy recognises that a diverse workforce enables MLA to provide a better service and improve long-term performance, as well as creating a source of competitive advantage and benefit to industry and its people.

As at 30 June 2020, 54% of MLA's staff were women. On the Leadership Team, three of the eight (40%) executives are female. On the MLA Board, three of the eight non-executive directors are female (38%).

The composition of MLA Group's workforce has also been recognised by the Workplace Gender Equality Agency as being compliant with the *Workplace Gender Equality Act 2012*.

Remuneration and performance arrangements

The total limit for directors' remuneration (excluding the Managing Director) is \$750,000. This limit was determined by members at the 2008 Annual General Meeting. As part of the Remuneration Committee's oversight of MLA's remuneration and incentive framework, in 2016–17 the committee commissioned a broad review of remuneration within MLA. This included director and employee remuneration being benchmarked by Aon Hewitt against like organisations. Consultation with Aon Hewitt has been undertaken in 2019–20 to confirm market movements and reliance on the benchmarking data.

The total per annum cost for non-executive directors is \$630,515.15. The remuneration arrangements for each member of the Leadership Team, including the Managing Director, comprise both fixed and performance-based remuneration.

The remuneration packages for the MLA Leadership Team are reviewed each year and include several gateways before eligibility to the performance-based component. This ensures the remuneration structure aligns management effort with organisational objectives and attracts, retains and motivates quality management personnel.

COMPARISON OF MLA'S CORPORATE GOVERNANCE PRINCIPLES TO ASX CORPORATE GOVERNANCE PRINCIPLES AND RECOMMENDATIONS (4TH EDITION)

Principle/recommendation	Description/reference of disclosure/compliance
Principle 1. Lay solid foundations for management and oversight	
Recommendation 1.1	
<p>A listed entity should have and disclose a board charter setting out:</p> <p>(a) the respective roles and responsibilities of its board and management; and</p> <p>(b) those matters expressly reserved to the board and those delegated to management.</p>	<p>This is outlined in the Board Charter and a detailed Delegations of Authority policy.</p>
Recommendation 1.2	
<p>A listed entity should:</p> <p>(a) undertake appropriate checks before appointing a director or senior executive, or putting forward for election as a director; and</p> <p>(b) provide security holders with all material information in its possession relevant to a decision on whether or not to elect or re-elect a director.</p>	<p>As part of the Selection Committee process in relation to annual director selection, appropriate background checks are undertaken each year.</p> <p>Candidates are shortlisted by reference to the selection criteria that act as terms of reference for the committee to ensure there is an appropriate mix of skills in the candidates nominated for election.</p> <p>Candidates' biographical details, included on the MLA Notice of Meeting, are prepared from the material submitted through the Selection Committee process.</p>
Recommendation 1.3	
<p>A listed entity should have a written agreement with each director and senior executive setting out the terms of their appointment.</p>	<p>MLA has written engagement letters for directors and executive employment contracts with all members of the Leadership Team.</p>
Recommendation 1.4	
<p>The company secretary of a listed entity should be accountable directly to the board, through the chair, on all matters to do with the proper functioning of the board.</p>	<p>The Company Secretary is accountable to the Board through the Chair on all matters related to the proper functioning of the MLA Board.</p>
Recommendation 1.5	
<p>A listed entity should:</p> <p>(a) have and disclose a diversity policy</p> <p>(b) through its board or committee of the board set measurable objectives for achieving gender diversity in the composition of its board, senior executives and workforce generally: and</p> <p>(c) disclose in relation to each reporting period:</p> <ul style="list-style-type: none"> – the measurable objectives set for that period to achieve gender diversity – the entity's progress towards achieving those objectives – either: <ul style="list-style-type: none"> • the respective proportions of men and women on the board, in senior executive positions and across the whole workforce (including how the entity has defined "senior executive" for these purposes) • if the entity is a 'relevant employer' under the <i>Workplace Gender Equality Act</i>, the entity's most recent "Gender Equality Indicators", as defined in and published under that Act. <p>If the entity was in the S&P/ASX 300 Index at the commencement of the reporting period, the measurable objective for achieving gender diversity in the composition of its board should be to have not less than 30% of its directors of each gender within a specified period.</p>	<p>The Diversity Policy is available on MLA's website: mla.com.au/corporate-governance</p> <p>The Board recognises and fosters a culture that encourages divergent views and robust discussion. In assessing candidates, the Selection Committee considers diversity of education, the nature of the businesses and business functions in which candidates have gained experience and the roles held, as well as the more obvious aspects of diversity such as gender, age, ethnicity and cultural background. In 2018 the Board also set a target of 30% of females on the Board by 2019, which was actually realised in 2018.</p> <p>MLA also enunciates its commitment to diversity in other policies such as EEO and Anti-discrimination policy and Misconduct and Discipline policy which are regularly reported to, monitored by and adjusted with approval by the Board.</p> <p>The proportion of women as at the date of this report:</p> <ul style="list-style-type: none"> • Board members: 38% • Leadership Team: 40% • Whole organisation: 54%
Recommendation 1.6	
<p>A listed entity should:</p> <p>(a) have and disclose a process for periodically evaluating the performance of the board, its committees and individual directors; and</p> <p>(b) disclose for each reporting period whether a performance evaluation has been undertaken in accordance with that process during or in respect of that period.</p>	<p>The Board evaluates its performance through an annual performance review, which is facilitated by an external specialist.</p> <p>As part of the Board's review process in 2019–20 it completed the Australian Institute of Company Directors Governance Analysis Tool survey and reviewed this as part of the annual review.</p>
Recommendation 1.7	
<p>A listed entity should:</p> <p>(a) have and disclose a process for evaluating the performance of its senior executives at least once every reporting period; and</p> <p>(b) disclose for each reporting period whether a performance evaluation has been undertaken in accordance with that process during or in respect of that period.</p>	<p>The Remuneration Committee and Board conduct an annual assessment of the performance of the Managing Director and the Leadership Team against agreed KPIs.</p> <p>In accordance with the annual work plan, the performance evaluation process for the Managing Director and the Leadership Team was completed.</p>

Principle/recommendation	Description/reference of disclosure/compliance
Principle 2. Structure the board to be effective and add value	
Recommendation 2.1	
<p>The board of a listed entity should:</p> <p>(a) have a nomination committee which:</p> <ol style="list-style-type: none"> (1) has at least three members, a majority of whom are independent directors; and (2) is chaired by an independent director, and disclose: (3) the charter of the committee; (4) the members of the committee; and (5) as at the end of each reporting period, the number of times the committee met throughout the period and the individual attendances of the members at those meetings; or <p>(b) if it does not have a nomination committee, disclose that fact and the processes it employs to address board succession issues and to ensure that the board has the appropriate balance of skills, knowledge, experience, independence and diversity to enable it to discharge its duties and responsibilities effectively.</p>	<p>MLA's Constitution and operation of the Selection Committee reflects this requirement.</p> <p>Refer also to the section about Selection Committee in the 'Corporate Governance Statement'.</p>
Recommendation 2.2	
<p>A listed entity should have and disclose a board skills matrix setting out the mix of skills that the board currently has or is looking to achieve in its membership.</p>	<p>Biographical details of directors are published on the MLA website: mla.com.au/board-of-directors</p>
Recommendation 2.3	
<p>A listed entity should disclose:</p> <p>(a) the names of the directors considered by the board to be independent directors;</p> <p>(b) if a director has an interest, position, association or relationship of the type described in Box 2.3 but the board is of the opinion that it does not compromise the independence of the director, the nature of the interest, position, association or relationship in question and an explanation of why the board is of that opinion; and</p> <p>(c) the length of service of each director.</p>	<p>The MLA Board currently considers the independence of its directors on an annual basis.</p> <p>Refer also to the Director Independence section in the 'Corporate Governance Statement'.</p> <p>Length of service of each director is included in the Director biographies.</p>
Recommendation 2.4	
<p>A majority of the board of a listed entity should be independent directors.</p>	<p>All of the directors are independent with the exception of the Managing Director.</p>
Recommendation 2.5	
<p>The chair of the board of a listed entity should be an independent director and, in particular, should not be the same person as the CEO of the entity.</p>	<p>The role of the Chair and the Managing Director are not performed by the same person.</p>
Recommendation 2.6	
<p>A listed entity should have a program for inducting new directors and for periodically reviewing whether there is a need for existing directors to undertake professional development to maintain the skills and knowledge needed to perform their role as directors effectively.</p>	<p>MLA has a program for inducting new directors and provides appropriate professional development. Two directors completed the AICD Company Directors Course during the past year.</p>
Principle 3. Instill a culture of acting lawfully, ethically and responsibly	
Recommendation 3.1	
<p>A listed entity should articulate and disclose its values.</p>	<p>Values are published on MLA's website mla.com.au/mla-at-a-glance</p>
Recommendation 3.2	
<p>A listed entity should:</p> <p>(a) have and disclose a code of conduct for its directors, senior executives and employees; and</p> <p>(b) ensure that the board or a committee of the board is informed of any material breaches of that code.</p>	<p>MLA has a Code of Conduct which covers the governance and sets the expectation for the Board and all MLA personnel. The Code of Conduct, which was last revised and endorsed by the Board in July 2019, is on MLA's website.</p>
Recommendation 3.3	
<p>A listed entity should:</p> <p>(a) have and disclose a whistleblower policy; and</p> <p>(b) ensure that the board or a committee of the board is informed of any material incidents reported under that policy.</p>	<p>The Whistleblower Policy is on MLA's website. Any incidents emanating from the whistleblower policy are reported to the quarterly Audit, Finance and Risk Committee.</p>
Recommendation 3.4	
<p>A listed entity should:</p> <p>(a) have and disclose an anti-bribery and corruption policy; and</p> <p>(b) ensure that the board or a committee of the board is informed of any material breaches of that policy.</p>	<p>MLA has an Anti-Bribery and Corruption Policy as well as Guidelines to support the application of the policy.</p> <p>Any significant and material breaches to the ABC Policy will be reported to the Audit, Finance and Risk Committee.</p>

Principle/recommendation	Description/reference of disclosure/compliance
Principle 4. Safeguard the integrity of corporate reports	
Recommendation 4.1	
<p>The board of a listed entity should:</p> <p>(a) have an audit committee which:</p> <ol style="list-style-type: none"> (1) has at least three members, all of whom are non-executive directors and a majority of whom are independent directors; and (2) is chaired by an independent director, who is not the chair of the board, and disclose: (3) the charter of the committee; (4) the relevant qualifications and experience of the members of the committee; and (5) in relation to each reporting period, the number of times the committee met throughout the period and the individual attendances of the members at those meetings; or <p>(b) if it does not have an audit committee, disclose that fact and the processes it employs that independently verify and safeguard the integrity of its corporate reporting, including the processes for the appointment and removal of the external auditor and the rotation of the audit engagement partner.</p>	<p>The Board has established an Audit, Finance and Risk Committee which is structured so that it:</p> <ul style="list-style-type: none"> • consists of only non-executive, independent directors; • is chaired by an independent chair who is not Chair of the Board; and • consists of at least three members of the Board. <p>The charter of the committee is on MLA's website.</p> <p>Biographical details of directors are published to the MLA website: mla.com.au/board-of-directors</p> <p>Refer also to the Audit, Finance and Risk Committee section in the 'Corporate Governance Statement'.</p>
Recommendation 4.2	
<p>The board of a listed entity should, before it approves the entity's financial statements for a financial period, receive from its CEO and CFO a declaration that, in their opinion, the financial records of the entity have been properly maintained and that the financial statements comply with the appropriate accounting standards and give a true and fair view of the financial position and performance of the entity and that the opinion has been formed on the basis of a sound system of risk management and internal control which is operating effectively.</p>	<p>The wording of the declaration reflects the wording in the recommendation.</p>
Recommendation 4.3	
<p>AA listed entity should disclose its process to verify the integrity of any periodic corporate report it releases to the market that is not audited or reviewed by an external auditor.</p>	<p>As MLA is an unlisted public company it is not an ASX disclosing entity.</p>
Principle 5. Make timely and balanced disclosure	
Recommendation 5.1	
<p>A listed entity should have and disclose a written policy for complying with its continuous disclosure obligations under listing rule 3.1.</p>	<p>As MLA is an unlisted public company it is not an ASX disclosing entity but does report annually to members and to the Commonwealth Government on its operations and financial results.</p>
Recommendation 5.2	
<p>A listed entity should ensure that its board receives copies of all material market announcements promptly after they have been made.</p>	<p>As MLA is an unlisted public company it is not an ASX disclosing entity.</p>
Recommendation 5.3	
<p>A listed entity that gives a new and substantive investor or analyst presentation should release a copy of the presentation materials on the ASX Market Announcements Platform ahead of the presentation</p>	<p>As MLA is an unlisted public company it is not an ASX disclosing entity</p>
Principle 6. Respect the rights of security holders	
Recommendation 6.1	
<p>A listed entity should provide information about itself and its governance to investors via its website.</p>	<p>MLA provides information about itself and its governance framework on its website.</p>
Recommendation 6.2	
<p>A listed entity should have an investor relations program that facilitates effective two-way communication with investors.</p>	<p>MLA has a Communications team and program to promote effective two-way communication with members, levy payers, representative councils and the Commonwealth Government.</p>
Recommendation 6.3	
<p>A listed entity should disclose how it facilitates and encourages participation at meetings of security holders.</p>	<p>Information about how MLA facilitates and encourages participation by members at meetings is on MLA's website. It has also significantly expanded the program of events that occur in the week of the AGM and promotes this through: redmeat.mla.com.au.</p>
Recommendation 6.4	
<p>A listed entity should ensure that all substantive resolutions at a meeting of security holders are decided by a poll rather than by a show of hands.</p>	<p>Polls are conducted and managed by an independent external body for all substantive resolutions at the MLA AGM.</p>

Principle/recommendation	Description/reference of disclosure/compliance
Principle 7. Recognise and manage risk	
Recommendation 7.1	
<p>The board of a listed entity should:</p> <p>(a) have a committee or committees to oversee risk, each of which:</p> <ol style="list-style-type: none"> (1) has at least three members, a majority of whom are independent directors; and (2) is chaired by an independent director, and disclose: (3) the charter of the committee; (4) the members of the committee; and (5) as at the end of each reporting period, the number of times the committee met throughout the period and the individual attendances of the members at those meetings; or <p>(b) if it does not have a risk committee or committees that satisfy (a) above, disclose that fact and the processes it employs for overseeing the entity's risk management framework.</p>	<p>The Board has established an Audit, Finance and Risk Committee which is structured so that it:</p> <ul style="list-style-type: none"> • consists of only non-executive, independent directors; • is chaired by an independent chair who is not Chair of the Board; and • consists of at least three members of the Board. <p>The charter of the committee is on MLA's website.</p> <p>Refer also to the section about the Audit, Finance and Risk Committee in the 'Corporate Governance Statement'.</p>
Recommendation 7.2	
<p>The board or a committee of the board should:</p> <p>(a) review the entity's risk management framework at least annually to satisfy itself that it continues to be sound and that the entity is operating with due regard to the risk appetite set by the board; and</p> <p>(b) disclose, in relation to each reporting period, whether such a review has taken place.</p>	<p>Refer to the section about the Audit, Finance and Risk Committee and Risk Management sections in the 'Corporate Governance Statement'.</p>
Recommendation 7.3	
<p>A listed entity should disclose:</p> <p>(a) if it has an internal audit function, how the function is structured and what role it performs; or</p> <p>(b) if it does not have an internal audit function, that fact and the processes it employs for evaluating and continually improving the effectiveness of its governance, risk management and internal control processes.</p>	<p>Refer to the section about the Internal Audit program in the 'Corporate Governance Statement'.</p> <p>In addition to the internal audits undertaken by KPMG, MLA's own Risk and Compliance Manager works in parallel with KPMG and undertakes a number of reviews of overseas offices to ensure compliance with MLA policy and controls.</p>
Recommendation 7.4	
<p>A listed entity should disclose whether it has any material exposure to environmental and social risks and, if it does, how it manages or intends to manage those risks.</p>	<p>Refer to the section about MLA's Risk Management on page 59 of this <i>Annual Report</i>. A risk register is maintained to outline identified risks and how they are managed and monitored within the Board's risk appetite and is broadly engaged with across the business. Mitigation strategies are regularly monitored by both the Audit, Finance and Risk Committee and the Board.</p>
Principle 8. Remunerate fairly and responsibly	
Recommendation 8.1	
<p>The board of a listed entity should:</p> <p>(a) have a remuneration committee which:</p> <ol style="list-style-type: none"> (1) has at least three members, a majority of whom are independent directors; and (2) is chaired by an independent director, and disclose: (3) the charter of the committee; (4) the members of the committee; and (5) as at the end of each reporting period, the number of times the committee met throughout the period and the individual attendances of the members at those meetings; or <p>(b) if it does not have a remuneration committee, disclose that fact and the processes it employs for setting the level and composition of remuneration for directors and senior executives and ensuring that such remuneration is appropriate and not excessive.</p>	<p>The Board has established a Remuneration Committee which is structured so that it:</p> <ul style="list-style-type: none"> • consists of three non-executive, independent directors; and • is chaired by an independent chair. <p>The charter of the committee is on MLA's website.</p> <p>Refer also to the Remuneration Committee and Remuneration and performance arrangements sections in the 'Corporate Governance Statement'.</p>
Recommendation 8.2	
<p>A listed entity should separately disclose its policies and practices regarding the remuneration of non-executive directors and the remuneration of executive directors and other senior executives.</p>	<p>Refer to the Remuneration and performance arrangements section in the 'Corporate Governance Statement'.</p>
Recommendation 8.3	
<p>A listed entity which has an equity-based remuneration scheme should:</p> <p>(a) have a policy on whether participants are permitted to enter into transactions (whether through the use of derivatives or otherwise) which limit the economic risk of participating in the scheme; and</p> <p>(b) disclose that policy or a summary of it.</p>	<p>Not applicable as MLA does not have an equity-based remuneration scheme.</p>

Who we are

MLA Board as at 30 June 2020



Alan Beckett
Chair
BEC, FICA, GAICD

Director since November 2014

Mr Beckett runs an Angus breeding and backgrounding operation in Yea, Victoria. He brings 40 years' experience with a major professional services firm, practising in the area of audit and corporate services to large companies with an emphasis on listed public companies along with practical experience in doing business in Oceania, South-East Asia, China, Japan and India. Mr Beckett is Chair of Defence Health Limited, a non-executive director of Westbourne Capital Pty Ltd and Westbourne Credit Management Limited.

Previous roles: Chairman of ASX listed Basper Limited (formerly Berklee Ltd), Deputy Chairman of the Department of Defence Audit & Risk Committee, independent member of the Audit & Risk Committee of Reserve Bank of Australia's wholly owned subsidiary, Note Printing Australia Limited.

- MLA Chair
- MDC ISC Director
- R Member



Jason Strong
Managing Director
MAICD

Appointed 25 March 2019

Mr Strong has more than 30 years' red meat and livestock experience, knowledge and connections from the farm through to the end consumer in both domestic and international markets. He is a well-recognised and respected senior executive with extensive skills in commercial and industry business management and administration, supply chain development, meat science and grading, genetics and marketing as well as on-farm experience.

Previous roles: Chair EU and UK Red Meat Market Access Taskforce, CEO of Smithfield Cattle Company, Managing Director of AA Co, MLA's regional manager in Europe and Russia, Pfizer (now Zoetis), past Chair of the Australian Beef Industry Foundation. Manager and coach of the Australian Inter Collegiate Meat Judging Team and councillor and NSW Chairman and National Vice President of Cattlemen's Union of Australia.

- MLA Managing Director
- MDC ISC Chair
- AM RT Director



Robert Fitzpatrick
BEC, LLB, MBA, GAICD

Director since November 2015

Mr Fitzpatrick is an industry and technology expert with more than 30 years' experience in senior executive roles across the spectrum of large corporates, government agencies, and small and medium enterprises and start-ups. He has a detailed understanding of industry representative bodies, research and higher education, retail, fast-moving consumer goods, telecommunications, and information and communications technology sectors. Mr Fitzpatrick has a passion for improving the integrity and efficiency of Australia's agricultural sector, applying new analytics to improve on-farm productivity, de-bottleneck supply chains and reduce the cost of moving product from farm gate to global markets. Mr Fitzpatrick is director of the Australian Academic and Research Network.

Previous roles: Board and senior executive roles at McKinsey & Company, Optus, ShopFast, Monitoring Division Inc and wishlist.com.au, councillor of Charles Sturt University, senior executive of Data61 (formerly NICTA) and CEO of Australian Information Industry Association, Gelion UK and Gelion Technologies.

- MLA Director
- A Chair
- S Member



Erin Gorter
BA (education), GAICD

Director since November 2015

Ms Gorter is a rural industry consultant with many years of experience as a WA livestock producer. Ms Gorter comes from a farming background and was a landholder and involved in running a mixed farming operation in Kojonup, WA, producing prime lamb, wool and grains, conducting sheep trading and a small amount of agroforestry for nearly 30 years. Ms Gorter runs her own business in providing business and industry management advice and events planning in rural areas. She was awarded the WA RIRDC Rural Women's Award Runner Up in 2010 and is a director of AgVivo and the Grower Group Alliance.

Previous roles: Producer representative on the Board of the WA Meat Industry Authority, non-executive director on Primary Industries Education Foundations Australia and managed all aspects of two WA-based grower production groups.

- MLA Director
- R Chair
- A S Member



Andrew Michael
GAICD

Director since November 2017

Mr Michael is a fourth generation farmer, working his 1,500ha family farm at Snowtown, SA. Over the last 45 years he's built and operated a large-scale sheepmeat and wool business including both terminal and maternal sheep. He has extensive experience in the use of breeding technologies in both the sheep and cattle industries, and for over 35 years, has incorporated all the latest leading-edge animal breeding technologies available.

Mr Michael is a great supporter and user of all sheep industry groups, including Sheep CRC, Sheep Genetics, Information Nucleus Flock and many more. For many years he's had a close association with commercial producers all round Australia, New Zealand and South America, holding presentation and educational field days and helping their marketing and genetic selection programs.

Previous roles: President of the Royal Adelaide Show Pastoral Committee, Board member of the Lumeah Trust, member with SA Sheep Disease Management Committee focusing on OJD and Spider Syndrome, and an Australian White Suffolk Foundation committee member, honorary life member and Distinguished Service Award member.

- MLA ISC Director
- A Member



Russell Lethbridge

Dip Rural Bus Mgt, Cert AH & FarmEng (Hons), GAICD

Director since November 2017

Mr Lethbridge, with his family, runs Werrington Cattle Company, a commercial beef cattle breeding, growing and fattening enterprise in northern Queensland. Mr Lethbridge has a deep understanding of cattle production systems, managing breeder and feeder cattle under extreme environmental conditions and pasture nutrition levels, utilising genetic selection and strategic herd management to achieve production and business success.

Previous roles: Mr Lethbridge was Chair of the Hann Highway Action Group, a member of the Rural Fire Board and a member of the Oak Race Club Committee. He was an elected representative of AgForce for seven years, beginning as Regional Vice President for the north region, then as Regional President and Board Member and member of AgForce Finance Audit and Risk and Agribusiness Finance Drought and Climate Policy Committees. He was a member of the steering committee for the Northern Gulf Resource Management Group to develop and promote a business improvement package for north Australian cattlemen.

MLA ISC Director
A Member



Manny Noakes

BSc, Dip Nut & Diet, PhD, GAICD

Director since November 2018

Professor Noakes is a research scientist in nutrition and health with over 30 years of R&D and nutrition communication experience. She has extensive knowledge in the food regulatory system and functional food substantiation, as well as the role of red meat in human nutrition. She has also published research on diet and sustainability and challenged the environmental agenda from a food and health perspective. Professor Noakes was instrumental in the development of the CSIRO Total Wellbeing Diet which positions red meat as part of a healthy diet for weight control and has been further commercialised to a successful online program. Professor Noakes currently runs her own nutrition consultancy, is an Adjunct Research Professor with the University of South Australia and a Fellow of the Nutrition Society of Australia.

Previous roles: Senior Principal Research Scientist and Director for the Nutrition and Health Program at CSIRO, and a member of the National Committee for Nutrition for the Australian Academy of Sciences as well as on its Expert Working Group Special Project: 'Nourishing Australia: A decadal plan for nutrition science'.

MLA Director
R Member



Jo Pye

BSc Food & Nutrition, MBA, Diploma in Leadership Coaching, GAICD

Director since November 2018

Ms Pye has 20 years' experience in large-scale customer engagement, marketing and strategy within the fast-moving consumer goods industry (with a focus on food and beverage) across numerous roles covering food science, product and strategic marketing management, consumer insights and strategic planning. She has held senior positions across local, regional (APAC) and global (USA, UK, APAC) markets including a three-year assignment in Shanghai, China where she was responsible for strategic planning and implementation to drive regional business growth. Ms Pye has excelled in both global corporate and lean start up environments and in designing and delivering high quality strategic market advisory and implementation projects.

Previous roles: Director of Food Service for The NPD Group, Global Head of Insights & Customer Experience at Watch Me Think, Global Director of Insights & Client Service, Mintel International, Marketing Director at Australia & NZ DuPont (formerly Danisco).

MLA Director
R Member



John Lloyd

BSc, MBA

Director since November 2019

Mr Lloyd runs a small agricultural enterprise with his family at Borenore, NSW. He has a deep understanding of red meat industry dynamics, knowledge and connections across the agri-food ecosystem including the RDC sector, government and research providers. Mr Lloyd has led and created new funding models catering for longer-term strategic issues such as export markets, biosecurity, health and nutrition, pollination, major pests, intensive farming systems and urban greening as well as accessing broader and non-traditional sources of investment. Mr Lloyd has also completed the Company Directors course with the Australian Institute of Company Directors. He is a Member of Council of Charles Sturt University, a director of Fisheries RDC, Agribusiness Australia, Grains and Legumes Nutrition Council and Menari Business Solutions Pty Ltd.

Previous roles: CEO of Horticulture Innovation Australia/HAL, Managing Director of Case IH/New Holland ANZ, General Manager of Commercial Incitec Pivot, and General Manager of Merchandise Wesfarmers Dalgety.

MLA Director
A Member

Retired Directors

Dr Michele Allan

Former Chair
BAppSc, MMgtTec, MCommLaw, DBA, FAICD

Director since November 2011

Dr Allan has an academic background in biomedical science, management and law. Dr Allan currently holds board positions with Food Innovation Australia Limited, Apple and Pear Australia, Grain Growers, Nuffield Australia, CSIRO, Food Agility CRC, Dairy Food Safety Victoria, MJCP Holdings Pty Ltd and Wine Australia. She is Chancellor of Charles Sturt University and Chair of the Defence CRC for Trusted Autonomous Systems.

MLA MDC Chair
ISC Director
R S Member

Clare Stanwix

Former General Counsel and Company Secretary
BA (Hons) LLB, LLM, GAICD, FGIA, FCIS

Appointed June 2014

In addition to holding the office of Company Secretary, Ms Stanwix was a member of MLA's Leadership Team and held the position of General Counsel. She led the legal, risk and governance team at MLA and was responsible for the development of MLA's crisis management and risk frameworks. She has significant experience in intellectual property, technology, corporate and commercial law, advertising, workplace health and safety, and dispute resolution.

MLA MDC ISC Company Secretary
RT Director

MLA Leadership Team as at 30 June 2020



Jason Strong
MAICD

Managing Director

See page 64 for Mr Strong's biography.



Andrew Ferguson
BA, CA

Chief Operating Officer

Mr Ferguson joined MLA as Chief Financial Officer in 2016 and was recently appointed as Chief Operating Officer. He is responsible for MLA's financial integrity, including reporting, information systems and compliance, as well as the Legal, HR and Risk functions. He is a Chartered Accountant with over 25 years of experience in both the UK and Australia.

Number of employees: 47

MDC **RT** **AM** Director



Dr Jane Weatherley
PhD (Farming sys), GAICD

Chief Executive Officer, Integrity Systems Company

Dr Weatherley took on the role of Chief Executive Officer of Integrity Systems Company (ISC) in 2016. Before this role, she was General Manager – Livestock Productivity, managing Meat Standards Australia, livestock genetics and sheep productivity RD&E. Prior to MLA, Dr Weatherley held positions spanning red meat extension, farming systems research and development, and evaluation.

Number of employees: 40



Lisa Sharp*
BEc

Chief Marketing and Communications Officer

Ms Sharp joined MLA in April 2015 and led MLA's Communications, Marketing and Industry Insights team. She has an extensive background in consumer insights and brand marketing, product innovation, global strategy development, communications, change management and general management. Ms Sharp has held marketing leadership and executive team positions in a number of Australian and multinational organisations. She has also held finance, business analyst and brand management roles during her career.

Number of employees: 79

* Ms Sharp left the organisation on 30 June 2020. Mr Nathan Low commenced as General Manager – Marketing and Insights on 21 July 2020.



Lucy Broad
BAGSc, GAICD

General Manager – Communications

Ms Broad joined MLA in June 2020 and leads MLA's Communications team. She has brought a wealth of experience in strategic communications, extension and behaviour change across Australia's agricultural industries to the organisation. Ms Broad has held many senior management and leadership roles over her career, including heading up the Australian Broadcasting Corporation's national rural department, Managing Director of Cox Inall Communications, and General Manager Communication and Extension with the Grains Research and Development Corporation.

Number of employees: 31



Andrew Cox
BEc

General Manager – International Markets

Mr Cox joined MLA in 2006 after eight years managing insights projects for clients such as Unilever, Campbell-Arnotts, Kellogg and Ferrero. Upon joining MLA, he took on a number of roles within the domestic marketing team. Mr Cox moved to Tokyo in 2014 to manage MLA's operations in Japan and Korea before taking on the General Manager – International Markets role in January 2020. As well as extensive markets experience, Mr Cox also brings an agricultural background to his position at MLA.

Number of employees: 41



Michael Crowley
B.RurSc, Grad Cert Bus Admin, GAICD

General Manager – Research, Development and Adoption

Mr Crowley joined MLA in 2009 as the manager of Meat Standards Australia (MSA). In 2012 he moved to Brussels as MLA's International Business Manager for EU and Russia. He returned in 2015 to manage MSA, then joined MLA's Leadership Team in 2016. Prior to joining MLA, Mr Crowley held commercial positions within red meat processing, production, procurement, marketing and sales.

Number of employees: 74



Dr Sam Bucolo
BAppSc, GDID, MAppSc, PhD

Design Strategy and Leadership Lead

Dr Bucolo joined MLA in 2017 and focuses on enhancing collaboration and innovation models to drive research impact. He oversaw the development of MLA's *Strategic Plan 2025* and will continue to shape MLA's ways of working as it implements this strategy. Prior to joining MLA, Dr Bucolo was a Professor of Design Innovation at the University Technology Sydney and Queensland University of Technology. In these roles, he led various innovation programs to drive transformational change.

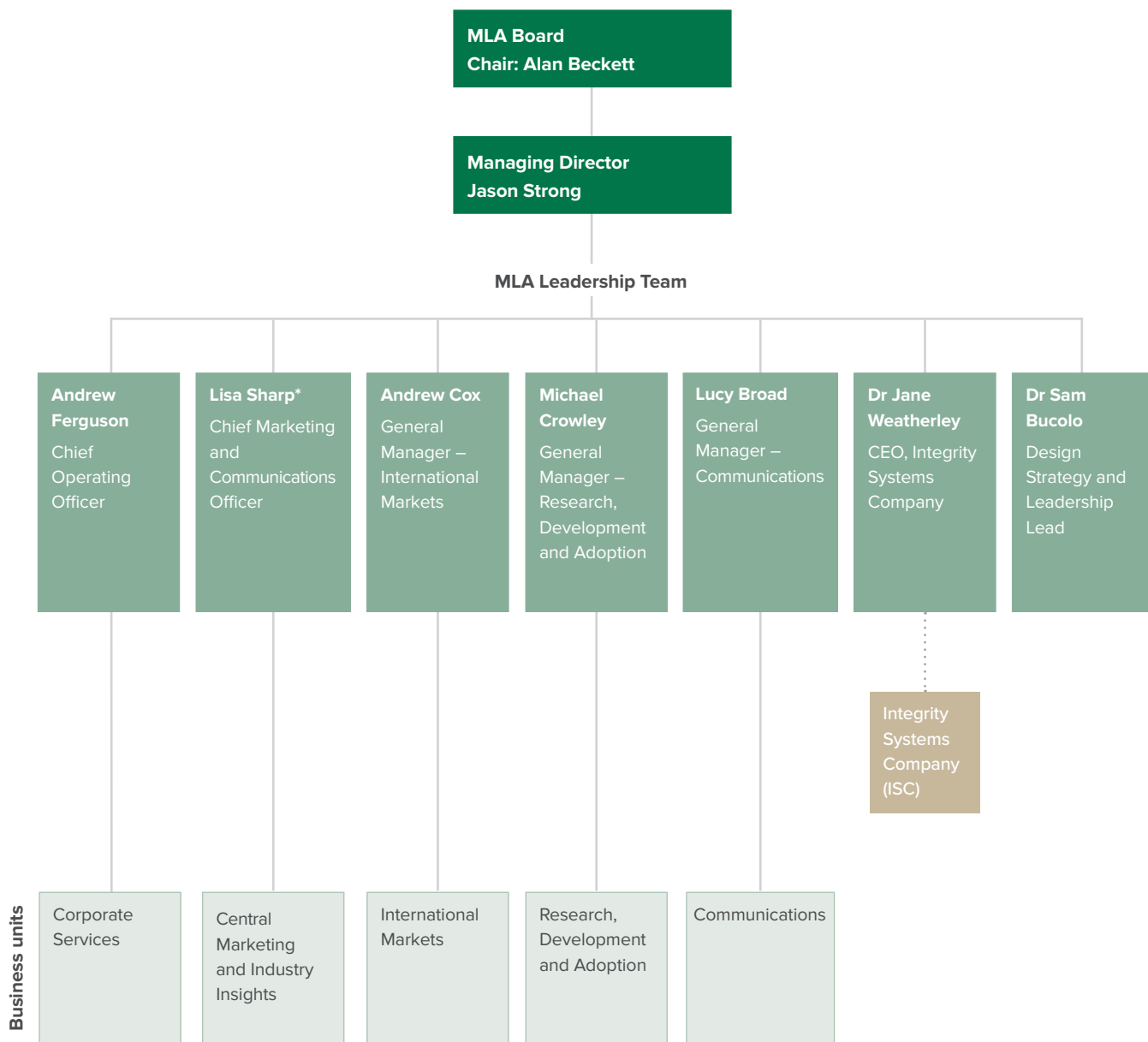
Number of employees: 1

KEY: MLA SUBSIDIARY COMPANIES AND COMMITTEES

- MLA** Meat & Livestock Australia
- MDC** MLA Donor Company Limited
- ISC** Integrity Systems Company Limited
- RT** Red Meat Traceability Systems Pty Ltd
- AM** AUS-MEAT Limited
- R** Remuneration Committee
- S** Selection Committee
- A** Audit, Finance and Risk Committee

MLA organisational chart

at 30 June 2020



* Lisa Sharp left the organisation on 30 June 2020. Nathan Low commenced as General Manager – Marketing and Insights on 21 July 2020.

Our subsidiary companies

MLA Donor Company

MLA Donor Company (MDC) accelerates innovation across the value chain so the Australian red meat and livestock industry can remain competitive on the world stage. It does this by attracting commercial investment from individual enterprises and others that share a mutual interest to co-invest in innovation that will benefit the industry (see figure below).

MDC supports MLA's strategic purpose of fostering the long-term prosperity of the Australian red meat and livestock industry via:

- extending MLA's strategic priorities into future-focused, transformational impact areas
- facilitating capability and adoption of innovation by industry
- acting as a catalyst to accelerate the development of innovations with new types of provider partnerships
- partnerships that facilitate 'big picture' change in the industry
- engaging leading global providers and entrepreneurs that bring new ideas and new value to the industry
- attracting new investment partners to co-develop key priority areas.

MDC's strategic investment portfolio is directly aligned to extending the achievement of the *Meat Industry Strategic Plan 2020* (and now *Red Meat 2030*) and MLA's *Strategic Plan 2016–2020* (and now MLA's *Strategic Plan 2025*).

Further detail about MDC is available at mla.com.au/mdc

Integrity Systems Company

Integrity Systems Company (formerly NLIS Ltd) is a wholly owned subsidiary of MLA. Its expanded remit began in September 2016, being responsible for delivering the red meat and livestock industry's traceability and quality assurance systems: the

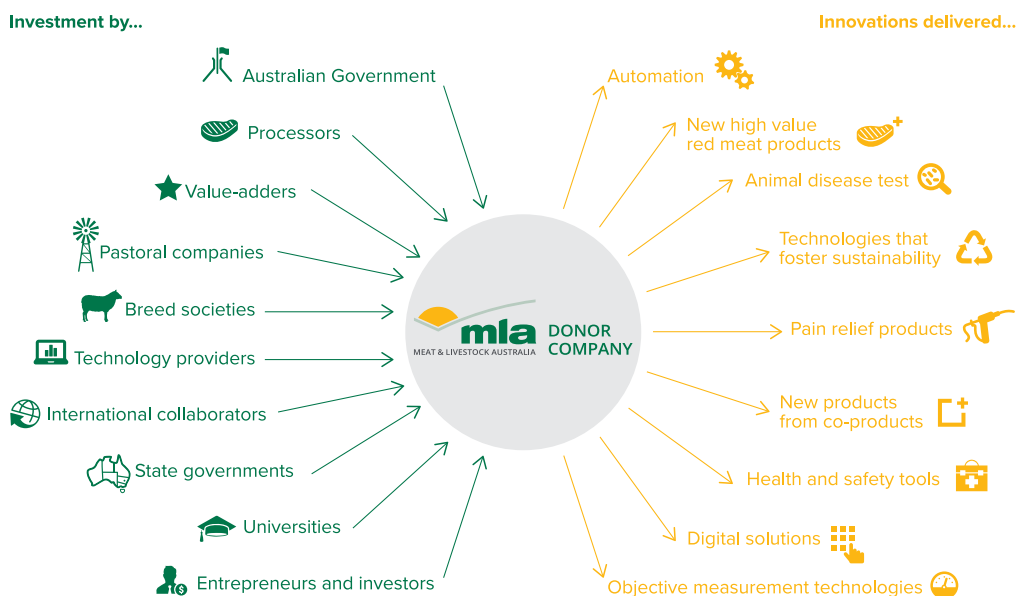
Livestock Production Assurance (LPA) program, National Vendor Declarations (NVDs) and the National Livestock Identification System (NLIS) (see figure below).

Integrity Systems Company (ISC) was launched following a recommendation by industry and government in 2015 – through their SAFEMEAT partnership – that one company be given responsibility for delivering a fully integrated integrity system. The streamlined structure helps to ensure resources are more effectively directed to further develop and improve these key systems which underpin market access, customer expectations and the safety of Australian red meat and livestock. ISC's strategic investment portfolio is directly aligned to extending the achievement of the *Meat Industry Strategic Plan 2020* (and now *Red Meat 2030*) and MLA's *Strategic Plan 2016–2020* (and now MLA's *Strategic Plan 2025*).

THE ROLE AND SCOPE OF INTEGRITY SYSTEMS COMPANY



THE ROLE OF MDC



Human resources

At 30 June 2020 MLA had 282 employees, both domestically and internationally. The workforce increased by 11 employees since 2018–19.

Voluntary turnover for the reporting year was 11.6% compared to 11.3% in 2018–19. Total turnover in 2019–20 was 18.2% which includes voluntary and involuntary turnover and end of fixed-term contracts.

MLA EMPLOYEE PROFILE AT 30 JUNE

	2016	2017	2018	2019	2020
Male	114	112	125	118	129
Female	120	131	140	153	153
Full-time	207	208	232	231	248
Part-time ¹	27	35	33	40	34
Australian-based	196	205	222	227	239
Overseas-based ²	38	38	43	44	43
Total staff*	234	243	265	271	282

* Includes MLA Leadership Team but excludes Board of Directors and Company Secretary as well as employees on parental leave or extended leave of absence.

¹ Part-time total includes three casual employees.

² Overseas-based includes both locally engaged employees and expatriates/international assignees.

Performance and remuneration process

MLA's performance management framework aligns MLA's strategic priorities and organisational values to individual performance and outcomes to encourage, recognise and reward employee performance.

Employee remuneration is reviewed on an annual basis, taking into consideration changes to the Consumer Price Index, external salary survey information and employee development and performance.

During 2019–20 MLA continued to have new roles benchmarked through global human resources consulting firm Aon Hewitt to ensure remuneration remains competitive to attract and retain talent.

The total employee benefit expense in 2019–20 was \$36,663,000 (see page 85).

Training and professional development

MLA invests in ongoing training and professional development so employees have the necessary knowledge and skills to deliver MLA's Strategic Plan while enabling growth and innovation to build capability for the future.

In 2019–20 MLA continued to support employees through training and professional development through its 70/20/10 model approach to learning and development:

- 70% of learning and development is on the job (including workplace tasks and stretch assignments)
- 20% is through others (including managers, peers and coaching arrangements)
- 10% is through formal learning initiatives (such as risk

management, performance management and anti bullying and harassment training, and training courses identified between individual employees and their managers).

MLA also provides financial and study assistance to employees undertaking a professionally recognised qualification related to their work such as an undergraduate or postgraduate course at university, TAFE or other recognised education institutions.

In 2019–20, assistance was provided to 20 employees studying undergraduate and postgraduate courses ranging from rural science to agriculture, nutrition, communication and business management as well as professional certifications.

Employee engagement

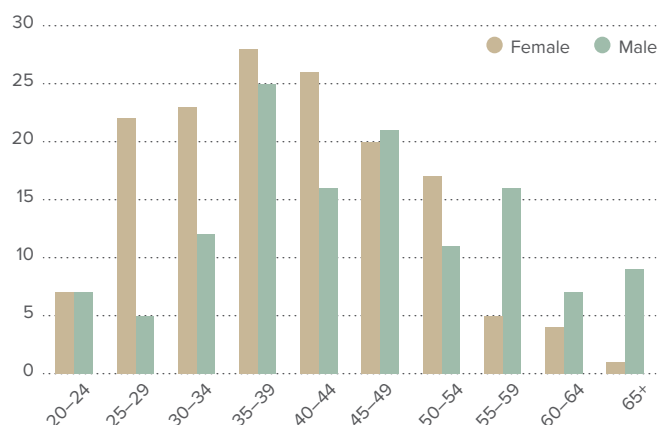
As a service provider to industry, MLA's employees are vital to delivering outcomes that support MLA's strategic priorities for the red meat industry. MLA undertakes an annual employee engagement survey and pulse surveys to measure engagement and strive for continuous improvement across the company.

Diversity and gender equality

MLA is committed to diversity, equal employment opportunity and inclusive workplace practices. The diversity and inclusion policy can be viewed at mla.com.au.

At 30 June 2020, MLA's employee profile reflects a balanced gender profile with greater female representation between 25–44 years of age (see figure).

MLA EMPLOYEES – AGE AND GENDER COMPOSITION



Flexible work and support

MLA continues to offer employees flexible work arrangements that support work/life balance, including family or caring responsibilities. Provisions include flexible hours of work, telecommuting, part-time work, paid parental leave and personal/carer's leave. Flexible working arrangements were extended to all employees during the COVID-19 pandemic.

MLA also offers employees access to an employee assistance program, and has training and formal policies to educate and protect employees against discrimination, harassment and bullying.

Financial report



Financial summary.....	71
Directors' report	74
Auditor's independence declaration.....	76
Income statement.....	77
Statement of comprehensive income.....	77
Statement of financial position.....	78
Statement of changes in equity.....	79
Statement of cash flows.....	79
Notes to the financial statements.....	80
Directors' declaration.....	98
Independent auditor's report.....	99

Financial summary

REVENUE AND EXPENDITURE SUMMARY

	2015–16 \$m	2016–17 \$m	2017–18 \$m	2018–19 \$m	2019–20 \$m	% change 2019–20 compared with 2018–19
Grassfed cattle levies	61.4	53.8	55.3	58.9	63.0	7.0
Grainfed cattle levies	11.9	10.9	11.3	11.4	13.9	21.9
Lamb/mutton levies	37.2	35.8	39.1	37.3	37.0	-0.8
Goat levies	0.8	0.7	0.7	0.5	0.5	
<i>Producer levies</i>	<i>111.4</i>	<i>101.2</i>	<i>106.4</i>	<i>108.1</i>	<i>114.4</i>	<i>5.8</i>
Government contributions	44.0	52.1	80.4	80.9	78.5	-3.0
Other	42.4	47.2	85.7	80.8	76.7	-5.0
Total revenue	197.8	200.5	272.5	269.9	269.7	0.1
Marketing, market access and insights	84.4	88.9	90.4	104.1	101.8	-2.2
Research and development	88.0	104.2	171.8	170.3	171.9	0.9
Total expenditure*	172.4	193.0	262.2	274.4	273.7	-0.1

* Total includes \$82.5 million invested via MLA Donor Company

Revenue

MLA's total income of \$269.7 million for 2019–20 was 0.1% lower than 2018–19. Levy income increased by \$6.4 million (or 5.9%) to \$114.5 million in 2019–20 as a result of higher cattle transactions. Cattle levies were particularly strong in the first half of the year, as unfavourable weather conditions in key production regions resulted in drought-induced cattle turn-off and also a record number of cattle that were finished in feedlots. Sheep and goat levies were roughly in line with 2018–19.

The result was offset by Livestock Production Assurance (LPA) income, which decreased by 57.6% to \$2.5 million. At MLA's Annual General Meeting in 2019, Managing Director Jason Strong announced that LPA fees would be waived from November 2019 until June 2021 as part of the Accelerated Adoption Initiative.

Expenditure

MLA's total investment decreased by 0.3% in 2019–20 to \$273.7 million. Included in the result was a \$4.9 million uplift in Australian Meat Processor Corporation managed research and development investment. However, the underlying decrease in investment is primarily attributable to quarter four milestones that were either cancelled or delayed as a result of COVID-19.

MLA's investment during the period comprised of \$171.9 million in research and development and \$101.8 million in marketing, market access and insights activities.

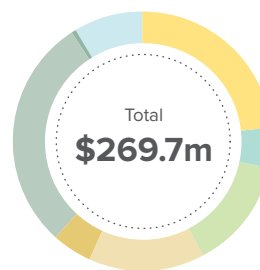
Retained earnings

MLA returned a deficit of \$4.0 million, taking the retained surplus at 30 June 2020 to \$110.1 million. The reduction in retained earnings reflects the application of MLA's Levy Reserve Policy, which required an increase in levy investment. The utilisation of Integrity Systems Company's retained earnings to fund the Accelerated Adoption Initiative (announced at MLA's annual general meeting) and lower access fees received via MLA Donor Company, also contributed to the result.

Cash flow

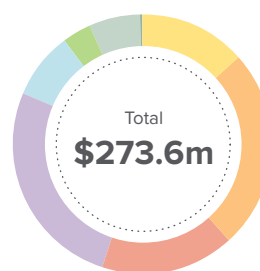
MLA's cash balance decreased as a result of lower external income contributions to MLA Donor Company (MDC). MDC's expenditure decreased due to an increase in investment allocated from levy reserves, which in turn attracted lower income contributions.

REVENUE SUMMARY



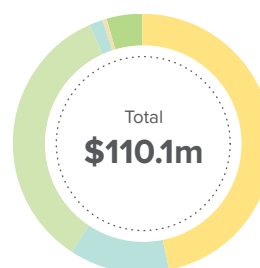
- Grassfed cattle levies **\$63.0m**
- Grainfed cattle levies **\$13.9m**
- Lamb/mutton levies **\$37.0m**
- Goat levies **\$0.5m**
- MLA Donor Company **\$39.1m**
- Processor contributions **\$12.9m**
- Government contributions **\$78.5m**
- LiveCorp contributions **\$1.6m**
- Other contributions **\$23.1m**

EXPENDITURE SUMMARY



- Pillar 1 **\$37.2m**
- Pillar 2 **\$68.0m**
- Pillar 3 **\$45.9m**
- Pillar 4 **\$71.8m**
- Pillar 5 **\$23.0m**
- Pillar 6 **\$9.8m**
- Corporate services **\$17.4m**
- AUS-MEAT **\$0.5m**

RETAINED EARNINGS BY FUNDING SOURCE 2019–20



- Grassfed cattle levies **\$51.5m**
- Grainfed cattle levies **\$13.6m**
- Lamb levies **\$37.7m**
- Mutton levies **\$2.0m**
- Goat levies **\$0.5m**
- MLA Donor Company **\$4.7m**

Income and expenditure by funding source 2019–20

Pillars and priorities	Goat		Mutton		Lamb		Total sheep		Grassfed cattle	
	R&D \$000	M \$000	R&D \$000	M \$000	R&D \$000	M \$000	R&D \$000	M \$000	R&D \$000	M \$000
Pillar 1: Consumer and community support										
Continuous improvement of the welfare of animals in our care	3	19	145	58	787	238	933	295	535	1,235
Stewardship of environmental resources	2		23	56	180	338	203	394	430	833
Role of red meat in a healthy diet		1		21	228	885	228	906	186	1,057
Pillar 2: Market growth and diversification										
Efficiency and value in trade and market access		35	23	140	176	809	199	949	185	1,360
Marketing and promoting Australian red meat and livestock	14	155	80	360	228	16,626	308	16,986	189	26,998
Pillar 3: Supply chain efficiency and integrity										
Optimising product quality and cost efficiency	21		183	144	1,487	697	1,669	841	1,821	1,460
Guaranteeing product quality and systems integrity	15	101	75	465	234	1,263	310	1,728	597	3,665
Pillar 4: Productivity and profitability										
Production efficiencies in farms and feedlots	475	6	438	65	5,231	1,060	5,669	1,125	4,988	1,462
Processing productivity					2		2		2	
Live export productivity			29	19	98	56	127	75	96	486
Pillar 5: Leadership and collaborative culture										
Building leadership capability	6	3	48	44	552	650	600	694	695	1,049
Protecting and promoting our industry	4	2	7	23	144	439	151	462	116	661
Pillar 6: Stakeholder engagement										
Engagement with producers and stakeholders	15	7	36	155	881	1,937	918	2,092	791	2,846
AUS-MEAT		2		10		176		186		307
Total expenditure pre corporate services	554	331	1,087	1,559	10,229	25,174	11,316	26,733	10,631	43,420
Corporate services	56	36	105	156	1,030	2,624	1,135	2,780	926	4,581
Levy collection costs	2	1	4	5	32	79	36	84	29	137
Total expenditure	612	368	1,196	1,720	11,290	27,877	12,486	29,597	11,586	48,138
Income available:										
Levies	338	212	1,166	1,318	10,030	24,530	11,196	25,848	12,671	50,335
Government										
Processors										
Live export										
R&D partnerships										
External										
Total actual income 2019–20	338	212	1,166	1,318	10,030	24,530	11,196	25,848	12,671	50,335
Surplus/(deficit)	-274	-156	-30	-403	-1,260	-3,347	-1,290	-3,749	1,084	2,196

Grainfed cattle		Total cattle		Total levy funds		Processor		LiveCorp		External		Govt.	MLA*
R&D \$000	M \$000	R&D \$000	M \$000	R&D \$000	M \$000	R&D \$000	M \$000	R&D \$000	M \$000	R&D \$000	M \$000	R&D \$000	Total \$000
1,271	272	1,807	1,507	2,742	1,822			332	552	5,284	1,272	8,358	20,362
557	374	987	1,208	1,192	1,602	352		1		2,332	3,858	3,876	13,213
104	457	290	1,515	518	2,422	50	41					567	3,598
41	218	225	1,578	424	2,561	1,066	2,084	20	168	372	102	1,883	8,681
9	4,560	199	31,558	521	48,699	445	948			2,403	2,915	3,369	59,298
645	537	2,466	1,997	4,156	2,838	1,306				5,970	4,184	11,431	29,884
193	1,881	790	5,547	1,115	7,375	755	768	60	86	415	3,083	2,345	16,003
1,436	162	6,423	1,624	12,567	2,755	8		2		15,065	3,603	27,642	61,642
9		12		14		3,001				963	606	3,978	8,563
		96	486	223	561			223	193			445	1,645
25	317	720	1,366	1,327	2,064	3,774				4,500		9,601	21,265
13	68	130	730	285	1,194						17	285	1,781
121	357	912	3,203	1,844	5,302	166					464	2,011	9,787
	55		362		550								550
4,426	9,259	15,057	52,679	26,928	79,744	10,922	3,841	638	1,000	37,305	20,103	75,792	256,272
463	816	1,389	5,397	2,580	8,213						3,485	2,580	16,857
15	24	44	161	81	246						118	81	525
4,903	10,099	16,490	58,237	29,588	88,203	10,922	3,841	638	1,000	37,305	23,706	78,452	273,654
4,556	9,355	17,227	59,689	28,760	85,749								114,510
												78,452	78,452
						10,922	3,841						14,763
								638	1,000				1,638
										37,139			37,139
											23,186		23,186
4,556	9,355	17,227	59,689	28,760	85,749	10,922	3,841	638	1,000	37,139	23,186	78,452	269,687
-347	-744	737	1,452	-827	-2,453					-165	-520		-3,967

*MDC expenditure of \$82.5 million is included (\$48.5 million unmatched)

Directors' report

The Board of Directors of Meat & Livestock Australia Limited ('MLA' or 'the Company') has pleasure in submitting its report for the financial year ended 30 June 2020.

Directors

The names and details of the company's directors in office during the financial year and until the date of this report are as follows: Mr Alan Beckett, Mr Jason Strong, Mr Robert Fitzpatrick, Ms Erin Gorter, Mr Russell Lethbridge, Mr Andrew Michael, Ms Manny Noakes, Ms Jo Pye and Mr John Lloyd.

All directors were in office for the entire year unless otherwise stated.

Retiring directors

The following directors retired during 2019–20: Dr Michele Allan.

Company secretary

The company secretary during the year was Ms Joanne Taylor-Craig.

Subsidiaries

MLA Donor Company Limited

At 30 June 2020, the members of the board were Mr Jason Strong, Mr Alan Beckett and Mr Andrew Ferguson.

Integrity Systems Company Limited

At 30 June 2020, the members of the board were Mr Jason Strong, Mr Alan Beckett, Mr Russell Lethbridge and Mr Andrew Michael.

Directors' meetings

During the period 1 July 2019 to 30 June 2020 the MLA Group Board and its Committees held six meetings of directors. The attendances of the directors at meetings of the Board and of its committees were:

Board of directors	Committees of the Board of directors		
	Scheduled meetings	Audit & Risk	Remuneration
A Beckett	6 [6]	2 [2]	1 [1]
E Gorter	6 [6]	4 [4]	3 [3]
R Fitzpatrick	6 [6]	2 [2]	–
R Lethbridge	6 [6]	4 [4]	–
A Michael	6 [6]	4 [4]	–
M Noakes	6 [6]	–	3 [3]
J Pye	6 [6]	–	3 [3]
J Lloyd	3 [3]	2 [2]	–
J Strong	6 [6]	4 [4]	3 [3]
M Allan	3 [3]	–	2 [2]

The number of meetings for which the director was eligible to attend is shown in brackets.

Selection Committee

During the year, the Selection Committee held three meetings. The current members of the Selection Committee and their attendance at meetings are listed below. The number of meetings for which the selection committee member was eligible to attend is shown in brackets.

MLA Directors

Alan Beckett (Chair)	2 [2]
Erin Gorter	1 [1]
Robert Fitzpatrick	1 [1]
Michele Allan	2 [2]

Peak council representatives

Tony Hegarty	3 [3]
Bryce Camm	3 [3]
Jamie Heinrich	3 [3]

MLA member-elected representatives

Mick Hewitt	3 [3]
Jane Kellock	3 [3]
Peter Quinn	3 [3]
Tony Fitzgerald	2 [3]

Principal activities

The major activities of Meat & Livestock Australia Ltd and its subsidiaries (the Group) during the financial year comprised:

- providing research and development support to the Australian red meat and livestock industry
- providing marketing and promotion services to the Australian red meat and livestock industry both domestically and overseas.

There have been no significant changes in the nature of these activities during the year.

Review and results of operations

Operating result for the period

The result of the Group for the financial year was a net deficit from continuing operations of \$3,965,000 (2019: net deficit of \$4,486,000). The deficit predominantly reflects the application of the MLA's Levy Reserve Policy, which required an increase in levy investment. The Accelerated Adoption Initiative, which drew down on the reserves of MLA's subsidiary company, ISC, also contributed to the result.

Group overview

The Group earned total revenue of \$269,688,000 (2019: \$269,897,000) which is comprised of the following:

- transaction levies \$114,510,000 (2019: \$108,125,000)
- research and development matching grants \$78,452,000 (2019: \$80,936,000)
- research and development contributions (unmatched) \$11,083,000 (2019: \$8,915,000)
- other income and revenues \$65,643,000 (2019: \$71,921,000)

Total income received/receivable was less than total expenditure, which resulted in a net deficit from continuing operations of \$3,965,000 for the year.

Significant changes in the state of affairs

There were no significant changes in the state of affairs of the Group.

Significant events after the balance date

No significant events after balance date.

Environmental regulation and performance

The Group does not have a material exposure to any environmental regulations.

Indemnification and insurance of directors and officers

Under its constitution, the Company may indemnify each director and each executive officer against any claim or any expenses or costs which may arise as a result of work performed in their respective capacities.

The Company paid an insurance premium in respect of a contract insuring all the directors, secretaries and executive officers of the group entities against all liabilities and expenses arising as a result of work performed in their respective capacities, to the extent permitted by law. The terms of that policy prohibit disclosure of the premium paid or the monetary limit of this indemnity.

Indemnification of auditors

To the extent permitted by law, the Company has agreed to indemnify its auditors, Ernst & Young Australia, as part of the terms of its audit engagement against claims by third parties arising from the audit (for an unspecified amount). No payment has been made to indemnify Ernst & Young during or since the financial year.

Rounding of accounts

The amounts contained in the financial report have been rounded to the nearest thousand dollars (where rounding is applicable) where noted (\$000) under the option available to the Company under ASIC Corporation (Rounding in Financial/ directors' Reports) Instrument 2016/191. The company is an entity to which this legislative instrument applied.

Registered office and principal place of business

Level 1, 40 Mount Street
North Sydney
New South Wales 2060
(02) 9463 9333

Auditor independence

The auditor's independence declaration which forms part of the Directors' report for the financial year ended 30 June 2020 has been received and can be found following this report.

This report has been made in accordance with a resolution of directors.



Alan Beckett
Chair



Jason Strong
Managing Director

16 September 2020

Auditor's independence declaration



Ernst & Young
200 George Street
Sydney NSW 2000 Australia
GPO Box 2646 Sydney NSW 2001

Tel: +61 2 9248 5555
Fax: +61 2 9248 5959
ey.com/au

Auditor's Independence Declaration to the Directors of Meat & Livestock Australia Limited

As lead auditor for the audit of Meat & Livestock Australia Limited for the financial year ended 30 June 2020, I declare to the best of my knowledge and belief, there have been:

- a) no contraventions of the auditor independence requirements of the *Corporations Act 2001* in relation to the audit; and
- b) no contraventions of any applicable code of professional conduct in relation to the audit.

This declaration is in respect of Meat & Livestock Australia Limited and the entities it controlled during the financial year.

A handwritten signature in black ink that reads 'Ernst & Young'.

Ernst & Young

A handwritten signature in black ink that reads 'Rob Lewis'.

Rob Lewis
Partner

Sydney
15 September 2020

Income statement

Year ended 30 June 2020	Note	Consolidated	
		2020 \$000	2019 \$000
CONTINUING OPERATIONS			
REVENUES FROM CONTINUING OPERATIONS	3	269,688	269,897
EXPENDITURE FROM CONTINUING OPERATIONS			
Consumer and community support		37,173	40,043
Market growth and diversification		67,979	71,805
Supply chain efficiency and integrity		45,887	41,467
Productivity and profitability		71,850	65,534
Leadership and collaborative culture		23,046	29,104
Stakeholder engagement		9,787	12,357
AUS-MEAT		550	550
Corporate cost		17,381	13,523
Total expenditure		273,653	274,383
NET (DEFICIT) FROM CONTINUING OPERATIONS		(3,965)	(4,486)
TOTAL CHANGE IN MEMBERS' FUNDS		(3,965)	(4,486)

The accompanying notes form an integral part of this 'Income statement'.

Statement of comprehensive income

Year ended 30 June 2020	Consolidated	
	2020 \$000	2019 \$000
NET DEFICIT FROM CONTINUING OPERATIONS	(3,965)	(4,486)
OTHER COMPREHENSIVE INCOME		
Items that may be subsequently reclassified to the 'Income statement'		
Cash flow hedges:		
Gain/(loss) taken to equity	(30)	157
Transferred to 'Statement of comprehensive income'	(157)	(408)
Other comprehensive income/(expense) for the year	(187)	(251)
TOTAL COMPREHENSIVE (DEFICIT) FOR THE YEAR	(4,152)	(4,737)

The accompanying notes form an integral part of this 'Statement of comprehensive income'.

Statement of financial position

As at 30 June 2020	Notes	Consolidated	
		2020 \$000	2019 \$000
CURRENT ASSETS			
Cash and short-term deposits	25(a)	145,246	158,236
Trade and other receivables	7	48,026	41,314
Prepayments and deposits	8	1,997	1,916
TOTAL CURRENT ASSETS		195,269	201,466
NON-CURRENT ASSETS			
Property, plant and equipment	12	2,794	3,170
Intangible assets	13	4,818	2,965
Right of use assets	14	14,772	–
Other financial assets	15	1,080	1,079
TOTAL NON-CURRENT ASSETS		23,464	7,214
TOTAL ASSETS		218,733	208,680
CURRENT LIABILITIES			
Trade and other payables	16	62,610	61,617
Provisions	17	2,083	2,068
Lease liabilities	14	225	–
Other liabilities	18	16,159	18,315
TOTAL CURRENT LIABILITIES		81,077	82,000
NON-CURRENT LIABILITIES			
Other payables	19	–	1,882
Provisions	20	1,206	1,589
Lease liabilities	14	17,393	–
TOTAL NON-CURRENT LIABILITIES		18,599	3,471
TOTAL LIABILITIES		99,676	85,471
NET ASSETS		119,057	123,209
EQUITY – MEMBERS' FUNDS			
Contributed equity	28	9,031	9,031
Retained surplus		110,056	114,021
Cash flow hedge reserve	21	(30)	157
TOTAL EQUITY – MEMBERS' FUNDS		119,057	123,209

The accompanying notes form an integral part of this 'Statement of financial position'.

Statement of changes in equity

Year ended 30 June 2020	Consolidated			Total \$000
	Contributed equity \$000	Retained earnings \$000	Cash flow hedge reserve \$000	
At 1 July 2018	9,031	118,507	408	127,946
Deficit for the year	–	(4,486)		(4,486)
Other comprehensive (loss)	–	–	(251)	(251)
Total comprehensive (loss)	–	(4,486)	(251)	(4,737)
At 30 June 2019	9,031	114,021	157	123,209
Deficit for the year	–	(3,965)	–	(3,965)
Other comprehensive (loss)	–	–	(187)	(187)
Total comprehensive (loss)	–	(3,965)	(187)	(4,152)
At 30 June 2020	9,031	110,056	(30)	119,057

The accompanying notes form an integral part of this 'Statement of changes in equity'.

Statement of cash flows

Year ended 30 June 2020	Notes	Consolidated	
		2020 \$000	2019 \$000
CASH FLOWS FROM OPERATING ACTIVITIES			
Levies collected		133,803	113,051
Research and development matching grants		77,023	79,125
Receipts from processors and live exporters		16,273	13,690
Other receipts		46,310	73,829
Payments to suppliers and employees		(281,160)	(284,569)
NET CASH FLOWS FROM OPERATING ACTIVITIES	25(b)	(7,751)	(4,874)
CASH FLOWS FROM INVESTING ACTIVITIES			
Proceeds from disposal of property, plant and equipment		–	140
Purchase of property, plant and equipment		(838)	(1,214)
Purchase of software	13	(3,193)	(1,785)
Interest received		3,679	4,255
NET CASH FLOWS FROM INVESTING ACTIVITIES		(352)	1,396
CASH FLOWS FROM FINANCING ACTIVITIES			
Net repayments of lease liability		(4,887)	–
NET CASH FLOWS FROM FINANCING ACTIVITIES		(4,887)	–
NET (DECREASE) IN CASH HELD		(12,990)	(3,478)
Add opening cash brought forward		158,236	161,714
CLOSING CASH CARRIED FORWARD	25(a)	145,246	158,236

The accompanying notes form an integral part of this 'Statement of cash flows'.

Notes to the financial statements

1. CORPORATE INFORMATION

The financial report of Meat & Livestock Australia Limited and its subsidiaries ('the Group') for the year ended 30 June 2020 was authorised for issue in accordance with a resolution of the directors on 16 September 2020.

MLA has prepared a consolidated financial report incorporating the Company and the entities that it controlled during the financial year.

MLA is a company limited by guarantee incorporated in Australia.

The nature of the operations and principal activities of the Group are described in the 'Directors' report'.

2. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

(a) Basis of preparation

The financial report is a general-purpose financial report, which has been prepared in accordance with the requirements of the *Corporations Act 2001*, Australian Accounting Standards and other authoritative pronouncements of the Australian Accounting Standards Board. The financial report has also been prepared on a historical cost basis except for derivative financial instruments which have been measured at fair value.

The financial report is presented in Australian dollars and all values are rounded to the nearest thousands (\$000).

(b) Statement of compliance

The principal accounting policies adopted in the preparation of the financial statements are set out below. These policies have been consistently applied to all the years presented, unless otherwise stated.

New, revised or amending Accounting Standards and Interpretations adopted

The Group has adopted all of the new, revised or amending Accounting Standards and Interpretations issued by the Australian Accounting Standards Board ('AASB') that are mandatory for the current reporting period. Any new or amended Accounting Standards or Interpretations that are not yet mandatory have not been early adopted.

The following Accounting Standards and Interpretations are most relevant to the Company:

• AASB 16 Leases

The Group has adopted AASB 16 from 1 July 2019. The standard replaces AASB 117 'Leases' and for lessees eliminates the classifications of operating leases and finance leases. Except for short-term leases and leases of low-value assets, right-of-use assets and corresponding lease liabilities are recognised in the statement of financial position. Straight-line operating lease expense recognition is replaced with a depreciation charge for the right-of-use assets (included in operating costs) and an interest expense on the recognised lease liabilities (included in finance costs). In the earlier periods of the lease, the expenses associated with the lease under AASB 16 will be higher when compared to lease expenses under AASB 117. However, EBITDA (Earnings Before Interest, Tax, Depreciation and Amortisation) results improve as the operating expense is now replaced by interest expense and depreciation in profit or loss. For classification within the 'Statement of cash flows', the interest portion is disclosed in operating activities and the principal portion of the lease payments are separately disclosed in financing activities. For lessor accounting, the standard does not substantially change how a lessor accounts for leases.

• AASB 15 Revenue from Contracts with Customers (effective 1 January 2019) and AASB 1058 Income of Not-for-Profit Entities (effective 1 January 2019) (AASB 2016-8 Amendments to Australian Accounting Standards – Australian Implementation Guidance for Not-for-Profit Entities)

AASB 15 Revenue from Contracts with Customers. The Group adopted AASB 15 from 1 July 2019. The standard provides a single comprehensive model for revenue recognition. The core principle of the standard is that an entity shall recognise revenue to depict the transfer of promised goods or services to customers at an amount that reflects the consideration to which the entity expects to be entitled in exchange for those goods or services. The standard introduced a new contract-based revenue recognition model with a measurement approach that is based on an allocation of the transaction price. When AASB 15 does not apply to a transaction or part of a transaction, the Group then considers whether AASB 1058 applies.

AASB 1058 clarifies and simplifies the income recognition requirements that apply to not-to-profit (NFP) entities, in conjunction with AASB 15 Revenue from Contracts with Customers. These Standards supersede all the income recognition requirements relating to private sector NFP entities, previously in AASB 1004 Contributions. Under AASB 1058, the timing of income recognition depends on whether a NFP transaction related to an asset (such as cash or another asset) received by an entity, gives rise to a liability or other performance obligation (a promise to transfer a good or service), or a contribution by owners.

This standard applies when a NFP entity enters into transactions where the consideration to acquire an asset is significantly less than the fair value of the asset principally to enable the entity to further its objectives. The entity will recognise and measure the asset at fair value in accordance with the applicable Australian Accounting Standard (e.g. AASB 16 Property, Plant and Equipment).

Upon initial recognition of the asset, AASB 1058 requires the entity to consider whether any other financial statement elements (called 'related amounts') should be recognised, such as:

- contributions by owners
- revenue, or a contract liability arising from a contract with a customer
- a lease liability
- a financial instrument
- a provision.

These related amounts will be accounted for in accordance with the applicable Australian Accounting Standard.

Due to the nature of the Group's major activities, nearly all of the Group's income from third parties relates to projects with identified contract and customers and fall under AASB15 and its Appendix AASB 2016-8. The Group has various type of income stream, please refer to Note 2(g) for revenue recognition.

Prior to the adoption of the new standards, the Group accrues for unspent third party contributions on a monthly basis. The same revenue deferral methodology using the retention period of funding is applied to defer revenue.

Impact of adoption

AASB 15, AASB1058 and AASB 16 were adopted using the modified retrospective approach and as such comparatives have not been restated. There was no material impact from the adoption of AASB 15 Revenue from contracts with customers and AASB 1058 Income of Not-for-Profit Entities.

The Group has lease contracts for various items of vehicles and properties. Before the adoption AASB16, the Group classified each

of its leases (as lessee) at the inception date as an operating lease. Refer to Note 2(l) Leases for the accounting policy prior to 1 July 2019. The impact of AASB 16 implementation on the statement of financial position at the end of the annual reporting period 30 June 2020 is right-of-use asset balance of \$14 million and closing lease liability balance of \$17 million.

The effect of adoption AASB 16 as at 1 July 2019 (increase/(decrease)) is, as follows:

	\$'000
Assets	
Right of use assets	15,845
Total assets	15,845
Liabilities	
Lease liabilities	15,845
Total liabilities	15,845
Total adjustment on equity:	
Retained earnings	–
Non-controlling interests	–
	–

The lease liabilities as at 1 July 2019 can be reconciled to the operating lease commitments as of 30 June 2019, as follows:

	\$'000
Assets	
Operating lease commitments as at 30 June 2019	14,694
Weighted average incremental borrowing rate as at 1 July 2020	5.37%
Discounted operating lease commitments as at 1 July 2020	13,147
Less:	
Commitments relating to short term leases	(1,118)
Commitments relating to lease of low value assets	(17)
Add:	
Lease payments relating to optional renewal periods not included in operating leases commitments as at 30 June 2019	3,833
Lease liabilities as at 1 July 2019	15,845

(c) Principles of consolidation

The consolidated financial statements comprise the financial statements of MLA and its subsidiaries (the Group) as at 30 June 2020 (as outlined in Note 10). Controls are achieved where the Group has power over the investee, exposure, or rights to variable returns from its involvement with the investee and the ability to use its power to affect its returns. The results of subsidiaries acquired or disposed during the year are included in the 'Consolidated income statement' and 'Statement of comprehensive income' from the effective date of acquisition or up to the effective date of disposal, as appropriate.

The financial statements of the subsidiaries are prepared for the same reporting period as the Group, using consistent accounting policies. All intercompany balances and transactions have been eliminated in full.

(d) Cash and short-term deposits

Cash on hand and at banks and short-term deposits are stated at nominal value.

For the purposes of the consolidated 'Statement of cash flows', cash and cash equivalents includes cash on hand and at banks, and money market investments readily convertible to cash within two working days, net of outstanding bank overdrafts.

(e) Trade and other receivables

Trade receivables are recognised and carried at original invoice amount less a provision for any uncollectible debts. An estimate for doubtful debts is made when there is objective evidence that the Group will not be able to collect the debt. Bad debts are written-off as incurred.

(f) Taxes

Income tax

The Group is exempt from income tax under section 50–40 of the *Income Tax Assessment Act 1997*.

Goods and Services Tax (GST)

Revenue, expenses and assets are recognised net of the amount of GST except:

- where GST incurred on a purchase of goods and services is not recoverable from the taxation authority, in which case the GST is recognised as part of the cost of acquisition of the asset or as part of the expense item as applicable
- receivables and payables (except accrued income and expenditure) are stated with the amount of GST included.

The net amount of GST recoverable from, or payable to, the taxation authority is included as part of receivables or payables in the 'Statement of financial position'.

Cash flows are included in the 'Statement of cash flows' on a gross basis and the GST component of cash flows arising from investing activities, which is recoverable from or payable to the taxation authority are classified as operating cash flows.

Commitments and contingencies are disclosed net of the amount of GST recoverable from, or payable to, the taxation authority.

(g) Revenue recognition

The Group recognises revenue under AASB 1058 or AASB 15 when appropriate. In cases where there is an 'enforceable' contract with a customer with 'sufficiently specific' performance obligations, the transaction is accounted for under AASB 15 where income is recognised when (or as) the performance obligations are satisfied (i.e. when it transfers control of a product or service to a customer). Revenue is measured based on the consideration to which the Group expects to be entitled in a contract with a customer and excludes amounts collected on behalf of third parties. In other cases, AASB 1058 applies when a NFP entity enters into transactions where the consideration to acquire an asset is significantly less than the fair value of the asset principally to enable the entity to further its objectives and the excess of the asset recognised (at fair value) over any 'related amounts' is recognised as income immediately.

The Group recognises revenues from the major business activities as follows:

- Transaction levies – revenue is recognised in the period to which it relates based on confirmations received from the Levies and Revenue Service who collect and distribute levies to the Group.
- Research and development Commonwealth matching payments – revenue is recognised for the matching funding from the Australian Government to the extent that the entity obtains control of the funding, it is probable that the economic benefits comprising the funding will flow to the entity and the funding can be measured reliably. These conditions are considered to be met when approved eligible research and development expenditure has been incurred. Accrued matching payments represent unclaimed funding for the amount incurred on research and development.

- Research and development contributions (unmatched) – the company receives funding from various external parties (including the Department of Agriculture and the Australian Government) to conduct collaborative research and development programs. Revenue is recognised when the company obtains control of the contribution or the right to receive the contribution based on conditions around expenditure incurred.
- Processor and Live Exporter contributions are recognised as revenue when the company obtains control of the contribution or the right to receive the contribution when it is probable that the economic benefits comprising the funding will flow to the entity and the funding can be measured reliably. These conditions are considered to be met based on conditions around expenditure incurred.
- Interest income is taken up as income on an accrual basis.
- Government grants are recognised when the Group obtains control of the grant or the right to receive the grant, which is considered to occur when all attaching conditions have been met. The grant received or receivable will be recognised as income when it is probable that the economic benefits of the grant will flow to the entity and the amount of the grant can be measured reliably.

(h) Derivative financial instruments and hedging

The Group uses derivative financial instruments such as forward currency contracts and options contracts to hedge against the risks associated with foreign currency fluctuations. These contracts are initially recognised at fair value on the date they are entered into and are subsequently remeasured to fair value. Derivatives are carried as assets when their fair value is positive and as liabilities when their fair value is negative.

Any gains or losses arising from changes in the fair value of derivatives, except for those that qualify as cash flow hedges, are taken directly to net surplus or deficit for the year.

The fair value of forward currency contracts is calculated by reference to current forward exchange rates for contracts with similar maturity profiles.

For the purposes of hedge accounting, hedges are classified as cash flow hedges when they hedge exposure to variability in cash flows that is attributable either to a particular risk associated with a recognised asset or liability or to a forecast transaction.

A hedge of the foreign currency risk of a firm commitment is accounted for as a cash flow hedge.

At the inception of a hedge relationship, the Group formally designates and documents the hedge relationship to which the Group wishes to apply hedge accounting and the risk management objective and strategy for undertaking the hedge. The documentation includes identification of the hedging instrument, the hedged item, the nature of the risk being hedged and how the Group will assess whether the hedging relationship meets the hedge effectiveness requirements (including the analysis of sources of hedge ineffectiveness and how the hedge ratio is determined). A hedging relationship qualifies for hedge accounting if it meets all of the following effectiveness requirements:

- There is 'an economic relationship' between the hedged item and the hedging instrument.
- The effect of credit risk does not 'dominate the value changes' that result from that economic relationship.
- The hedge ratio of the hedging relationship is the same as that resulting from the quantity of the hedged item that the Group actually hedges and the quantity of the hedging instrument that the Group actually uses to hedge that quantity of hedged item.

Hedges that meet the strict criteria for hedge accounting are accounted for as follows:

Cash flow hedges

Cash flow hedges are hedges of the Group's exposure to variability in cash flows that is attributable to a particular risk associated with a recognised asset or liability or a highly probable forecast transaction and that could affect the surplus or deficit. The effective portion of the gain or loss on the hedging instrument is recognised directly in equity while the ineffective portion is recognised in the 'Statement of comprehensive income'.

Amounts taken to equity are transferred to the 'Statement of comprehensive income' when the hedged transaction affects the surplus or deficit, such as when hedged income or expenses are recognised or when a forecast sale or purchase occurs. When the hedged item is the cost of a non-financial asset or liability, the amounts taken to equity are transferred to the initial carrying amount of the non-financial asset or liability.

If the forecast transaction is no longer expected to occur, amounts previously recognised in equity are transferred to the Statement of comprehensive income. If the hedging instrument expires or is sold, terminated or exercised without replacement or rollover, or if its designation as a hedge is revoked, amounts previously recognised in equity remain in equity until the forecast transaction occurs. If the related transaction is not expected to occur, the amount is taken to the Statement of comprehensive income.

Financial assets and financial liabilities are offset and the net amount is reported in the consolidated statement of financial position if there is a currently enforceable legal right to offset the recognised amounts and there is an intention to settle on a net basis, to realise the assets and settle the liabilities simultaneously.

(i) Foreign currency translation

Both the functional and presentation currency of the Company and its subsidiaries is Australian dollars (\$). For each entity, the Group determines its own functional currency and items included in the financial statements of each entity are measured using that functional currency.

Transactions in foreign currencies are initially recorded in the functional currency by applying the budget exchange rate and subsequently revaluing it to the average exchange rate of the month. Monetary assets and liabilities denominated in foreign currencies are retranslated at the rate of exchange ruling at the balance sheet date.

All exchange differences in the consolidated financial report are taken to the Income statement. Non-monetary items that are measured in terms of historical cost in a foreign currency are translated using the exchange rates at the dates of the initial transactions. Non-monetary items measured at fair value in a foreign currency are translated using the exchange rates at the date when the fair value is determined. The gain or loss arising on translation of non-monetary items measured at fair value is treated in line with the recognition of the gain or loss on the change in fair value of the item.

(j) Impairment of assets

The Group assesses at each reporting date whether there is an indication that an asset may be impaired. If any such indication exists, or when annual impairment testing for an asset is required, the Group makes an estimate of the asset's recoverable amount. When the carrying amount of an asset exceeds its recoverable amount, the asset is considered impaired and is written down to its recoverable amount.

(k) Intangible assets

Intangible assets acquired are initially measured at cost. Following initial recognition, intangible assets are carried at cost less any accumulated amortisation and any accumulated impairment losses.

The useful lives of intangible assets are assessed to be either finite or indefinite. Intangible assets with finite lives are amortised over the useful economic life and assessed for impairment whenever there is an indication that the intangible asset may be impaired. The amortisation period and the amortisation method for an intangible asset with a finite useful life are reviewed at least at each financial year-end. Changes in the expected useful life or the expected pattern of consumption of future economic benefits embodied in the asset are accounted for by changing the amortisation period or method, as appropriate, which is a change in accounting estimate. The amortisation expense on intangible assets with finite lives is recognised in the Income statement in the expense category consistent with the function of the intangible asset.

Intangibles are amortised as follows:

Computer software	1–5 years
-------------------	-----------

(l) Leases

Prior to the adoption of AASB16, leases were classified at their inception as either operating or finance leases based on the economic substance of the agreement so as to reflect the risks and benefits incidental to ownership. The minimum lease payments of operating leases, where the lessor effectively retains substantially all of the risks and benefits of ownership of the leased item, are recognised as an expense on a straight-line basis.

Right-of-use assets and lease liabilities

Upon adoption of AASB 16, the Group applied a single recognition and measurement approach for all leases except for short-term leases and leases of low-value assets.

The Group recognised right-of-use assets and lease liabilities for those leases previously classified as operating leases, except for short-term leases and leases of low-value assets. The right-of-use assets for most leases were recognised based on the carrying amount as if the standard had always been applied, apart from the use of incremental borrowing rate at the date of initial application. In some leases, the right-of-use assets were recognised based on the amount equal to the lease liabilities, adjusted for any related prepaid and accrued lease payments previously recognised. Lease liabilities were recognised based on the present value of the remaining lease payments, discounted using the incremental borrowing rate at the date of initial application

Depreciation

Depreciation is provided on a straight-line basis on all right of use assets.

	Term of lease
Leasehold properties	1–10 years
Motor vehicles	3–5 years

Leasehold improvements

The cost of improvements to or on leasehold property is capitalised, disclosed as leasehold improvements, and amortised over the unexpired period of the lease or the estimated useful lives of the improvements, whichever is the shorter, if there is no certainty the Group will obtain ownership by the end of the lease.

(m) Property, plant and equipment

Cost

All classes of property, plant and equipment are measured at cost, net of accumulated depreciation and accumulated impairment losses if any.

Depreciation

Depreciation is provided on a straight-line basis on all property, plant and equipment.

Life

Leasehold improvements	Remaining term of lease
Plant and equipment	2–5 years
Furniture and fittings	3–5 years

The assets' residual values, useful lives and amortisation methods are reviewed and adjusted, if appropriate at each financial year end.

Derecognition and disposal

An item of property, plant and equipment is derecognised upon disposal or when no further future economic benefits are expected from its use or disposal.

Any gain or loss arising on derecognition of the asset (calculated as the difference between the net disposal proceeds and the carrying amount of the asset) is included in the income statement in the year the asset is derecognised.

(n) Trade and other payables

Liabilities for trade and other payables are carried at amortised cost, which is the fair value of consideration to be paid in the future for goods and services received prior to the end of the financial year and which are unpaid. These amounts are unsecured and will be paid when due.

(o) Financial liabilities

Financial liabilities are classified, at initial recognition, as financial liabilities at fair value through profit or loss, loans and borrowings, payables, or as derivatives designated as hedging instruments in an effective hedge, as appropriate.

(p) Provisions

Provisions are recognised when the Group has a present obligation (legal or constructive) as a result of a past event, it is probable that an outflow of resources embodying economic benefits will be required to settle the obligation and a reliable estimate can be made of the amount of the obligation. The expense relating to a provision is presented in the statement of profit or loss net of any reimbursement.

(q) Unearned income

Unearned income consists of funds which have been received or invoiced but income recognition has been deferred to future years because the project milestones have not been met or the expenditure to which they relate has not been incurred.

(r) Employee benefits

Provision is made for employee benefits accumulated as a result of employees rendering services up to the reporting date. These benefits include wages and salaries, annual leave, long service leave and other employee benefits.

Short-term employee benefits

Liabilities for wages and salaries, including non-monetary benefits, annual leave and long service leave expected to be settled wholly within 12 months of the reporting date are measured at the amounts expected to be paid when the liabilities are settled.

Other long-term employee benefits

The liability for annual leave and long service leave not expected to be settled within 12 months of the reporting date are measured as the present value of expected future payments to be made in respect of services provided by employees up to the reporting date using the projected unit credit method. Consideration is given to expected future wage and salary levels, experience of employee departures and periods of service. Expected future payments are discounted using market yields at the reporting date on corporate bonds with terms to maturity and currency that match, as closely as possible, the estimated future cash outflows.

	Consolidated	
	2020 \$000	2019 \$000
5. OTHER INCOME		
Processor contributions	12,921	10,871
Live exporter contributions	1,638	1,714
Co-operative funding	3,835	2,994
R&D partnership income	35,710	39,986
Sale of products or services	4,014	7,874
Other	4,829	4,713
Total other income	62,947	68,152
6. EXPENSES AND LOSSES		
Depreciation and amortisation of non-current assets included in the 'Income statement':		
Leasehold improvements	630	540
Plant and equipment	561	503
Furniture and fittings	20	19
Amortisation of intangible assets	1,340	1,044
Right-of-use assets	2,375	–
Total depreciation and amortisation of non-current assets	4,926	2,106
Loss on sale of assets	2	36
Operating lease rentals included in the 'Income statement' (Note 14)	1,793	3,921
Employee benefit expense:		
Wages and salaries	31,603	29,538
Workers compensation costs	97	99
Annual leave provision	2,292	2,062
Long service leave provision	(68)	464
Superannuation expense	2,698	2,468
Other post-employment benefits	41	7
Total employee benefit expense	36,663	34,638
7. TRADE AND OTHER RECEIVABLES (CURRENT)		
Trade receivables, net	3,912	2,017
Accrued revenue:		
– Levies	8,651	5,644
– R&D Commonwealth-matching payments	28,612	29,909
– Other	5,262	2,672
Total accrued revenue	42,525	38,225
Other receivables	1,589	1,071
Total current receivables, net	48,026	41,314

7. TRADE AND OTHER RECEIVABLES (CURRENT) (continued)

There have been no movements in the provision for impairment loss.

The ageing analysis of trade receivables (net of impairment) is as follows:

Trade receivables (net of impairment)	Total \$000	Current \$000	Past due but not impaired				
			1–30 days	31–60 days	61–90 days	91–120 days	>120 days
30 June 2020	3,912	3,510	155	213	–	33	–
30 June 2019	2,017	1,933	37	13	8	26	–

(a) Allowance for impairment of receivables

A provision for impairment loss is recognised when there is objective evidence that a trade receivable is individually impaired (refer Note 2(e)). Financial difficulties of the debtor or defaulting in payments are considered objective evidence of impairment.

Receivables past due but not impaired are: \$401,000 (2019: \$84,000). Each business unit has been in contact with the relevant debtor and is satisfied that payment will be received in full. Other balances within trade and other receivables do not contain impaired assets and are not past due. It is expected these balances will be received when due.

(b) Interest rate risk

Trade debtors, R&D matching grants, levies and other accrued revenue are non-interest bearing and generally on 14 to 30 day terms.

(c) Security

The Group does not hold any collateral or security on trade receivables.

(d) Credit risk

The carrying value at the reporting date approximate the fair value for each class of receivable. Details regarding credit risk exposure are disclosed in Note 29 (iii).

8. PREPAYMENTS AND DEPOSITS

Prepayments	1,445	1,177
Deposits	552	600
Inventory	–	139
Total prepayments and deposits	1,997	1,916

Consolidated	
2020 \$000	2019 \$000
1,445	1,177
552	600
–	139
1,997	1,916
–	–

9. INVESTMENT IN ASSOCIATE

Unlisted:

AUS-MEAT Limited

AUS-MEAT Limited became an associated entity in 1998–99 and is jointly owned (50% each) by MLA and Australian Meat Processor Corporation Limited.

AUS-MEAT Limited is an independent company limited by guarantee with operations split into two principal areas, the Standards division and the Services division. It is incorporated in Australia.

MLA has a continuing commitment to support AUS-MEAT Limited. The contribution for the financial year ended 30 June 2020 was \$550,000 (2019: \$550,000).

9. INVESTMENT IN ASSOCIATE (continued)

Summary results of the associate entity

Revenue
Accumulated surplus at beginning of the year
Net (deficit)/surplus for the year
Accumulated surplus at end of the year

Financial summary of associated entity

Total current assets
Total non-current assets
Total current liabilities
Total non-current liabilities
Net assets

AUS-MEAT Limited	
2020 \$000	2019 \$000
19,470	18,390
5,560	5,331
(1,187)	229
4,373	5,560
9,674	11,014
4,724	3,736
5,176	4,032
–	308
9,222	10,410

The investment in AUS-MEAT Limited has been taken up at nil value (2019:\$nil). There is no entitlement to a share of the net results or net assets except in the event of a winding up of the entity.

10. INVESTMENTS IN SUBSIDIARIES

The consolidated financial statements include the financial statements of MLA and the subsidiaries listed in the following table.

Name	Equity interest %		Investment \$000	
	2020	2019	2020	2019
a) MLA Donor Company Limited	100	100	–	–
b) Integrity Systems Company Limited	100	100	–	–
			–	–

- a) MLA Donor Company Limited was incorporated in Australia on 6 August 1998 and is limited by guarantee. If the company is wound up, its Constitution states that MLA is required to contribute a maximum of \$5 towards meeting any outstanding obligations of the company.
- b) Integrity Systems Company Limited (formerly known as National Livestock Identification System) was incorporated in Australia on 24 December 2008 and is limited by guarantee. If the company is wound up, its Constitution states that MLA is required to contribute a maximum of \$5 towards meeting any outstanding obligations of the company.

11. PARENT ENTITY INFORMATION

Information relating to Meat & Livestock Australia Ltd

Current assets
Total assets
Current liabilities
Total liabilities
Contributed equity
Reserves
Total equity – Members' funds
Deficits for the year
Other comprehensive (loss)/gain for the year

2020 \$000	2019 \$000
195,014	192,107
215,702	198,158
74,994	76,152
93,427	79,439
9,031	9,031
(30)	157
113,274	109,530
(3,279)	(4,764)
(30)	157

As at balance date, the parent entity has not entered into any material contractual commitments for the acquisition of property, plant or equipment other than as noted in the financial statements.

	Consolidated	
	2020 \$000	2019 \$000
12. PROPERTY, PLANT AND EQUIPMENT		
Plant and equipment		
<i>At cost</i>	5,397	6,512
<i>Accumulated depreciation</i>	(4,527)	(5,548)
Total plant and equipment	870	964
Furniture and fittings		
<i>At cost</i>	141	259
<i>Accumulated depreciation</i>	(97)	(198)
Total furniture and fittings	44	61
Leasehold improvements		
<i>At cost</i>	6,338	5,978
<i>Accumulated depreciation</i>	(4,458)	(3,833)
Total leasehold improvements	1,880	2,145
Total property, plant and equipment		
<i>At cost</i>	11,876	12,749
<i>Accumulated depreciation</i>	(9,082)	(9,579)
Total written down value	2,794	3,170
Reconciliations of the carrying amounts of property, plant and equipment at the beginning and end of the current financial year.		
Plant and equipment		
Carrying amount at beginning	964	715
Additions	470	767
Disposals	(3)	(15)
Depreciation expense	(561)	(503)
	870	964
Furniture and fittings		
Carrying amount at beginning	61	90
Additions	3	14
Disposals	–	(24)
Depreciation expense	(20)	(19)
	44	61
Leasehold improvements		
Carrying amount at beginning	2,145	2,389
Additions	365	433
Disposals	–	(137)
Depreciation expense	(630)	(540)
	1,880	2,145

	Consolidated	
	2020 \$000	2019 \$000
13. INTANGIBLE ASSETS		
Software		
<i>At cost</i>	14,525	11,331
<i>Accumulated amortisation</i>	(9,706)	(8,366)
Total software	4,818	2,965
Reconciliation		
Carrying amount at beginning	2,965	2,224
Additions	3,193	1,785
Amortisation expense	(1,340)	(1,044)
	4,818	2,965
14. RIGHT-OF-USE ASSETS		
The Group leases motor vehicles, office and residential premises. Information about leases for which the Group is a lessee is presented below:		
Property – right-of-use		
<i>At cost</i>	16,744	–
<i>Accumulated depreciation</i>	(2,205)	–
Total written down value	14,539	–
Reconciliations		
<i>At cost</i>		
Balance 1 July 2019	–	–
Additions	16,832	–
Disposals	(88)	–
Balance 30 June 2020	16,744	–
<i>Accumulated depreciation</i>		
Balance 1 July 2019	–	–
Additions	2,293	–
Disposals	(88)	–
Balance 30 June 2020	2,205	–
Carrying amount at 30 June 2020	14,539	–
Motor vehicle – right-of-use		
<i>At cost</i>	315	–
<i>Accumulated depreciation</i>	(82)	–
Total written down value	233	–
Reconciliations		
<i>At cost</i>		
Balance 1 July 2019	–	–
Additions	315	–
Disposals	–	–
Balance 30 June 2020	315	–
<i>Accumulated depreciation</i>		
Balance 1 July 2019	–	–
Additions	82	–
Disposals	–	–
Balance 30 June 2020	82	–
Carrying amount at 30 June 2020	233	–
Total right-of-use asset, net	14,772	–

	Consolidated	
	2020 \$000	2019 \$000
14. RIGHT-OF-USE ASSETS (continued)		
Lease liabilities		
Less than one year	225	–
More than one year	17,393	–
Amounts recognised in Profit and Loss		
Lease interest on lease liabilities	955	–
Rent expenses relating to short term and low value leases	1,793	–
The Group leases motor vehicles and properties under agreements between 1 to 5 years in Australia and Overseas. There are options to extend under the property lease agreements.		
15. OTHER FINANCIAL ASSETS		
Other financial assets consist of restricted cash which relates to cash held as rental bonds in bank account which is pledged as collateral to landlords for risks retained by the group.		
Total other financial assets	1,080	1,079
	1,080	1,079
16. TRADE AND OTHER PAYABLES (CURRENT)		
Trade payables (a)	19,575	13,585
Accrued R&D and other creditors (a)	39,944	45,070
Rent-free period (refer Note 2(s))	–	565
Derivative financial instruments (b)	30	(157)
Employee entitlements:		
– annual leave	2,546	2,088
– other	515	466
Total current trade and other payables	62,610	61,617
(a) Trade payables, accrued R&D and other creditors are non-interest bearing and are normally settled on 30-day terms. In the case of accrued R&D, any payments are further subject to milestones being satisfactorily completed.		
(b) Pursuant to Note 2(h), the Group remeasured to fair value its outstanding forward currency and option contracts as at year end.		
17. PROVISIONS (CURRENT)		
Long service leave	2,014	2,000
Leasehold make good	69	68
Total current other liabilities	2,083	2,068

Movements in provisions:

Carrying amount at the beginning of the financial year	2,000	68	2,068
Additional provisions	14	1	15
Carrying amount at the end of the financial year	2,014	69	2,083

	Long service leave \$000	Leasehold make good \$000	Total \$000
Carrying amount at the beginning of the financial year	2,000	68	2,068
Additional provisions	14	1	15
Carrying amount at the end of the financial year	2,014	69	2,083

	Consolidated	
	2020 \$000	2019 \$000
18. OTHER LIABILITIES (CURRENT)		
Unearned income	15,268	17,458
Other	891	857
Total current other liabilities	16,159	18,315
19. OTHER PAYABLES (NON-CURRENT)		
Fit-out contribution and rent-free period (refer Note 2(s))	–	1,882
Total non-current other payables	–	1,882
During the year the provision for rent free valued at \$2.4 million was offset against right-of-use asset in full.		
20. PROVISIONS (NON-CURRENT)		
Long service leave	649	1,132
Leasehold make good	557	457
Total non-current provisions	1,206	1,589

Movements in provisions:

Carrying amount at the beginning of the financial year	1,132	457	1,589
Additional provisions	–	100	100
Utilised	–	–	–
Amounts transferred (from)/to current during the year	(483)	–	(483)
Carrying amount at the end of the financial year	649	557	1,206

	Long service leave \$000	Leasehold make good \$000	Total \$000
Carrying amount at the beginning of the financial year	1,132	457	1,589
Additional provisions	–	100	100
Utilised	–	–	–
Amounts transferred (from)/to current during the year	(483)	–	(483)
Carrying amount at the end of the financial year	649	557	1,206

21. CASH FLOW HEDGE RESERVE

At the beginning of the financial year	157	408
Net surplus on cash flow hedges	(30)	157
Transfer of cash flow hedge reserve to 'Statement of comprehensive income'	(157)	(408)
Total cash flow hedge reserve (a)	(30)	157

	Consolidated	
	2020 \$000	2019 \$000
At the beginning of the financial year	157	408
Net surplus on cash flow hedges	(30)	157
Transfer of cash flow hedge reserve to 'Statement of comprehensive income'	(157)	(408)
Total cash flow hedge reserve (a)	(30)	157

(a) The full amount of hedged cash flows as at 30 June 2020 are expected to affect the 'Statement of comprehensive income' within one year. As at 30 June 2020, the Company did not have any portion of cash flow hedges deemed ineffective.

	Consolidated	
	2020 \$000	2019 \$000
22. EMPLOYEE ENTITLEMENTS		
The aggregate employee benefit liability is comprised of:		
Provisions – current (refer Note 17)	2,014	2,000
Provisions – non-current (refer Note 20)	649	1,132
Payables – current (refer Note 16)	3,061	2,554
	5,724	5,686

23. REMUNERATION OF AUDITORS

Amounts received or due and receivable by Ernst & Young for:

- auditing or reviewing of the financial report of the entity and any other entity in the consolidated entity
- other services in relation to the entity and any other entity in the consolidated entity:
 - other non-audit services

	Consolidated	
	2020 \$	2019 \$
	215,592	195,082
	191,980	45,320
	407,572	240,402

24. DIRECTOR AND EXECUTIVE DISCLOSURES

(a) Details of key management personnel (KMP)

(i) Directors

Alan Beckett	Chair
Jason Strong	(Managing Director – appointed 25 Mar 2019)
Michele Allan	(resigned 20 Nov 2019)
Robert Fitzpatrick	
Erin Gorter	
Andrew Michael	
Russell Lethbridge	
Manny Noakes	
Jo Pye	
John Lloyd	(appointed 20 Nov 2019)

(ii) Executives

Michael Finucan	General Manager – International Markets (resigned 30 Dec 2019)
Andrew Cox	General Manager – International Markets (appointed 30 Dec 2019)
Michael Crowley	General Manager – Research, Development and Adoption
Sean Starling	General Manager – Research, Development and Innovation (resigned 30 Sep 2019)
Clare Stanwix	General Counsel and Company Secretary (resigned 22 May 2020)
Jane Weatherley	Chief Executive Officer – ISC
Lisa Sharp	Chief Marketing and Communications Officer (resigned 30 Jun 2020)
Andrew Ferguson	Chief Operating Officer
Peta Slack-Smith	General Manager – Strategic Communications and Corporate Affairs (appointed 19 Aug 2019, resigned 18 Dec 2019)
Lucy Broad	General Manager – Communications (appointed 29 Jun 2020)

	Notes	Consolidated	
		2020 \$	2019 \$
24. DIRECTOR AND EXECUTIVE DISCLOSURES (continued)			
(iii) Compensation of key management personnel by categories			
Directors (a)			
Short-term benefits		1,340,458	1,181,834
Post-employment benefits		75,744	70,542
Other long-term benefits		2,389	915
	(a)	1,418,591	1,253,291
Executives (b)			
Short-term benefits		2,612,042	2,644,578
Post-employment benefits		137,545	143,756
Other long-term benefits		36,119	52,446
	(b)	2,785,706	2,840,780

(a) Compensation includes all benefits paid, payable or provided by the entity, or on behalf of the entity, in exchange for services rendered to the entity. Compensation includes wages, salaries, superannuation and other employees' provisions.

(b) Executive compensation refers to all compensation earned by the General Managers of the Company with the exception of the Managing Director whose compensation has been included under Directors' compensation.

(b) Related party transactions

Directors of the Group and directors of its related parties, or their director-related entities, conduct transactions with entities within the Group that occur within a normal employee, customer or supplier relationship on terms and conditions no more favourable than those which it is reasonable to expect the entity would have adopted if dealing with the director or director-related entity at arm's length in similar circumstances. These transactions include the following and have been quantified below where the transactions are considered likely to be of interest to users of these financial statements:

- Dr Allan is Chancellor of Charles Sturt University which invoiced the Company 2019–20: \$403,224 (2018–19: \$1,277,087) for various R&D projects including 'Eating quality potential of older female cattle' and 'Improving process of finishing lamb'. The Company has invoiced Charles Sturt University 2019–20: \$834,701 (2018–19: \$864,470) for a number of Rural R&D for Profit programs relating to Food and Mouth Disease (FMD) and dung beetle ecosystem engineers, as well as various MDC projects including 'Diagnostic technologies in feedlot sector' and 'Creating a dairy beef supply chain to increase the value and volume of beef and veal products.' Dr Allan is Director of CSIRO which invoiced the Company 2019–20: \$4,351,834 (2018–19: \$6,976,300) for various R&D projects including 'Improving the use of forage brassicas in mixed farming systems', 'Feedlot heat load nutrition program' and 'Strengthening the viral rabbit biocontrol pipeline'. The Company invoiced CSIRO 2019–20: \$2,312,775 (2018–19: \$1,439,215) mainly for 'Strengthening the viral rabbit biocontrol pipeline' and 'Welfare benchmarking and management for the beef cattle and sheep meat industries' projects. Dr Allan is Director of Food Innovation Australia which invoiced the Company 2019–20: \$22,000 (2018–19: \$nil) for project 'Beyond meat to quality ingredient component review'. Dr Allan is Director of Nuffield Australia which invoiced the Company 2019–20: \$58,300 (2018–19: \$58,300) for Scholarships. Dr Allan is a Director of Wine Australia which the Company has invoiced 2019–20: \$40,000 (2018–19: \$193,377) for contribution to China International Import Export Expo (CIIEE).
- Mr John Lloyd is a Member of Council of Charles Sturt University which invoiced the Company 2019–20: \$403,224 (2018–19: \$1,277,087) for various R&D projects including 'Eating quality potential of older female cattle' and 'Improving process of finishing lamb'. The Company has invoiced Charles Sturt University 2019–20: \$834,701 (2018–19: \$864,470) for a number of Rural R&D for Profit programs relating to Food and Mouth Disease (FMD) and dung beetle ecosystem engineers, as well as various MDC projects including 'Diagnostic technologies in feedlot sector' and 'Creating a dairy beef supply chain to increase the value and volume of beef and veal products.' Mr John Lloyd is a Director of Grains and Legumes Nutrition Council which has not invoiced the Company during the year and the company invoiced 2019–20: \$30,638 (2018–19: \$29,460) mainly for North Sydney Office rent. Mr John Lloyd is an Advisor for SparkLabs Cultiv8 which has not invoiced the company during the year and the Company invoiced 2019–20: \$173,855 (2018–19: \$306,405) for 'SparkLabs accelerator program support'.
- Ms Gorter is a Director of Primary Industries Education Foundation Australia which invoiced the Company 2019–20: \$86,625 (2018–19: \$86,625) for membership funding to Primary Industries Education Foundation. Ms Gorter is a Member of Southern DIRT which invoiced the Company 2019–20: \$5,500 (2018–19: \$40,516) for sponsorship of Southern DIRT TECHSPO 2019 (Technology Expo). Ms Gorter is a Director of AgVivo Pty Ltd which has not invoiced the Company during the year and the Company refunded 2019–20: \$2,507 (2018–19 \$nil) for unspent funds from 'WA Producer & Research thought leadership NZ tour' project.
- Mr Russell Lethbridge is a member of Agforce Queensland which invoiced the Company 2019–20: \$14,300 (2018–19: \$333,285) for Sponsorships for Goat Field Day 2019 in Cunnamulla and Sponsorship of Cattle Forum 2019. The Company has invoiced AgForce Queensland 2019–20: \$124,740 (2018–19: \$157,080) for an MDC project relating to 'Adoption of best practice vertebrate pest control in Northern Queensland'.

	Consolidated	
	2020 \$000	2019 \$000
25. NOTES TO THE STATEMENT OF CASH FLOWS		
(a) Reconciliation of cash		
Cash on hand	145,246	100,236
Short-term money market deposits	–	58,000
Closing cash balance	145,246	158,236
(b) Reconciliation of net cash from operating activities to net surplus		
Net (deficit)	(3,965)	(4,486)
Adjustments for:		
Net loss on disposal of property, plant and equipment	2	36
Depreciation expense	3,586	1,062
Amortisation expense	1,340	1,044
Interest received	(3,679)	(4,255)
Net foreign exchange differences	161	–
Right-of-use leases:		
Lease rent	2,742	–
Revaluation of lease asset adjustment	2,455	–
Change in assets and liabilities:		
Decrease/(increase) in assets:		
Decrease/(increase) in trade and other receivables	(6,712)	629
(Increase) in prepayments and deposits	(81)	(32)
Decrease in other financial assets	(1)	561
Increase/(decrease) in liabilities:		
Increase/(decrease) in trade and other payables	(889)	7,500
Increase(decrease) in other liabilities	16	(6,476)
(Decrease)/increase in provisions	(2,726)	(457)
Net cash from operating activities	(7,751)	(4,874)
26. EXPENDITURE COMMITMENTS		
Expenditure (primarily research and development) contracted for is payable as follows:		
– Not later than one year	125,411	139,521
– Later than one year but not later than five years	123,939	135,033
– Later than five years	–	–
Aggregate R&D expenditure contracted for at balance date	249,350	274,554
Operating lease expenditure contracted for is payable as follows:		
– Not later than one year	1,550	4,786
– Later than one year but not later than five years	1,164	9,344
– Later than five years	–	564
Aggregate lease expenditure contracted for at balance date (a)	2,714	14,694

(a) The operation commitments include maintenance contracts, existing leases for properties with terms less than one year and one new lease signed in the financial year ending 30 June 2021 which will be classified according to AASB 16.

27. MEMBERS' FUNDS

The Company is incorporated in Australia and is a company limited by guarantee. If the Company is wound up, its Constitution states that each member is required to contribute a maximum of \$5 each towards meeting any outstanding obligations of the Company. At 30 June 2020, the number of members was 49,589 (2019: 49,692).

	Consolidated	
	2020 \$000	2019 \$000
Capital contribution	9,031	9,031

28. CONTRIBUTED EQUITY

Capital contribution

This amount represents contributions from the Commonwealth Government as initial working capital and property, plant and equipment at written down value transferred from the Australian Meat and Live-stock Corporation and the Meat Research Corporation at nil consideration.

29. FINANCIAL RISK MANAGEMENT OBJECTIVES AND POLICIES

MLA's principal financial instruments include derivatives, cash and cash equivalents. The Group has various other financial assets and liabilities such as trade receivables and trade payables which arise directly from its operations.

MLA enters into derivative transactions, including forward currency contracts and currency option contracts. The currency option contracts are limited to vanilla options and collar options. The purpose is to manage the currency risks arising from the Group's overseas operations. The main risks arising from the Group's financial instruments are interest rate risk, foreign currency risk, credit risk and liquidity risk.

The Board reviews and agrees policies for managing each of these risks and they are summarised below.

Oversight responsibility for identification and control of financial risks rests with the Audit and Risk Committee under the authority of the Board.

Details of the significant accounting policies and methods adopted, including the criteria for recognition, the basis of measurement and the basis on which income and expenses are recognised, in respect of each class of financial instrument are disclosed in Note 2 to the financial statements.

Risk exposures and responses

(i) Interest rate risk

The Group's exposure to the risk of changes in market interest rates relates primarily to the Group's cash and short-term deposit holding with a floating interest rate. Cash at bank earns interest at floating rates based on daily bank deposit rates. On call deposits are made for varying periods of between one day and twelve months, depending on the immediate cash requirements of the Group, and earn interest at the respective short-term deposit rates.

Cash deposits and short-term cash assets are held at floating exchange rates of interest that range between 0% and 1.78% at 30 June 2020. Some of these assets are held in foreign currency accounts.

Sensitivity analysis:

At 30 June 2020, if interest rates moved, as illustrated in the table below, with all other variables held constant, the effect on the Group's net surplus would have been as follows:

Judgements of reasonable possible movements:

	Consolidated surplus	
	2020 \$000	2019 \$000
+0.50% (2019: +1.00%)	671	1,477
-1.00% (2019: -0.50%)	(1,341)	(739)

There is no direct impact on other comprehensive income.

(ii) Foreign currency risk

The Group has a policy of hedging the offshore component of its annual expenditure. In doing so, it works within Board-approved risk management bands which establish the upper and lower limits of hedge cover for each period out on a rolling twelve month basis. The objective is to ensure that the annual budget allocation for offshore expenditure for the next financial year is fully hedged by 30 June.

The Group is primarily exposed to the risk of adverse movements in the Australian dollar relative to certain foreign currencies and uses derivative financial instruments to manage these specifically identified foreign currency exposures.

Forward exchange contracts and options are purchased to hedge a majority of the Australian dollar value of United States dollar, Japanese yen, Chinese rmb and Korean won payments arising from the activities of overseas branches.

These contracts hedge highly probable forecasted future cash outflows and they are timed to mature when the payments are scheduled to be made.

29. FINANCIAL RISK MANAGEMENT OBJECTIVES AND POLICIES (continued)

Foreign exchange contracts commit the Group to purchase specific amounts of foreign currency at an agreed rate of exchange maturing at specific times up to 12 months from balance date.

Option contracts give the Group the right to purchase specific amounts of foreign currency at an agreed rate of exchange maturing at specific times up to 12 months from balance date.

At 30 June 2020, the Group held forward exchange contracts designated as hedges of forecasted future cash outflows to its overseas offices. The cash flows are expected to occur within 12 months from 30 June 2020.

Sensitivity analysis:

There is minimal sensitivity to foreign currency risk exposures on the Group's net surplus/deficit for the year and on equity as overseas spending is subject to a fixed budget which is determined in Australian dollars. As there is no material impact on the net surplus/deficit or equity in local currency, a sensitivity analysis has not been prepared.

(iii) Credit risk

Credit risk arises from the financial assets of the Group, which comprise cash and cash equivalents, trade and other receivables and derivative instruments. The Group's exposure to credit risk arises from the potential default of the counter party, with a maximum exposure equal to the carrying amount of these instruments. Exposure at balance date is addressed in each applicable note.

The Group's objectives in relation to credit risk are to ensure minimum impairment of its financial assets and minimise the possibility of loss.

The Group's financial assets are largely due from government related bodies, recognised creditworthy third parties and highly credit-rated financial institutions that have minimal risk of default. No collateral is held as security.

All receivable balances are monitored on an ongoing basis with the result that the Group's experience of bad debts has not been significant.

There are no significant concentrations of credit risk and financial instruments are spread amongst a number of financial institutions to minimise the risk of default of counterparties.

The Group's maximum exposure to credit risk at reporting date in relation to each class of recognised financial assets is the carrying amount of these assets.

(iv) Liquidity risk

Liquidity risk arises from the financial liabilities of the Group and the Group's subsequent ability to meet its obligations to repay its financial liabilities as and when they fall due.

Pursuant to its reserving policy, the Group maintains minimum levels of reserves by specie. The Group's objective is to invest the surplus funds represented by these reserves in financial instruments with maturities that match its forecast payment obligations. The surplus funds are invested primarily in term deposits with differing maturity terms that can be easily liquidated in the event of an unforeseen interruption of cash flow.

The Group manages its liquidity risk by monitoring the cash inflows and outflows expected on a weekly basis.

Non-derivative financial liabilities

The table below summarises the maturity profile of the Group's financial liabilities as at the reporting date based on contractual undiscounted repayment obligations. The Group ensures that sufficient liquid assets are available to meet all the short-term cash payments.

	Consolidated	
	Less than 6 months \$000	6 to 12 months \$000
Financial liabilities		
Trade and other payables	59,519	—

(v) Fair value

The carrying values of all financial assets and liabilities approximate their fair value at the balance date. The net fair value of a financial asset is the amount at which the asset could be exchanged in a current transaction between knowledgeable and willing parties after allowing for transaction costs.

The Group uses various methods in estimating the fair value of a financial instrument. The methods comprise:

Level 1 – the fair value is calculated using quoted prices in active markets.

Level 2 – the fair value is estimated using inputs other than quoted prices included in Level 1 that are observable for the asset or liability, either directly or indirectly.

Level 3 – the fair value is estimated using inputs for the asset or liability that are not based on observable market data.

29. FINANCIAL RISK MANAGEMENT OBJECTIVES AND POLICIES (continued)

The fair value of the financial instruments as well as the methods used to estimate the fair value are summarised in the table below.

	Consolidated Year ended 30 June 2020	
	Market observable inputs (level 2) \$000	Total \$000
Financial assets		
Derivative instruments	(90)	(90)
Forward currency contracts	(90)	(90)

Financial instruments that use valuation techniques with only observable market inputs include forward currency contracts. The fair value of forward currency contracts is calculated by reference to current forward exchange rates for contracts with similar maturity profiles.

MLA presents derivative assets and derivative liabilities on a gross basis. Certain derivative assets and liabilities are subject to enforceable master netting arrangements with individual counterparties if they were subject to default. As at 30 June 2020, if these netting arrangements were to be applied to the derivative portfolio, derivative assets are reduced by \$90,031 (30 June 2019: \$53,222) and derivative liabilities are reduced by \$90,031 (30 June 2019: \$53,222).

30. LEGAL CLAIM CONTINGENCY

On 27 June 2016, MLA lodged an appeal in the Federal Court of Australia against Cargill Inc. and Branhaven, LLC. in relation to the prior dismissal of MLA's opposition to the grant of Australian patent 2010102253 'Cattle Selection Methods Patent'. The initial hearing of the appeal concluded on 7 June 2017 and judgement was delivered on 9 February 2018. MLA was partly successful in relation to the appeal which gave rise to a further hearing for the parties to argue what amendments to the patent should be made. This hearing occurred 1–3 August 2018 and on 23 January 2019, the judgment supported the Patent amendments. MLA was awarded 10 percent of the substantive costs incurred.

On 15 February 2019 MLA sought leave to appeal the decision.

On 29 August 2019 a full bench of the Federal Court considered a) MLAs application for Leave to Appeal and b) the matters listed for appeal and the judgment has been reserved. There is no date fixed for delivery of the judgment.

MLA will continue to pursue every option to protect the genetic advancement of Australia's beef herd.

31. FINANCING ARRANGEMENTS

MLA has access to two funding facilities which are available under special circumstances in response to industry crisis from the Red Meat Advisory Council Limited (RMAC).

- A \$500,000 (2019: \$500,000) emergency fund can be accessed by MLA for scoping purposes following consultation with the affected species sector/sectors.
- In addition, a \$5 million (2019: \$5 million) contingency fund for the management of industry crisis may be accessible. Use of this facility requires a two-thirds majority decision of RMAC directors with terms and conditions as agreed by RMAC and the Commonwealth Government.
- No amount has been withdrawn from these funding facilities.

Directors' declaration

In accordance with a resolution of the directors of Meat & Livestock Australia Limited, we state that:

In the opinion of the directors:

- (a) the financial statements and notes of Meat & Livestock Australia Limited for the financial year ended 30 June 2020 in accordance with the *Corporations Act 2001*, including:
 - (i) giving a true and fair view of the consolidated entity's financial position as at 30 June 2020 and of its performance for the year ended on that date; and
 - (ii) complying with Australian Accounting Standards (including Australian Accounting Interpretations) and *Corporations Regulations 2001*; and
- (b) there are reasonable grounds to believe that the Company will be able to pay its debts as and when they become due and payable.

This declaration has been made after receiving the declarations required to be made to the directors by the managing director and chief financial officer in accordance with section 295A of the *Corporations Act 2001* for the financial year ended 30 June 2020.

On behalf of the Board



Alan Beckett
Director



Jason Strong
Managing Director

16 September 2020

Independent auditor's report



Ernst & Young
200 George Street
Sydney NSW 2000 Australia
GPO Box 2648 Sydney NSW 2001

Tel: +61 2 9248 5555
Fax: +61 2 9248 5959
ey.com/au

Independent Auditor's Report to the Members of Meat & Livestock Australia Limited

Opinion

We have audited the financial report of Meat & Livestock Australia Limited (the Company) and its subsidiaries (collectively the Group), which comprises the statement of financial position as at 30 June 2020, the income statement, statement of comprehensive income, statement of changes in equity and statement of cash flows for the year then ended, notes to the financial statements, including a summary of significant accounting policies, and the directors' declaration.

In our opinion, the accompanying financial report of the Group is in accordance with the *Corporations Act 2001*, including:

- giving a true and fair view of the consolidated financial position of the Group as at 30 June 2020 and of its consolidated financial performance for the year ended on that date; and
- complying with Australian Accounting Standards and the *Corporations Regulations 2001*.

Basis for opinion

We conducted our audit in accordance with Australian Auditing Standards. Our responsibilities under those standards are further described in the Auditor's Responsibilities for the Audit of the Financial Report section of our report. We are independent of the Group in accordance with the auditor independence requirements of the *Corporations Act 2001* and the ethical requirements of the Accounting Professional and Ethical Standards Board's APES 110 Code of Ethics for Professional Accountants (including Independence Standards) (the Code) that are relevant to our audit of the financial report in Australia. We have also fulfilled our other ethical responsibilities in accordance with the Code. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion.

Information other than the Financial Report and Auditor's Report thereon

The directors are responsible for the other information. The other information is the directors' report accompanying the financial report.

Our opinion on the financial report does not cover the other information and accordingly we do not express any form of assurance conclusion thereon.

In connection with our audit of the financial report, our responsibility is to read the other information and, in doing so, consider whether the other information is materially inconsistent with the financial report or our knowledge obtained in the audit or otherwise appears to be materially misstated.

If, based on the work we have performed, we conclude that there is a material misstatement of this other information, we are required to report that fact. We have nothing to report in this regard.

Responsibilities of the Directors for the Financial Report

The directors of the Company are responsible for the preparation of the financial report that gives a true and fair view in accordance with Australian Accounting Standards and the *Corporations Act 2001* and for such internal control as the directors determine is necessary to enable the preparation of the financial report that gives a true and fair view and is free from material misstatement, whether due to fraud or error.

In preparing the financial report, the directors are responsible for assessing the Group's ability to continue as a going concern, disclosing, as applicable, matters relating to going concern and using the going concern basis of accounting unless the directors either intend to liquidate the Group or to cease operations, or have no realistic alternative but to do so.



Auditor's Responsibilities for the Audit of the Financial Report

Our objectives are to obtain reasonable assurance about whether the financial report as a whole is free from material misstatement, whether due to fraud or error, and to issue an auditor's report that includes our opinion. Reasonable assurance is a high level of assurance, but is not a guarantee that an audit conducted in accordance with the Australian Auditing Standards will always detect a material misstatement when it exists. Misstatements can arise from fraud or error and are considered material if, individually or in the aggregate, they could reasonably be expected to influence the economic decisions of users taken on the basis of this financial report.

As part of an audit in accordance with the Australian Auditing Standards, we exercise professional judgment and maintain professional scepticism throughout the audit. We also:

- Identify and assess the risks of material misstatement of the financial report, whether due to fraud or error, design and perform audit procedures responsive to those risks, and obtain audit evidence that is sufficient and appropriate to provide a basis for our opinion. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control.
- Obtain an understanding of internal control relevant to the audit in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the Company's internal control.
- Evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by the directors.
- Conclude on the appropriateness of the directors' use of the going concern basis of accounting and, based on the audit evidence obtained, whether a material uncertainty exists related to events or conditions that may cast significant doubt on the Company's ability to continue as a going concern. If we conclude that a material uncertainty exists, we are required to draw attention in our auditor's report to the related disclosures in the financial report or, if such disclosures are inadequate, to modify our opinion. Our conclusions are based on the audit evidence obtained up to the date of our auditor's report. However, future events or conditions may cause the Company to cease to continue as a going concern.
- Evaluate the overall presentation, structure and content of the financial report, including the disclosures, and whether the financial report represents the underlying transactions and events in a manner that achieves fair presentation.

We communicate with the directors regarding, among other matters, the planned scope and timing of the audit and significant audit findings, including any significant deficiencies in internal control that we identify during our audit.

Ernst & Young

Rob Lewis
Partner

Sydney
15 September 2020

Supporting information



Appendix A:

Status of MLA's 2019–20 key performance indicators

as at 30 June 2020

Status	Symbol	2019–20 KPIs in MLA's Strategic Plan 2016–2020	KPIs from MLA's Annual Investment Plan 2019–20	Total result	Percentage
Achieved	●	14	116	130	76
Partly achieved	●	1	7	8	5
Not achieved	●	6	20	26	15
Not available	●	2	4	6	4
Total		23	147	170	100

2019–20 KPI	Status	Commentary
-------------	--------	------------

Program: Animal health and welfare

Sub-program: Animal health

Pillar 1: Consumer and community support

Strategic plan KPI:

Four new products including vaccines, diagnostic tests and tools to reduce the cost and welfare impact of endemic and emergency disease in Australia



While multiple products are being developed, lengthy timeframes for trials and approval have resulted in their commercial availability being delayed until after 2020.

A commercial partner is identified, and development trials underway for a single injection cattle tick vaccine



Development trials are underway as part of three different vaccine projects, with at least one project including a co-funding commercial partner.

Prevalence maps prepared for cryptic apicomplexan parasites – toxoplasma, sarcocystis and theileria



This has been achieved in the case of theileria (including uncovering a new tick vector), but not as yet for the other parasites.

Sub-program: Animal welfare

Pillar 1: Consumer and community support

Strategic plan KPI:

Restrict % consumers limiting red meat consumption due to animal welfare concerns to 10%



The 2019–20 survey indicated 12% of the 28% of consumers (or 3.36% of all consumers) reducing their red consumption do so due to welfare concerns.

100,000 lambs treated with Numnuts at lamb marking



400,000 of a planned one million Numnuts treatments were applied by June 2020.

Three dog management groups report success in baiting program and dog reduction



Dog management group projects are underway in Queensland, but not yet complete.

Program: Domestic market

Sub-program: Market knowledge (domestic)

Pillar 1: Consumer and community support

Pillar 6: Stakeholder engagement

Strategic Plan KPI:

Improve proportion of users who find MLA Market Information 'extremely or highly valuable' to 62%



67% of subscriber survey respondents found MLA market information was extremely or highly valuable.

High levels of satisfaction (above 85%) by industry stakeholders with MLA's market information services



The market information subscriber survey found 84% of respondents were satisfied with MLA's market information services.

National Livestock Reporting Service (NLRS) saleyard reports cover >70% of national sales



Saleyard reporting was expanded to ensure at least 70% of saleyard throughput is reported by species by state. This achieved 80% coverage for cattle and 93% for sheep.

High levels of satisfaction (above 85%) by industry stakeholders with MLA's market insights services



100% of survey respondents were very or extremely satisfied with MLA's market insights services.

2019–20 KPI	Status	Commentary
Sub-program: Nutrition		
Pillar 1: Consumer and community support		
Strategic Plan KPI: Restrict % of main grocery buyers limiting beef consumption for health reasons to 17%	●	The latest attitudinal survey results indicate the percentage of consumers limiting beef consumption for health reasons is 23%.
Strategic Plan KPI: Restrict % of main grocery buyers limiting lamb consumption for health reasons to 21%	●	The latest attitudinal survey results indicate the percentage of consumers limiting sheepmeat consumption for health reasons is 18%.
At least 60% of stakeholders surveyed believe MLA's nutrition information and practical resources are credible and relevant	●	Almost 65% of GPs and dietitians agree that MLA is a relevant and credible source of healthy eating material for their patients, with around 75% agreeing the information was relevant and credible.
Sub-program: Marketing and promotion (domestic)		
Pillar 2: Market growth and diversification		
Strategic Plan KPI: Increase % of domestic main grocery buyers willing to pay a premium for Australian beef to 22%	●	Consumers continue to see value in Australian beef, with 25% willing to pay a premium for it.
Strategic Plan KPI: Increase % of domestic main grocery buyers willing to pay a premium for Australian lamb to 23.5%	●	Consumers continue to see value in Australian lamb, with 23.5% willing to pay a premium for it.
Year-on-year increase in main grocery buyer endorsement of the statement "Willing to pay more for beef/lamb" to 22% (beef) and 23.5% (lamb) from 19% (beef) and 21% (lamb) in 2015–16	●	Consumer tracking indicates 26% of consumers are willing to pay more for beef, while 24% of consumers are willing to pay more for lamb.
Maintain mean number of serves per week: 1.5–1.7 for beef and 0.7–0.9 for lamb	●	Mean number of serves is stable and within the target range for beef at 1.7 and for lamb at 0.7.
Restrict the percentage of main grocery buyers limiting red meat for health reasons to 17% (beef) and 21% (lamb)	●	Consumer tracking indicates 23% of main grocery buyers are limiting beef for health reasons, compared to 18% for lamb.
75% of domestic CoMarketing participants rate their overall outcomes (based on their objectives for the year) as 'successful'	●	86% of CoMarketing participants rated the overall outcome of their planned brand marketing objectives as successful or very successful.
Produce case studies from at least five domestic CoMarketing participants, demonstrating that a branding-related price premium is paid to producers for livestock which meet domestic-branded program specifications	●	Five CoMarketing participant case studies were completed. Participants confirmed a brand-related price premium was being paid to livestock producers.

Program: International markets

Sub-program: Market access

Pillar 2: Market growth and diversification

Strategic Plan KPI: Achieve \$15m in new market opportunities by 2019–20	●	Tariffs have been reduced or eliminated via the Comprehensive and Progressive Trans-Pacific Partnership for Japan, Canada and Peru (beef) and Mexico (beef and sheepmeat). There has also been expedited tariff elimination for beef via the Peru-Australia Free Trade Agreement (FTA). Tariffs are bound at zero under the Australia-Hong Kong FTA. Tariffs also eliminated under Indonesia-Australia Comprehensive Economic Partnership Agreement.
Strategic Plan KPI: Deliver \$150m in new export market opportunities by 2019–20	●	Non-tariff barriers were alleviated in Indonesia (beef secondary cuts and offal), the United Arab Emirates and Kuwait (extension of shelf-life for chilled beef and sheepmeat) and Egypt (access for manufacturing beef).
Australia-EU free trade agreement: industry position/submissions are acknowledged and acted on by government, supporting delivery of a reformed EU import regime	●	MLA (in conjunction with a red meat industry taskforce) prepared well-received submissions/positioning papers associated with the ongoing Australia-EU free trade agreement (FTA) negotiations, as well as for the recently launched FTA negotiations with the UK. The Australian Government prioritised market access outcomes for red meat in both negotiations.
Non-tariff barriers: priority non-tariff barrier issue alleviation plans (i.e. China) are implemented	●	Improved access for chilled Australian red meat via the extension of shelf life conditions has been secured in Kuwait, Jordan and Saudi Arabia, while manufacturing beef is now permitted entry into Egypt. Non-tariff barrier alleviation efforts continue in China.

2019–20 KPI	Status	Commentary
Sub-program: Market knowledge (international)		
Pillar 2: Market growth and diversification		
High levels of satisfaction (above 85%) by industry stakeholders with MLA's international market insights services	●	100% of survey respondents were very or extremely satisfied with MLA's international market insights services.
Delivery of a global markets strategic plan	●	MLA's global markets portfolio strategy was completed and shared with the wider industry in December 2019.
Delivery of adoption tools, including global market snapshots and global competitor snapshots	●	All adoption tools were delivered, including an overview for each major red meat destination (country), identifying supply and demand insights.
Completion of category drivers for Southern Asia, US, China, MENA and domestic markets	●	All workshops were completed, with all insights summarised and the top five to six category drivers identified for future growth of Australian red meat in key markets.
Sub-program: Marketing and promotion (international)		
Pillar 2: Market growth and diversification		
Strategic Plan KPI: Increase percentage of global consumers who prefer Australian beef to 23.4%	●	MLA's 2020 global tracker survey showed consumer preference for Australian beef was above target at 28.5%.
Strategic Plan KPI: Increase percentage of global consumers who prefer Australian lamb to 21.4%	●	MLA's 2020 global tracker survey showed consumer preference for Australian lamb was above target at 24.3%.
Build or maintain customer awareness and preference of Australian red meat's positive attributes (safety, quality) within target range	●	MLA's global trade survey (the measurement tool for international customer awareness/preferences of Australian red meat's positive attributes) is only conducted every two years and hence results are not available for 2019–20.
Increase consumer preference for Australian red meat in key international markets to be above 23.4% for beef and 21.4% for lamb	●	MLA's 2020 global tracker survey showed consumer preference for Australian beef and Australian lamb was above target at 28.5% and 24.3% respectively.
75% of international CoMarketing participants rate their overall outcomes (based on their objectives for the year) as 'successful'	●	86% of CoMarketing participants rated the overall outcome of their planned brand marketing objectives as successful or very successful.
Produce case studies from at least five international CoMarketing participants, demonstrating that a branding-related price premium is paid to producers for livestock which meet international-branded program specifications	●	Five CoMarketing participant case studies were completed. Participants confirmed a brand-related price premium was being paid to livestock producers.
Sub-program: Livestock export market activities		
Pillar 1: Consumer and community support		
Pillar 2: Market growth and diversification		
Pillar 4: Productivity and profitability		
Positive stakeholder feedback from industry and government stakeholders with MLA's livestock export market access, productivity and adoption initiatives	●	The program continues to receive positive feedback from the government and similarly from exporters, particularly in relation to the Forum AWO interaction in Indonesia and wet market research and responses in Vietnam and Indonesia.
Minimum of 70% of participants satisfied with the co-funding program	●	100% of participants funded within program indicated overall satisfaction, but have also clearly stated there are opportunities to broaden the scope of what is eligible under the program and to smooth the application process.

2019–20 KPI	Status	Commentary
Sub-program: Livestock export research and development		
Pillar 1: Consumer and community support		
Pillar 2: Market growth and diversification		
Pillar 4: Productivity and profitability		
Complete a review of the required research and development to support implementation of the Livestock Global Assurance Program (LGAP)	●	The LGAP ITS Conformance System is in the final phases of testing prior to going live so as to support implementation of LGAP.
Complete replacement of .22 blank charges with the newly developed alternative power load and/or device	●	The commercial cost of this device is prohibitive at present and hence commercialisation is currently on hold.
Implementation of the Live Export Program (LEP) RD&E review recommendations	●	The LEP RD&E program released its <i>Blueprint 2020–25</i> document which will guide the strategic direction of the program for the next five years.
Winter trials completed for Salmonella vaccine	●	Sheep Salmonella winter trials were delayed by up to 12 months due to legislative reviews.
Research projects implemented to improve and manage heat stress, bedding and stocking densities during shipping and in respective destination markets	●	Research projects are underway, although some stocking density and bedding trials delayed by up to six months due to COVID-19.
Reporting framework adopted and refined to support the Animal Welfare Indicators pilot project and broader ongoing research data collection	●	A reporting framework for on-board animal welfare indicators has been adopted, including information as to how these indicators should be measured. These will be implemented in November 2020.

Program: Eating quality

Sub-program: Eating quality

Pillar 3: Supply chain efficiency and integrity

Strategic Plan KPI: Improve the MSA beef eating quality index to 59.61	●	The national average MSA Index has only fluctuated slightly over the last five years as the volume of all cattle types has also increased. In 2019–20 the index achieved an all-time high of 58.03, resulting in a 0.42 increase over the five-year period.
Price differentials for MSA-compliant cattle demonstrate an annual return to farm gate of more than \$130 million in 2019–20	●	MSA delivered an estimated \$172 million in additional farm gate returns to MSA cattle producers. This figure is attributable to the highest volume of cattle consigned and the highest compliance to MSA minimum requirements.
Adoption of MSA grading increases to 50% of national adult cattle slaughter	●	Adoption of MSA grading increased from 43% of the national cattle slaughter in 2018–19 to 46% in 2019–20.
More than 50% of national lamb slaughter is occurring through MSA-licensed processors	●	Approximately 56% of the national lamb slaughter occurred through MSA licenced processing plants.
100% of MSA beef processors utilising MSA Model V2.0	●	Due to implementation delays, 25% of MSA licenced processors transitioned to the MSA Beef Model V2.0 in 2019–20. It is expected that all processors will be transitioned by August 2020.
15 processing operators describe MSA beef by consumer outcome represented by Eating Quality Graded (EQG) cipher, as opposed to dentition category	●	17 MSA licenced businesses are describing beef by consumer outcome using the EQG cipher. These companies represent more than 50% of the national MSA volume.

Program: Environmental sustainability

Sub-program: Sustainability (off-farm)

Pillar 1: Consumer and community support

Development of technologies for industry to achieve a 25% reduction in waste or increase in efficiency relative to 2015 levels	●	Through the 'Wastes to Profits' Rural R&D for Profit project, MLA has identified and initiated trials of technologies with the potential to reduce waste or increase efficiency by 25% relative to 2015 levels.
One case study evidencing that one carbon neutral red meat supply chain has been established	●	A partnership has been formed with a large beef supply chain who have launched a carbon neutral brand using carbon offsets and a series of planned investments to reduce emissions and improve carbon storage within their supply chain. A case study on this supply chain was published in MLA's <i>Feedback</i> magazine in 2019–20.
Development of technologies for industry to achieve a 25% reduction in water and energy use intensity relative to 2015 levels	●	Energy reduction technologies have been developed, including an energy management website as well as a renewable energy powered microgrid. Water use intensity technologies have also been developed, including a new knife sterilisation unit with the potential to reduce process water usage by up to 50%.

2019–20 KPI	Status	Commentary
Sub-program: Sustainability (on-farm)		
Pillar 1: Consumer and community support		
Strategic Plan KPI: Restrict % consumers limiting red meat consumption due to environmental concerns to 10%	●	The latest survey indicates 4.2% of all consumers reducing their red consumption do so due to environmental concerns.
50 producer 'carbon neutral base line evaluations' completed	●	A series of national pilot carbon accounting workshops were completed with 74 producers participating, 50 of which provided information for baseline evaluations and developing a carbon account.
At least two Bureau of Meteorology extreme event forecast products are available for trialling	●	The Bureau of Meteorology has developed eight heat and cold experimental extremes forecast products on a multi-week to seasonal timescales for trialling.
Second and third new dung beetle species/strains imported	●	The Moroccan strain of <i>O. vacca</i> was successfully imported into Australia. However, importation of <i>O. andalusicus</i> has been delayed until 2021–22 due to COVID-19.

Program: Feedlot		
Sub-program: Feedlot productivity		
Pillar 1: Consumer and community support		
Pillar 4: Productivity and profitability		
Feedlots representing 50% of the industry capacity have adopted at least five MLA-funded products between 2015 and 2020, including the following: <ul style="list-style-type: none"> number of feedlots adopting use of woodchips as a wet pen management practice increases 25% from 2015 baseline levels 10 bunk scanners sold in 2019–20 commercialisation of feed truck auto-delivery prototype commenced and sale of at least one unit 	●	Three bunk scanners and three feed auto-delivery units were sold in 2019–20. Adoption of wood chips has been limited as they are not commercially viable.
Decision made by ALFA and MLA on commitment to fund Centre of Excellence for feedlot research	●	A decision on MLA and ALFA support for the initiative has been delayed until late 2020.
Refinement of bovine respiratory disease 2-in-1 vaccine finalised and field trials implemented	●	The bovine respiratory disease 2-in-1 vaccine has been refined and trials have been implemented via the commercial partner.
200 participants complete the antimicrobial stewardship e-learning modules	●	176 participants registered and 76 completed the course.
Targeted program developed to demonstrate the value of shade installation to the feedlot sector	●	MLA has developed and is launching a targeted program to demonstrate the value of shade installation to the feedlot sector.
Baseline established for number of feedlot animals that have access to shade	●	Baseline established for 385 accredited feedlots.
Development of enzyme dag solution progressing satisfactorily against milestones and regulatory dossier submitted for APVMA approval	●	APVMA has notified MLA that the product does not require registration. Further R&D is progressing.
Baseline greenhouse gas emission data utilised in submission to the National Greenhouse Gas Inventory for revision of feedlot specific emission factors	●	Delays in peer review of data delayed submission until October 2020.
2020 survey by veterinarians, nutritionists and technical services officers successfully completed, with adoption rates and impact of feedlot products quantified and data input to MLA evaluation	●	Lack of industry participation resulted in no reportable results.

2019–20 KPI	Status	Commentary
-------------	--------	------------

Program: Integrity systems

Sub-program: Market access science

Pillar 2: Market growth and diversification

Pillar 3: Supply chain efficiency and integrity

Processes for cold chain analysis are implemented and common issues are identified	●	Cold chain data was collected from multiple supply chains, analysed using the shelf life tool, and corrections were made to cold chain management. Standard approaches to analysing data have been documented and made available to industry.
Risks due to antimicrobial resistance in beef are qualitatively assessed, reported and used to define further surveillance activities	●	Risks due to antimicrobial resistance in beef were qualitatively assessed and reported, concluding that antimicrobial resistance in cattle has changed little since the 2013 survey and that little change to current stewardship approaches are required.
Equivalence cases for post-mortem inspection changes are prepared for North American and European markets	●	Post-mortem inspection changes have been agreed with all jurisdictions in Australia, and the Department of Agriculture, Water and the Environment has prepared equivalence cases that will be pursued in the future with EU, US and Canadian markets.
A cost-benefit model for common integrity protection approaches is developed	●	The costs and benefits of protecting the integrity of product through to consumers are now better understood, but not in enough detail to clearly articulate the costs and benefits of supply chain traceability to key markets.

Sub-program: Integrity systems

Pillar 3: Supply chain efficiency and integrity

Strategic Plan KPI: Increase producer awareness and compliance of integrity systems to 90%	●	Producer awareness of integrity systems increased by 24% to 93%, and integrity system (NLIS) compliance increased by 23% to 96%.
National Livestock Identification System (NLIS) movement recording compliance increased to 96%	●	National Livestock Identification System (NLIS) movement recording compliance was 96.01% in 2019–20.
35% of livestock consignments accompanied by an electronic National Vendor Declaration (eNVD)	●	25% of livestock consignments were accompanied by an electronic National Vendor Declaration (eNVD) in 2019–20. This was a 5% increase compared to the previous year.
Livestock Production Assurance (LPA) awareness levels maintained at 93% or above	●	LPA awareness levels were at 93% in 2019–20. This was a 6% increase in awareness compared to the previous year.
25% reduction in state-based compliance reporting effort through the development of a compliance monitoring and traceability dashboard	●	The development of the National Livestock Identification System (NLIS) compliance monitoring and traceability dashboard has provided a 31.8% time reduction in state-based compliance reporting.
Refreshed Standards and Rules for NLIS livestock identification devices implemented	●	The Standards and Rules for NLIS identification devices were refreshed in 2019–20 to provide a more outcomes-based approach to assessing potential animal identification technologies for use within NLIS.

Program: Objective measurement

Sub-program: Objective measurement

Pillar 3: Supply chain efficiency and integrity

Strategic Plan KPI: Improve beef compliance through optimising efficiency across the value chain to 95.25%	●	Slower than expected industry adoption of objective measurements such as DEXA-based lean meat yield and related areas such as value-based pricing meant this KPI could not be measured or achieved by 2019–20.
Feedback of lean meat yield results provided to producers in five supply chains	●	Producer lean meat yield feedback is being provided by two lamb and nine beef plants via Livestock Data Link or proprietary feedback systems.
Technical evaluation and calibration completed of near-infrared probe for lamb intramuscular fat	●	Two near-infrared devices – one configured as an insertion needle probe and a second for cut-surface imaging – have been calibrated for intramuscular fat measurement in lamb.
Demonstration of cone beam robotic x-ray system in live animals completed	●	COVID-19-related delays in transferring this technology to Australia have prevented further trials and demonstrations.
Commercial trials conducted at one processor of through-plant data systems, chiller sortation and tracking system against boning room schedules and requirements	●	Trials are underway with one processor, with DEXA data successfully integrated into in-plant software and carcass optimisation tools that allocate carcasses to customer specifications being piloted.

2019–20 KPI	Status	Commentary
Six DEXA installations commenced and four completed under the industry-accelerated roll-out program	●	Four beef and lamb DEXA installations were completed, with an additional two lamb DEXA installations underway.
Beef DEXA lean meat yield algorithm calibrated by medical CT (computerised tomography) scanner	●	COVID-19-related delays in delivering the mobile CT unit have prevented calibration until 2020–21.
Successful differentiation of tissues using MEXA technology	●	MEXA capability to differentiate tissue types in lamb has been demonstrated in a proof-of-concept study in collaboration with Spanish researchers.
Develop a prototype for an animal health viscera inspection system	●	MLA's commercial partner has developed a dual-view MEXA prototype augmented with multispectral surface imaging for animal health offal inspection.
Conduct an in-plant evaluation of aviation CT system for yield, eating quality and animal health	●	While the aviation CT system has been upgraded ready for evaluation, in-plant trials have been delayed until 2020–21.

Program: Producer adoption

Sub-program: Producer adoption

Pillar 4: Productivity and profitability

Strategic Plan KPI: Engage ≥ 2,000 producers in decision support programs who will improve business performance by ≥ 5% by 2020	●	>2,200 producers were directly engaged in decision support programs during 2019–20.
Strategic Plan KPI: By 2020, improvement in total factor productivity of: 1.75% (southern beef); 0.5% (northern beef); 0.5% (sheepmeat); 1.5% (feedlot); 0.5% (goat)	●	As part of the improved evaluation framework, benefits to producers are measured as: <ul style="list-style-type: none"> • annual and net profit value-based productivity increases • cost reductions at an enterprise and industry level.
3,300 producers involved in MLA awareness activities, and rate their satisfaction >7/10	●	4,909 producers participated in MLA awareness activities including face-to-face events and webinars. Satisfaction averaged 8.5/10. 972 advisors participated in awareness events targeted at this sector and rated their satisfaction at 8.2/10.
2,300 producers involved in 'influence and motivate' activities, and increase their knowledge and skills by 20% after participation	●	1,207 producers engaged in 'influence and motivate' activities. Many face-to-face activities were postponed or cancelled due to COVID-19, with some events adapting to online delivery where possible. For measured events, knowledge and skills increased by 35%.
15 new Producer Demonstration Site (PDS) projects contracted under the pilot phase for the 2020–25 PDS strategy; of those finishing, 75% of core producers adopt the learnt practices	●	28 PDS projects commenced in 2019–20 across 309 individual sites and with 633 core producers. Reports show on average 75% of core producers adopted learnt practices.
528 producers participate in Profitable Grazing Systems and those finishing achieve knowledge and skills improvement of 75%	●	546 producers were active in 33 groups within the PGS program. Of 12 completed groups, 70% of participants scored >75% for post-workshop knowledge and skills improvement.

Program: Product and packaging innovation

Sub-program: High Value Food Frontiers

Pillar 2: Market growth and diversification

Pillar 3: Supply chain efficiency and integrity

At least two new value adding products, packaging technologies and/or innovative supply chains commence commercial operation and deliver significant producer and/or value added premiums to the Australian red meat industry	●	Argyle retail-ready frozen thawed supply chain successfully launched eight products into 285 China Walmart stores during 2019–20.
High Value Food Frontiers market and consumer insights successfully communicated, including five local and national conferences and 13 presentations to current and potential partners	●	21 communications activities were presented to partners on key growth themes such as smart packaging, meat snacks, foods for seniors and pet foods. These activities included five conferences/events to showcase value adding opportunities.
MLA is partnered with an additional five companies in developing value added domestic and export strategies and new business models	●	MLA partnered with nine commercial companies during 2019–20 to develop new products and business strategies that include Australian red meat.
For snacking, a series of six focus groups, as well as a planned pop-up event in Singapore to test value propositions is completed	●	Eight focus groups explored 'attitudes to meat snacks' to test key assumptions for growing red meat demand in this category. The Singapore event did not proceed.

2019–20 KPI	Status	Commentary
-------------	--------	------------

Program: Value chain information and efficiency

Sub-program: Digital value chain information

Pillar 3: Supply chain efficiency and integrity

Processor animal health feedback provided to producers on a trial basis for 250,000 cattle and 500,000 sheep via Livestock Data Link or other feedback mechanisms	●	Processor animal health feedback was provided to producers on a trial basis for 486,435 head of cattle and 5.5 million sheep via Livestock Data Link or other feedback mechanisms.
Single sign-on enhanced to become an industry standard identity provider for all MLA and solution provider products	●	The single sign-on service has been included in all applicable MLA products including myMLA, NLIS, LDL, LPA and MSA. It has also been enhanced ready for third party integration by solution providers.
Development of an industry-endorsed business case for future investment into Livestock Data Link	●	The Livestock Data Link business case has been completed and endorsed by the Livestock Data Link industry advisory committee.
At least five case studies delivered that evaluate and/or demonstrate the value of data and emerging supply chain and associated enabling technologies	●	Five case studies have been delivered that demonstrate the value of data. The case studies covered the use of blockchain, digital capability building, visualising NLIS animal Movements (ISC), data use in Sheep Genetics (MLA) and the ISC Compliance Dashboard used by the state jurisdictions to manage compliance and biosecurity.

Program: Productivity (off-farm)

Sub-program: Productivity (off-farm)

Pillar 4: Productivity and profitability

Strategic Plan KPI: Leverage co-investment through the MLA Donor Company (MDC) in the processing automation R&D portfolio by \$10m/year	●	Actual per annum investment was \$1.7 million for 2019–20, as planned investments have been deferred to 2020–21 due to COVID-19-related and other delays.
Productivity benefit of technologies adopted in 2019–20 and previous years deliver productivity impact of \$50 million a year	●	Technologies adopted as at June 2020 provide annual net benefits of \$65.4 million, primarily from lamb boning automation and BladeStop saw safety devices.
Successful development of one beef automation module prototype	●	A module prototype was developed for clamping the beef chuck and rack separation cross cuts, as well as chinning of the rack and/or short loin.
Finalise location and funding of the R&D and demonstration beef boning facility	●	The funding of the beef boning R&D facility was finalised, with construction at the Teys Australian Rockhampton processing plant scheduled for completion in July 2020.

Program: Productivity (on-farm)

Sub-program: Beef productivity

Pillar 1: Consumer and community support

Pillar 4: Productivity and profitability

Complete a business case analysis on the benefits of phosphorus and non-protein nitrogen use and deployment in lick blocks	●	Phosphorus (P) extension material was prepared, including new case studies and updated economics that describe the benefits of P supplementation.
Establish a calf survival partnership and support the use of economically-modelled interventions that reduce calf loss	●	The Northern Breeding Business (NB2) program was established and will concentrate on economically-modelled management decisions that drive breeder efficiency and reduce calf mortality.
Develop a matrix of reproductive technologies and identify those that maximise genetic gain	●	A technology versus genetics matrix has been developed.
Enhanced leucaena integration into productive beef grazing systems	●	Leucaena-focused extension activities are now in place across Queensland and NT.
Prove the capacity of feeding and grazing systems to help abate greenhouse gas production and benefit productivity	●	Numerous projects that deliver abatement technologies for grazing systems and benefit productivity are underway, including the use of biochar, establishment and grazing of leucaena and use of naturally occurring bioactives. Results will be available post-2019–20.

2019–20 KPI	Status	Commentary
Sub-program: Sheep productivity		
Pillar 4: Productivity and profitability		
Completion of the revised maternal feeding standards	●	Revision of the feeding standards for modern maternal ewes is complete, with these now published on the MLA website.
More than 50 participatory research sites established	●	More than 70 producer participatory R&D sites have been established to support initiatives in areas including management of ewe lambs, triplet lambing, forage shrubs, quantifying ewe mortality and lamb feedlot adaptation.
At least 30,000 additional lambs weaned from 2017 to 2020 (via the oestrogenic clovers project work)	●	Adoption measurement only commenced in 2020, with this target unlikely to be met until 2021–22. Productivity and cost savings are estimated at \$33/ha of high oestrogenic sub-clover with adoption increasing annually.
Lamb survivability strategy delivered	●	Development of the lamb survivability strategy has been completed, with the full report to be released in 2020–21.
Sub-program: Goat productivity		
Pillar 4: Productivity and profitability		
Three years' worth of historical profitability/productivity data collected and analysed for 60 goat producers across Australia to infer/project industry performance and impact from levy spend	●	Seasonal conditions and goat supply limited the ability of producers and processors to participate in this project. Given ongoing supply constraints and uncertainty around COVID-19, this project has been terminated.
At least eight regional producer updates/feeder activities held	●	Three of the planned eight events were successfully completed. However, COVID-19 restrictions impacted the delivery of further in-person workshops.
Six Feeding Fundamentals and Bred Well Fed Well workshops for goats successfully trialled	●	The workshops were piloted and course content further developed. However, COVID-19 restrictions meant that further workshops could not be undertaken.
Sub-program: Livestock genetics		
Pillar 4: Productivity and profitability		
Minimum 2% increase in annual rate of gain for each of the default Sheep Genetics indexes for Terminal, Maternal and Merino analyses	●	Annual rates of genetic gain averaged above 6% for the default Sheep Genetics indexes. Specifically this was 6% for Terminals, 7.8% for Maternals and 5.9% for Merino.
Three major Sheep Genetics analyses indicate that terminal animal numbers were maintained at 2018–19 levels, maternal numbers increased by 1% and Merino numbers increased by 3%	●	Animal numbers increased by 3% in LAMBPLAN and 5% in MERINOSELECT. Terminal numbers were maintained, while Maternals increased by 1% and Merinos by 3.7%.
Sheep Genetics customers rated their satisfaction level as 4 out of 5, as described by the annual client survey	●	Overall satisfaction among Sheep Genetics clients was high with an average of 4.4 out of 5, as reported by the annual survey.
Model for the delivery of multi-breed BREEDPLAN evaluations developed and tested	●	Five breeds are now including multi-breed datasets in their evaluations, with further development work underway.
Sub-program: Feedbase production		
Pillar 1: Consumer and community support		
Pillar 4: Productivity and profitability		
Strategic Plan KPI: Reduce cost of feral animals and weeds by \$50 million	●	The 2015–20 MLA impact evaluation of three MLA investment areas (rabbits, feral pigs and weeds) showed net present value benefits of \$100.6 million to 2040.
Commercialisation plan outlined for prospective legumes (stylos) in northern Australia	●	Commercialisation planning for stylos (legumes) has progressed with the research partner.
Seed sales of commercialised forages (tedera, cocksfoot, panics, leucaena) 10% higher than 2018	●	Only tedera sales met this target. Other perennial pasture seed sales were reduced due to drought.
Guidelines developed for 'low phosphorus' pasture systems in southern medium-to-high rainfall zones	●	Industry soil phosphorus (P) decision tool 'Five Easy Steps' now includes principles and management guidelines that underpin highly-productive, P-efficient pasture systems.
Rabbit calicivirus monitoring and modelling reports industry impact via improvements to production and biodiversity outcomes from rabbit control	●	The Centre for Invasive Species Solutions impact analysis reported RHDV1-K5 to have a 'production and environment net present value benefit' of \$272.86 million over 30 years.
Ten pasture evaluation sites established along the eastern seaboard, informing future pasture production and animal productivity	●	At least 10 pasture evaluation sites in the Livestock Productivity Program successfully underway, notwithstanding drought conditions. Furthermore, Pasture Trial network has delivered 104 pasture trials sown at 31 further sites.

2019–20 KPI	Status	Commentary
Sub-program: Digital agriculture		
Pillar 4: Productivity and profitability		
Demonstrate connectivity and Internet of Things (IoT) devices operating on eight properties	●	Connectivity solutions and IoT devices have been implemented at eight sites including feedlots and properties in WA, Queensland and NSW. Demonstration and evaluation of technologies on these sites is ongoing.
Digital agriculture technologies implemented on three commercial demonstration farms	●	Digital agriculture technologies are now installed at four demonstration farms. Technologies deployed include electronic individual animal tags, water point sensors, soil moisture sensors, feedbase mapping and monitoring.
MLA Annual General Meeting integrated with Digital Forum at one demonstration farm, with at least 200 producers attending	●	Demonstrations held as part of Red Meat 2019 at Tamworth included a major pastoral house which showcased on-farm digital technology. More than 200 producers attended these presentations or visited the farm.
Advancement of 'actor' unmanned aerial vehicles/unmanned ground vehicles on three properties assessed through a network of users linked to pre-sales (commercialisation)	●	Demonstration and trialling of the Aerodyne drone technology/sensor platform was undertaken at a four properties. Pre-sales commercialisation trials of the Wolf Unmanned Autonomous Vehicle (UAV) were completed at one property.
Program: Capability building		
Sub-program: Innovation capability building		
Pillar 4: Productivity and profitability		
Pillar 5: Leadership and collaborative culture		
Delivery of an industry development education program for 20 Intercollegiate Meat Judging (ICMJ) finalists	●	Out of 144 students from 16 tertiary institutions participating in the annual ICMJ program, 23 students completed the industry development education program.
50% of participants (pre- accelerator/accelerator) report Farmers2Founders program has catalysed or fast-tracked innovation progress, evidenced by qualitative interviews	●	Qualitative interviews indicated the program was perceived by 93% of participants to have fast-tracked the development of their innovation by an average of 115%.
90% of Livestock Consulting Internship employers and interns express satisfaction with the value and benefits of the program	●	90% of interns and employers surveyed indicated that although only six months into the program, they are finding the program valuable.
Co-innovation program partners achieve 80% of their documented innovation objectives	●	Co-innovation program partners achieved 93% of their documented innovation objectives.
At least 10 early career scientists employed in MLA-funded research and development	●	Eleven early career scientists were employed in MLA-funded research, including seven in the ALMTech program and four in other programs.
Sub-program: Industry leadership and capacity building		
Pillar 1: Consumer and community support		
Pillar 5: Leadership and collaborative culture		
Pillar 6: Stakeholder engagement		
Grant a minimum of two scholarships a year to ensure ongoing investment in industry leadership capability	●	Three scholarships were awarded.
Engage a minimum of six past MLA-sponsored scholars in advocacy work for the industry	●	Six previous MLA-sponsored scholars have been engaged in advocacy work for the industry.
50 industry people identified and trained as industry advocates	●	64 producers and members of the red meat industry identified and trained as industry advocates.
Industry representatives complete director, policy, governance, media and/or communications training as appropriate and required	●	Representatives from key industry groups all undertook director training.
Execution of tactics measured with the objective to improve year-on-year perceptions of the Australian cattle and sheepmeat industry	●	Perceptions towards the cattle and sheep industry remained positive, with 67% of the community participants surveyed feeling good about the cattle industry, and 62% feeling good about the sheep industry.
Cattle Council of Australia governance review complete and recommendation implemented	●	A governance review of the board and committee were undertaken and recommendations were implemented.

2019–20 KPI	Status	Commentary
Program: Communication		
Sub-program: Communication (community)		
Pillar 1: Consumer and community support		
Maintain the percentage of consumers who feel good or very good about the Australian cattle industry (65%) and sheepmeat industry (60%)	●	The percentage of consumers who feel good or very good about the Australian cattle industry is 67% and the sheepmeat industry is 62%.
Year-on-year increase in community engagement via digital and social media	●	Engagement on the Australian Good Meat website platform has increased by 60% from the previous year.
Community sentiment tracked, including the percentage of consumers surveyed limiting red meat consumption due to animal welfare or environmental management concerns (KPI: 10%)	●	The latest survey indicates that 3.36% of all consumers reducing their red consumption do so due to welfare concerns, and 4.2% of all consumers do so due to environmental concerns.
At least 10,000 consumers engaged and informed about the production of red meat and livestock in Australia	●	31,581 members of the community have been engaged and informed about the production of the red meat and livestock production in Australia across nine events around the country.
Utilise at least 20 producer advocates in community events	●	30 producer advocates were engaged across community events, content creation and school education programs to tell the authentic story of Australian red meat production with a focus on animal welfare and environmental sustainability.
<p>MLA's 'Paddock to Plate 360° Beef and Lamb Experiences' presented at four Royal Agricultural Show events, with at least 80% of viewers responding that they have:</p> <ul style="list-style-type: none"> a better understanding of the industry improved perceptions of Australian beef/sheepmeat production 	●	The Australian Beef and Lamb Paddock to Plate Experience in virtual reality was taken to four community-focused events including the EKKA and shows in Darwin, Alice Springs and Perth in 2019, with 90% of viewers stating they had a better understanding of the industry and improved perceptions of Australian beef/sheepmeat production.
A minimum of 70 schools engaging with MLA education materials	●	MLA Virtual Classroom education materials reached more than 13,884 individual students in Virtual Classrooms in more than 100 schools.
Sub-program: Communication (stakeholder)		
Pillar 5: Leadership and collaborative culture		
Pillar 6: Stakeholder engagement		
Strategic Plan KPI: Improve stakeholder endorsement of MLA programs to 3.1/5	●	Stakeholder endorsement of MLA programs was not specifically measured throughout the 2016–2020 period.
Strategic Plan KPI: Improved industry crisis and issues management capability – one simulation with PICs	●	An Industry Corporate Affairs Unit was developed to improve issues management. No annual simulations were completed.
Strategic Plan KPI: Increase member satisfaction with MLA to 3.9/5	●	Overall member satisfaction with MLA increased 0.1 to 3.4/5.
Strategic Plan KPI: Improve stakeholder endorsement of the value of MLA products and services – continuous improvement	●	The value of key MLA programs has maintained or improved when compared with 2018–19.
High levels of member satisfaction (above 70%) with MLA printed and digital communications	●	Average member satisfaction with MLA's printed communications is 74% and digital communications is 72%.
High levels of stakeholder satisfaction (above 70%) with MLA's communications campaigns	●	Anecdotal feedback indicates high levels of stakeholder satisfaction with MLA's genetics campaign in 2019. Quantitative feedback on other communications campaigns is not available.
High levels of member awareness (above 70%) of MLA's role	●	93% of members describe MLA as the 'marketing organisation to grow demand for red meat' and 87% describe MLA as a 'research and development organisation'.
Increase in media volume against the 2018–19 benchmark and ongoing promotion of key messages through the media	●	The overall volume of MLA media coverage increased year-on-year by 1,083 media mentions. MLA's average media impact score was strong, increasing to 4.4 year-on-year from 3.9.
Completed registrations to myMLA (MLA members and non-members) to exceed 50,000	●	Completed registrations to myMLA was 53,164 as at July 2020.
E-newsletter subscription database growth of 5%	●	Subscriptions to key e-newsletters increased by 10% over the past year.
Year-on-year increase in producer engagement through social media	●	Overall, there has been an increase in engagement through social media – a 21.5% increase in followers across all social media channels.
Completion of mla.com.au upgrade and relaunch	●	The redesign and refresh of mla.com.au website was launched in May 2020.

2019–20 KPI	Status	Commentary
-------------	--------	------------

Program: Corporate services

Sub-program: Corporate services

Pillar 5: Leadership and collaborative culture

Corporate services

Board and executive Reduce time taken for MLA approval of projects > \$1 million by at least 30% via new delegation levels	●	New delegation levels implemented and approval times reduced by >30 days and greater than 30%.
Legal and governance MLA governance is assessed in 2020 Performance Review as demonstrating a high level of compliance with the best practice principles of the ASX Corporate Governance Council and the Funding Agreement with the Commonwealth	●	The 2020 Performance Review was conducted by ACIL Allen Consulting and concluded that MLA is well-governed and managed, including a high level of compliance with the best practice principles of the ASX Corporate Governance Council and the Funding Agreement with the Commonwealth.
Crisis management Crisis portal maintained and reflects the latest Risk Management Plan	●	The crisis portal continues to be maintained and reflects the current risk management plan.
Risk management Regular identification and assessment of risks to MLA (operational) and industry, including action plans to address risks	●	Risk are regularly identified and assessed, include action plans and are reviewed and endorsed by the Audit, Finance and Risk Committee.
Finance <ul style="list-style-type: none"> Clean audit report received Internal audit program delivered to the satisfaction of the MLA Audit and Risk Committee Ensure financial reporting to internal and external stakeholders is timely, accurate and insightful. 	●	<ul style="list-style-type: none"> FY19 Statutory Accounts were successfully audited by EY and published in MLA's annual report document. The FY20 Internal Audit Plan was fully delivered and reported to the Audit, Finance and Risk Committee on a quarterly basis. Quarterly management dashboards were submitted to the MLA Board and peak industry councils to the satisfaction of stakeholders. Positive feedback was received in relation to budget presentations delivered during the consultation process.
Evaluation 2016–20 return on investment and triple bottom line impact assessment successfully delivered on time and to the satisfaction of the performance review consultants	●	MLA's 2016–20 impact assessment was delivered on time and to the satisfaction of ACIL Allen Consulting. MLA's evaluation system was subsequently rated as industry 'best practice' in MLA's performance review.
Commercialisation At least 80% of high/medium impact commercial-ready products have commercial partners or identified commercialisation pathways	●	More than 90% of high/medium impact commercial-ready technologies are contracted with commercial partners or have identified commercialisation pathways.
Human Resources Employee engagement to support talent retention and organisational performance is greater than or equal to the Australian average	●	An employee engagement pulse survey in November 2019 confirmed employee engagement levels at MLA continue to be in line with Australian benchmarks. Due to COVID-19, the full employee engagement survey was deferred and replaced with a pulse survey to track employee sentiment to MLA's response and actions during the pandemic.
Information Technology Internal stakeholder satisfaction measured at 80% or more for MLA IT infrastructure	●	Internal satisfaction with IT was measured via the annual user survey. All three areas surveyed were rated above 95%.
Project governance and management Reduction of initial and variation project approval times by five days	●	Completion of stage 1 of the CRM-based approval system was delayed, but is now complete at time of print. Project approval and variation times will be measured in 2020–21.

Appendix B

CoMarketing program participants 2019–20

Beef CoMarketing
Andrews Meat Industries
AAco
AgriGate Australia
Allied Beef Cattle
Arcadian Organic & Natural Meat Co
Argyle Prestige Meats
Australian Beef Trading Company
Australian Meat Emporium
Australian Meat Group
Australian Organic Meats
Beefcorp International
Bindaree Beef
Dardanup Butchering Company
FarmGate MSU
G&K O'Connor
Greenham Tasmania
Harvey Beef
HR Woodward Foods
Irongate Nominees
JBS Australia
John Dee Export
JR Exports
KC Natural Meats
Coral Coast Beef
Kilcoy Pastoral Company
Latitude 28 Produce
Lotte International
McMahon Brothers
Meat Tender
Mort & Co.
MPhee Bros (Export)
Mulwarra Export
Napparoy Agriculture
NH Foods
Nolan Meats
Northern Cooperative Meat Company
OBE Beef
Oz Nature
Paradigm Foods
Pardoo Beef Corporation
Penfold Grazing
Providore Global
Rangeland Quality Meats
Rangers Valley
S.Kidman & Co
South Australian Cattle Co
Stanbroke Pty Ltd
Stockyard Pty Ltd
Tabuan Pty Ltd
Tasmania Feedlot

Beef CoMarketing (continued)
Tasmanian Agricultural Company
Teys Australia
The Falls Pastoral Company
The North Australian Pastoral Company
Thomas Foods International
Top Cut Foods
Warmoll Foods
Western Meat Packers
White Stripe Foods
Yearn Nutrition

Lamb CoMarketing
Arcadian Organic & Natural Meat Co
Dardanup Butchering Co
Dorper Lamb
Flinders + Co
Gundagai Lamb
JBS Australia
KC Natural Meats
Margra Lamb
McMahon Brothers
McPhee Bros Export
Meat Tender
Mulwarra Export
Stella Foods
Tasmanian Quality Meats
Thomas Foods International
Top Cut Foods Ltd
V&V Walsh
WAMMCO
Western Meat Packers Group
White Stripe

Goat CoMarketing
BV Farm Fresh
McPhee Bros Export
Proom Pty Ltd

Appendix C

Rural R&D for profit projects

The Australian Government's Rural R&D for Profit program boosts funding to the rural Research and Development Corporations (RDCs) – of which MLA is one – for nationally coordinated, strategic research that delivers outcomes for Australian producers. Four rounds of funding have been announced to date. Below are the projects which have been awarded funding where MLA is either the lead or a partner organisation. For more information go to agriculture.gov.au and search 'R&D for profit'.

Project	Lead organisation	Round	Contributors	Total budget	Expected finish date
Developing and commercialising advanced measurement technologies and feedback systems into globally competitive Australian meat value chains	MLA	4	Australian Meat Processor Corporation; Murdoch University; Australian Pork Limited; PorkScan Pty Ltd; University of Adelaide; Woolworths; JBS Australia; Teys Australia; Fletcher International Exports; Gundagai Meat Processors; Stockyard; WAMMCO; Primary Industries and Regions South Australia; Department of Primary Industries NSW; Department of Economic Development, Jobs, Transport & Resources Victoria; Department of Primary Industries and Regional Development WA; University of New England; University of Melbourne; University of Technology Sydney; Frontmatec Group; Angus Australia; Scott Automation and Robotics; Thomas Foods International; Coles	\$19,043,427	5/4/22
Underpinning agricultural productivity and biosecurity by weed biological control	AgriFutures Australia	4	Grains Research & Development Corporation; Meat & Livestock Australia; Cotton Research & Development Corporation; CSIRO; Department of Primary Industries NSW; Queensland Department of Agriculture and Fisheries; Department of Economic Development, Jobs, Transport & Resources Victoria; AgForce; Bundaberg Regional Council; Castlereagh Macquarie County Council; Cramond Clan Environmental Consultants; Far North Queensland Regional Organisation of Councils; Gympie Regional Council; Hancock Queensland Plantations Pty Ltd; Hudson Pear Taskforce; Landcare Research; Malanda Beef Plan Group Inc; Mareeba Shire Council; Noosa & District Landcare Group Inc; NSW Environmental Trust; NSW Weed Biocontrol Taskforce; Primary Industries and Regions South Australia; South East Queensland Water; South East Local Land Services NSW; SunWater; Tablelands Regional Council; TasWeed Biocontrol; University of Queensland; University of Southern Queensland; US Department of Agriculture	\$15,842,570	31/12/22
Forewarned is forearmed: equipping farmers and agricultural value chains to proactively manage the impacts of extreme climate events	MLA	3	Grains Research & Development Corporation; AgriFutures Australia; Cotton Research & Development Corporation; Sugar Research Australia; Wine Australia; Dairy Australia; Australian Pork Limited; Australian Bureau of Meteorology; University of Melbourne; University of Southern Queensland; Queensland Department of Agriculture and Fisheries; Suncorp; Monash University; South Australian Research & Development Institute; Department of Economic Development, Jobs, Transport & Resources Victoria	\$14,662,435	28/2/22
Wastes to profits: Technologies and business models for the management of wastes in the animal industries	MLA	3	Australian Meat Processor Corporation; Dairy Australia Limited; Australian Pork Limited; Queensland University of Technology; University of Queensland; University of Southern Queensland; Murdoch University; Pacific Northwest National Laboratory; JBS Australia; Teys Australia; Australian Country Choice; Australian Lamb Company; Harvey Beef; Ridley Corporation Ltd; Aduro Biopolymers; Zeolite Australia Pty Ltd; Barwon Water; Queensland Urban Utilities	\$14,373,729	24/1/22
Soil engineers – community-based realisation and augmentation of soil ecosystem services from Dung beetles	MLA	3	CSIRO; Invetec Pty Ltd; University of Western Australia; Landcare Research New Zealand; Mingenew Irwin Group; University of New England; Charles Sturt University; WA Department of Agriculture and Food; Dung Beetles for Landcare Farming; Dung Beetle Solutions Australia; Warren Catchment Council; Leschenault Catchment Council	\$22,693,536	31/3/22
Boosting profit and reducing risk of mixed farms in low and medium rainfall areas with newly discovered legume pastures enabled by innovative management methods	Grains Research & Development Corporation	3	Australian Wool Innovation; Meat & Livestock Australia; Murdoch University; South Australian Research & Development Institute; WA Department Agriculture and Food; Charles Sturt University; CSIRO	\$16,558,866	28/4/22
Accelerating precision agriculture to decision agriculture	Cotton Research & Development Corporation	2	Meat & Livestock Australia; Dairy Australia; Grains Research & Development Corporation; Sugar Research Australia; AgriFutures Australia; Australian Wool Innovation; Horticulture Innovation Australia; Australian Pork Limited; Wine Australia; Forest and Wood Products Australia; Fisheries Research and Development Corporation; Australian Meat Processing Corporation; Australian Livestock Export Corporation Limited (LiveCorp); Australian Egg Corporation; Australian Farm Institute; Data to Decisions Cooperative Research Centre; University of New England; Griffith University; University of the Sunshine Coast; CSIRO	\$3,557,976	Completed 2018

Project	Lead organisation	Round	Contributors	Total budget	Expected finish date
Globally competitive Australian meat value chains enabled by advanced measurement technologies and integrated flock feedback systems	MLA	2	Australian Pork Limited; Scott Technology Ltd; Murdoch University; University of Technology Sydney; WA Department of Agriculture and Food; VIC Department of Economic Development, Jobs, Transport and Resources; NSW Department of Primary Industries; South Australian Research and Development Institute; JBS Australia; Australian Cattle and Beef Holdings; Australian Country Choice Pty Ltd; Teys Australia Management Pty Ltd; Harvey Beed; Carometec; PorkScan Private; University of Melbourne; Australian Meat Processor Corporation	\$11,947,000	18/9/20
Phosphorus efficient pastures – delivering high nitrogen and water use efficiently and reducing of production across southern Australia	MLA	2	Dairy Australia; Australian Wool Innovation; CSIRO; Department of Primary Industries NSW; University of Western Australia; Murdoch University; Bookham Agricultural Bureau; Tablelands Farming Systems; Central Ranges Grassland Society; Monaro Farming Systems; Association for Sheep Husbandry, Excellence, Evaluation and Production (ASHEEP); Southern Dirt; Boggabri grazing group; Purlewaugh NSW Farmers	\$8,437,829	Completed 2020
Improved surveillance, preparedness and return to trade for emergency animal disease incursions using FMD as a model.	MLA	2	CSIRO; Animal Health Australia; Charles Sturt University; Bureau of Meteorology; Australian Bureau of Agricultural and Resource Economics and Sciences; Australian Government Department of Agriculture – Animal Health Policy Branch	\$11,739,936	30/7/21
Enhancing supply chain profitability through reporting and utilisation of peri-mortem information by livestock producers	Australian Pork Limited	2	Meat & Livestock Australia; Australian Meat Processor Association; South Australian Research & Development Institute; Department of Economic Development, Jobs, Transport & Resources Victoria	\$1,725,594	30/3/21
Enhancing the profitability and productivity of livestock farming through virtual herding technology	Dairy Australia	2	Meat & Livestock Australia; Australian Wool Innovation; Australian Pork Limited; CSIRO; Tasmanian Institute of Agriculture at University of Tasmania; University of Sydney; University of New England; University of Melbourne; Agersens Pty Ltd	\$3,965,000	30/11/20
Improved use of seasonal forecasting to increase farmer profitability	AgriFutures Australia	1	Cotton Research & Development Corporation; Grains Research & Development Corporation; Meat & Livestock Australia; Sugar Research Australia; Horticulture Innovation Australia; South Australian Research & Development Institute; WA Department of Agriculture and Food; Australian Bureau of Meteorology; University of Southern Queensland; Birchip Cropping Group; Department of Economic Development, Jobs, Transport & Resources Victoria; Department of Primary Industries NSW; Monash University	\$5,388,698	Completed 2018
Stimulating private sector extension in Australian agriculture to increase returns from R&D	Dairy Australia	1	Meat & Livestock Australia; University of Melbourne; Cotton Research & Development Corporation; Australian Pork Limited; Sugar Research Australia; Horticulture Innovation Australia; Department of Economic Development, Jobs, Transport & Resources; Victoria Department of Primary Industries NSW	\$3,190,000	Completed 2018
Waste to revenue: novel fertilisers and feeds	Australian Pork Limited	1	Dairy Australia; Sugar Research Australia; AgriFutures Australia; Meat & Livestock Australia; University of Queensland; University of Western Australia	\$2,084,069	Completed 2018
Fast-tracking and maximising the long-lasting benefits of weed biological control for farm productivity	MLA	1	CSIRO; Department of Primary Industries NSW; Department of Primary Industries and Regions SA; Department of Agriculture and Fisheries Queensland; Department of Economic Development, Jobs, Transport & Resources Victoria; TasWeed Biocontrol; Murdoch University; NSW Local Land Service – Murray; Victoria Gorse Taskforce and Landcare Groups; Pilbara Mesquite Management Committee; South Australian Grains Industry Trust Fund; SA Government Adelaide and Mount Lofty Ranges Natural Resources Management Board	\$2,846,877	Completed 2018
Market and consumer insights to drive food value chain innovation and growth	MLA	1	Department of Economic Development, Jobs, Transport & Resources Victoria; Horticulture Innovation Australia; CSIRO; Australian Seafood Cooperative Research Centre; Fisheries Research & Development Corporation	\$8,846,005	Completed 2018

Acronyms, glossary and index

Acronyms

AGM	Annual General Meeting
CRC	Cooperative Research Centre
CSIRO	Commonwealth Scientific and Industrial Research Organisation
DEXA	dual-energy X-ray absorptiometry
EBV	estimated breeding value
EU	European Union
FTA	free trade agreement
KPI	key performance indicator
LDL	Livestock Data Link
LEP	Livestock Export Program
LPA	Livestock Production Assurance
MDC	MLA Donor Company
MENA	Middle East/North Africa
MLA	Meat & Livestock Australia
MSA	Meat Standards Australia
NLIS	National Livestock Identification System
NVD	National Vendor Declaration
OTH	Over-the-hooks
R&D	research and development
RMAC	Red Meat Advisory Council
TPP	Trans-Pacific Partnership
UAE	United Arab Emirates
US	United States

Glossary

Dual-energy X-ray absorptiometry (DEXA)

An objective measurement tool which measures meat, fat and bone in a carcass.

Livestock Data Link (LDL)

LDL is an online application that facilitates improved information sharing across the supply chain, enabling feedback to be received, analysed and compared in an efficient way.

Livestock Production Assurance (LPA)

The LPA program is the Australian livestock industry's on-farm assurance program covering food safety, animal welfare and biosecurity.

Meat Standards Australia (MSA)

MSA is Australia's eating quality grading system which predicts the eating quality of cuts within a carcass.

National Livestock Identification System (NLIS)

NLIS is Australia's system for the identification and traceability of cattle, sheep and goats. It ensures lifetime movements of these species can be identified and recorded within Australia.

National Vendor Declaration (NVD)

Producers use the NVD to declare information about the food safety status of their livestock being sold. It is a key tool underpinning Australia's food safety reputation for livestock.

Index

The index is arranged by key area and then alphabetically word by word. References below indicate the primary reference/s.

About MLA

Alignment with Australian Government priorities.....	53
At a glance	2
Board committees	57
Board Directors' biographies	64–65
Collaboration	55
CoMarketing Program	27, 114
Consultation	55
Corporate governance	57–63
Decision making processes	54–55
Funding	56
History.....	2
Human resources	69
Locations	3
Members	55
MLA Leadership Team biographies	66
Organisational chart.....	67
Stakeholders	54
Strategic framework	54
Subsidiary companies	68

Financials

Directors' report	74
Financial report	70
Financial summary	71

Operations

Animal health and welfare	16–17
Automation	38–39
Building capability.....	44–45
Community engagement.....	14–21
Crisis planning	46
Events.....	3, 51
Genetics and genomics	36
Highlights	4
Key performance indicators.....	102
Livestock exports.....	40–41
Marketing	22–27
Meat Standards Australia.....	30–31
Nutrition.....	20–21
Objective carcass measurement	38–39
On-farm productivity	36–37
Off-farm productivity	38–39
Product integrity.....	32–33
Trade and market access	24–25
Risk management	47, 59

MLA's *Annual Report 2019–20* is available online at mla.com.au/annualreport



Meat & Livestock Australia Limited
ABN 39 081 678 364

Registered address:
Level 1, 40 Mount Street
North Sydney NSW 2060

Postal address:
PO Box 1961
North Sydney NSW 2059
Phone: 02 9463 9333
Fax: 02 9463 9393
Website: mla.com.au