

# About MLA

MLA is a producer-owned, not-for-profit organisation that delivers research, development and marketing services to Australia's red meat industry.

It is incorporated under the *Corporations Act 2001* as a public company limited by guarantee. It is the declared marketing and R&D body under the *Australian Meat & Live-Stock Industry Act 1997*.



*MLA's Chef Tarek Ibrahim, based in Dubai, trained more than 2,000 chefs across the Middle East/North Africa region in 2014-15. He also reached an audience of 300 million viewers through his two red meat TV shows (see page 37).*

*MLA's Corporate Chef, Sam Burke, joined Chef Tarek and other chefs to wow crowds at Beef Australia 2015. In 2014-15 he also developed new recipes for secondary cuts and was part of the MLA team to offer lamb product concepts for Red Rooster's menu, which currently includes two lamb meals (see page 29).*

# Summary statistics at a glance

At 30 June 2015:

## Revenue

↑ **9.1 per cent to 205.7 million**

Producer levies accounted for **55.8 per cent** of revenue

Government contributions accounted for **22.6 per cent** of revenue



## Expenditure

↓ **0.8 per cent to 179.5 million**

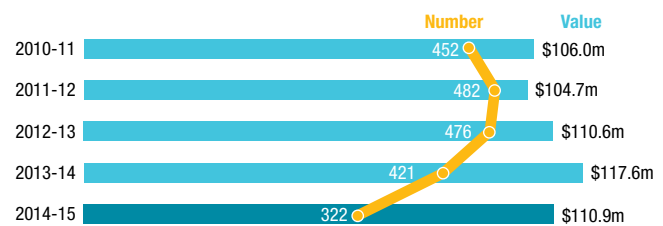
Marketing accounted for **48.2 per cent** of expenditure

Research and development accounted for **51.8 per cent** of expenditure



## Number of current research contracts: 322, worth \$110.9 million

Reflects a **smaller number of bigger** research contracts



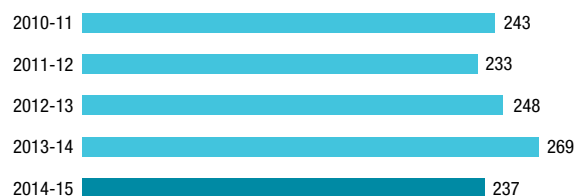
## Number of members

↑ **1.2 per cent to 49,845 members**



## Number of employees

↓ **11.9 per cent to 237 employees**



# Financial summary

## MLA's revenue/expenditure summary

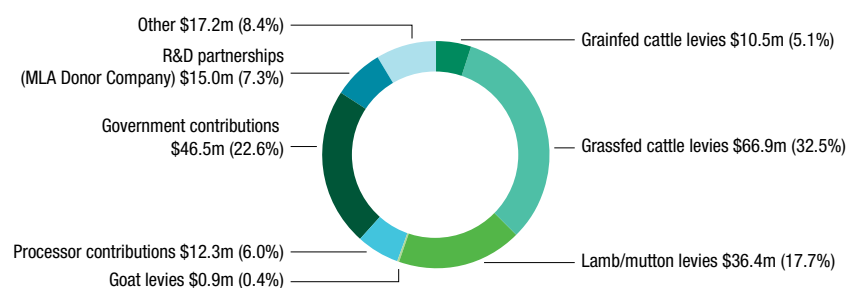
	2010-11 \$ million	2011-12 \$ million	2012-13 \$ million	2013-14 \$ million	2014-15 \$ million	Per cent change 2014-15 compared with 2013-14
Producer levies	96.1	91.8	93.8	106.0	114.7	8.3
Government contributions	40.3	40.3	39.2	46.7	46.5	-0.4
Other	31.0	27.8	29.2	35.8	44.5	24.3
<b>Total revenue</b>	<b>167.4</b>	<b>159.9</b>	<b>162.2</b>	<b>188.5</b>	<b>205.7</b>	<b>9.1</b>
Marketing	90.4	92.4	86.2	85.2	86.6	1.6
R&D	76.1	78.6	79.6	95.8	92.9	-3.0
<b>Total expenditure</b>	<b>166.5</b>	<b>171.0</b>	<b>165.8</b>	<b>181.0</b>	<b>179.5</b>	<b>-0.8</b>

## Revenue

MLA's total income for 2014-15 was \$205.7 million, an increase of 9.1 per cent year on year. Income from producer levies increased by 8.3 per cent to \$114.7 million, led by the grassfed cattle levies at \$66.9 million. Government contributions remained constant at \$46.5 million, with processor contributions up by 13.9 per cent to reach \$12.3 million.

This significantly higher income reflected increases in levy revenue across all categories due to the record slaughter levels and consequently increased transaction levy receipts during the year. The higher slaughter and production rate was driven by increased turn-off due to the continuing drought conditions.

### Sources of MLA's revenue in 2014-15



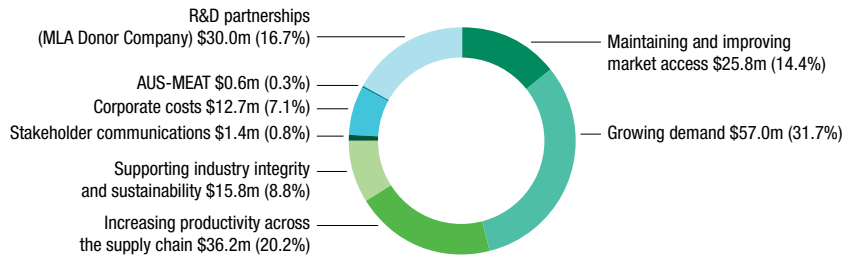
## MLA revenue summary

	2010-11 \$ million	2011-12 \$ million	2012-13 \$ million	2013-14 \$ million	2014-15 \$ million	Per cent change 2014-15 compared with 2013-14
Grassfed cattle levies	56.2	52.5	54.2	61.2	66.9	9.3
Grainfed cattle levies	8.5	8.1	7.8	9.8	10.5	7.1
Lamb/mutton levies	30.8	30.6	31.0	34.2	36.4	6.4
Goat levies	0.6	0.6	0.8	0.8	0.9	12.5
Processor contributions	9.0	9.3	9.4	10.8	12.3	13.9
Government contributions	40.3	40.3	39.2	46.7	46.5	-0.4
R&D partnerships (MLA Donor Company)	10.4	8.7	9.1	12.9	15.0	16.3
Other	11.6	9.8	10.7	12.1	17.2	42.1
<b>Total revenue</b>	<b>167.4</b>	<b>159.9</b>	<b>162.2</b>	<b>188.5</b>	<b>205.7</b>	<b>9.1</b>

## Expenditure

MLA's total expenditure for 2014-15 was \$179.5 million. This included expenditure of \$92.9 million on R&D programs and \$86.6 million on marketing and non-R&D activities. Reductions experienced across the R&D program throughout the year were offset by increased activity through the MLA Donor Company (which doesn't use producer levies), while the increase in corporate costs was a result of the restructure requirements.

### MLA's expenditure in 2014-15



### MLA expenditure summary

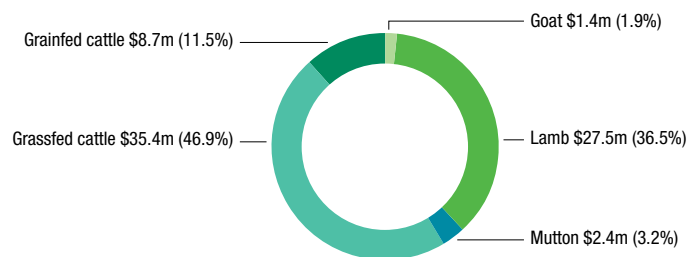
	2011-12 \$ million	2012-13 \$ million	2013-14 \$ million	2014-15 \$ million	Per cent change 2014-15 compared with 2013-14
Maintaining and improving market access	23.1	23.2	24.0	25.8	7.5
Growing demand	65.9	61.1	61.5	57.0	-7.3
Increasing productivity across the supply chain	34.6	36.5	39.0	36.2	-7.2
Supporting industry integrity and sustainability	17.1	14.2	16.9	15.8	-6.5
Stakeholder communications	0.9	1.2	1.6	1.4	-12.5
AUS-MEAT	0.5	0.5	0.6	0.6	0.0
Corporate costs	11.4	11.0	11.4	12.7	11.4
R&D partnerships (MLA Donor Company)	17.5	18.2	26.0	30.0	15.4
<b>Total expenditure</b>	<b>171.0</b>	<b>165.8</b>	<b>181.0</b>	<b>179.5</b>	<b>-0.8</b>
<i>Research and development</i>	<i>78.6</i>	<i>79.6</i>	<i>95.8</i>	<i>92.9</i>	<i>-3.0</i>
<i>Marketing</i>	<i>92.4</i>	<i>86.2</i>	<i>85.2</i>	<i>86.6</i>	<i>1.6</i>

## Retained earnings

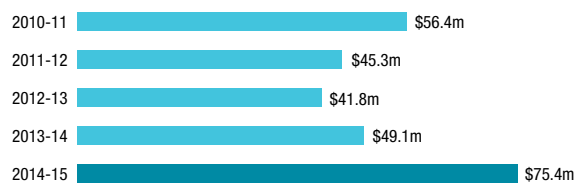
MLA's surplus for the year was \$26.2 million, taking the retained surplus as at 30 June 2015 to \$75.4 million.

The higher levy income from the record cattle sell off in 2014-15 – and consequently the higher retained earnings – have been committed against key activities and programs over the next five years, in line with the *Meat Industry Strategic Plan 2020*, allowing programs to continue during an expected decrease in levy revenue over that time, as a consequence of the reduced availability of stock.

### Retained earnings by levy stream



### Retained earnings



## Income and expenditure by funding source 2014-15

Strategic imperative	Goat		Mutton		Lamb		Total sheep		Cattle grassfed	
	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
<b>1. Maintaining and improving market access</b>										
1.1 Develop and deliver industry systems	11	110	51	93	437	870	487	963	455	2,658
1.2 Support to maintain and liberalise world meat markets		7	5	132	42	1,144	47	1,276	85	1,864
1.3 Maximise market options in the livestock export market	21	22	108	386	109	514	217	900	264	2,570
<b>2. Growing demand</b>										
2.1 Help industry deliver consistent and optimal eating quality			236	66	423	493	659	559	644	1,643
2.2 Enhance the nutritional reputation of red meat				7	212	1,301	212	1,308	236	2,273
2.3 Develop new products	5		18		121		139		234	
2.4 Aggressive promotion of beef in the domestic market										7,465
2.5 Aggressive promotion of lamb in the domestic market		8		10		7,237		7,247		
2.6 Aggressive promotion in export markets – beef										15,868
2.7 Aggressive promotion in export markets – sheepmeat		153		113		6,262		6,375		
<b>3. Increasing productivity across the supply chain</b>										
3.1 Deliver opportunities to increase on-farm productivity	210		320		2,960		3,280		3,274	18
3.2 Deliver opportunities to increase off-farm productivity										
3.3 Deliver valued supply chain and market information	10		66		667		733		1,642	
3.4 Improve animal health and biosecurity	25		153		812		965		286	
3.5 Increase producer engagement to build capability	14	9	170	15	1,315	338	1,485	353	1,560	577
<b>4. Supporting industry integrity and sustainability</b>										
4.1 Support on-farm environmental sustainability			110		898		1,008		1,090	
4.2 Support off-farm environmental sustainability										
4.3 Support improvement in animal welfare standards			19		475		494		186	
4.4 Support industry engagement with the community			4	27	18	306	22	333	95	1,004
4.5 Develop sustainable innovation capability			21		130		151		215	
<b>6. Stakeholder engagement and communication</b>										
Stakeholder communication and reporting	2	2	11	21	79	234	90	256	194	530
AUS-MEAT				44		66		110		384
R&D Partnerships										
<b>Total expenditure pre corporate services</b>	<b>299</b>	<b>311</b>	<b>1,291</b>	<b>913</b>	<b>8,698</b>	<b>18,765</b>	<b>9,989</b>	<b>19,678</b>	<b>10,459</b>	<b>36,857</b>
Corporate Services	12	8	28	31	212	517	239	548	291	1,157
Levy collection costs		2		13		209		222		452
<b>Total expenditure</b>	<b>311</b>	<b>320</b>	<b>1,319</b>	<b>957</b>	<b>8,910</b>	<b>19,491</b>	<b>10,229</b>	<b>20,449</b>	<b>10,750</b>	<b>38,466</b>
Income available:										
– Levies	562	353	1,282	1,439	9,781	23,902	11,063	25,341	13,463	53,475
– Government										
– Processors										
– Live export										
– R&D partnerships										
– External										
<b>Total actual income 2014-15</b>	<b>562</b>	<b>353</b>	<b>1,282</b>	<b>1,439</b>	<b>9,781</b>	<b>23,902</b>	<b>11,063</b>	<b>25,341</b>	<b>13,463</b>	<b>53,475</b>
<b>Surplus/(deficit)</b>	<b>250</b>	<b>33</b>	<b>(37)</b>	<b>481</b>	<b>871</b>	<b>4,411</b>	<b>834</b>	<b>4,892</b>	<b>2,713</b>	<b>15,010</b>

	Cattle grained		Total cattle		Total levy funds		Processor		LiveCorp		External	MLA total	MLA Donor Co.	Govt.	MLA AOP
	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	M \$000	\$000	R&D \$000	R&D \$000	2014-45 \$000
<b>1. Maintaining and improving market access</b>															
	71	1,045	527	3,704	1,025	4,776	1,642	613	14	16	27	8,114		2,681	<b>10,795</b>
	17	332	102	2,196	149	3,480	157	3,173			135	7,094		306	<b>7,400</b>
			264	2,570	502	3,492			635	1,750	122	6,501		1,137	<b>7,637</b>
<b>2. Growing demand</b>															
	172	436	815	2,080	1,475	2,638	852				437	5,401		2,326	<b>7,727</b>
	41	431	277	2,705	488	4,012	205	593				5,300		694	<b>5,994</b>
	40		274		417		347					764		764	<b>1,529</b>
		440		7,905		7,905		918			31	8,855			<b>8,855</b>
						7,254		303			16	7,573			<b>7,573</b>
		2,029		17,897		17,897					403	18,300			<b>18,300</b>
						6,528					541	7,070			<b>7,070</b>
<b>3. Increasing productivity across the supply chain</b>															
	857		4,130	18	7,620	18					1,307	8,946		7,620	<b>16,566</b>
							1,192				35	1,227		1,192	<b>2,418</b>
	118		1,759		2,503		77				319	2,900		2,580	<b>5,480</b>
	309		595		1,585						55	1,640		1,585	<b>3,225</b>
	119	5	1,679	582	3,178	944	28				1,175	5,324		3,206	<b>8,530</b>
<b>4. Supporting industry integrity and sustainability</b>															
	443		1,533		2,541						1,268	3,810		2,541	<b>6,351</b>
							513					513		513	<b>1,027</b>
	480		666		1,161						7	1,168		1,161	<b>2,328</b>
	12	188	108	1,192	130	1,525	18	72				1,745		148	<b>1,893</b>
	126		341		492		1,622					2,113		2,113	<b>4,227</b>
<b>6. Stakeholder engagement and communication</b>															
	3	10	197	540	289	797						1,087		289	<b>1,376</b>
		56		440		550						550			<b>550</b>
													15,000	15,000	<b>30,000</b>
	<b>2,808</b>	<b>4,973</b>	<b>13,267</b>	<b>41,830</b>	<b>23,555</b>	<b>61,819</b>	<b>6,652</b>	<b>5,673</b>	<b>649</b>	<b>1,766</b>	<b>5,878</b>	<b>105,993</b>	<b>15,000</b>	<b>45,857</b>	<b>166,851</b>
	74	153	366	1,310	617	1,866					8,874	11,358		617	<b>11,975</b>
		56		508		732						732			<b>732</b>
	<b>2,883</b>	<b>5,182</b>	<b>13,633</b>	<b>43,648</b>	<b>24,173</b>	<b>64,417</b>	<b>6,652</b>	<b>5,673</b>	<b>649</b>	<b>1,766</b>	<b>14,752</b>	<b>118,082</b>	<b>15,000</b>	<b>46,475</b>	<b>179,557</b>
	3,442	7,068	16,905	60,543	28,530	86,237						114,767			<b>114,767</b>
														46,475	<b>46,475</b>
							6,652	5,673				12,325			<b>12,325</b>
									649	1,766		2,416			<b>2,416</b>
													15,000		<b>15,000</b>
											14,752	14,752			<b>14,752</b>
	<b>3,442</b>	<b>7,068</b>	<b>16,905</b>	<b>60,543</b>	<b>28,530</b>	<b>86,237</b>	<b>6,652</b>	<b>5,673</b>	<b>649</b>	<b>1,766</b>	<b>14,752</b>	<b>144,260</b>	<b>15,000</b>	<b>46,475</b>	<b>205,734</b>
	<b>559</b>	<b>1,886</b>	<b>3,272</b>	<b>16,895</b>	<b>4,357</b>	<b>21,820</b>						<b>26,177</b>			<b>26,177</b>

## FUNDING ARRANGEMENTS

MLA is primarily funded by transaction levies paid on livestock sales by producers.

The Australian Government also contributes a dollar for each levy dollar MLA invests in research and development. This can be supplemented by unmatched grants from the Australian Government and cooperative contributions from other Research and Development Corporations, individual processors, wholesalers, foodservice operators and retailers.

Processors and live animal exporters also co-invest levies into MLA programs through their service companies Australian Meat Processor Corporation and LiveCorp.

Exporters and importers can also co-invest with MLA on marketing activities.

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 the MLA Donor Company.

### Producer transaction levies

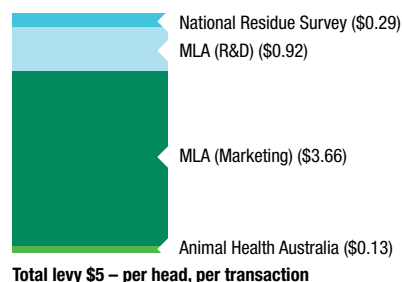
Transaction levies are charged by the Australian Government on the sale of each head of cattle, sheep and goat sold under the *Primary Industries (Excise) Levies Act 1999*. Transaction levies are collected, administered and disbursed by the Department of Agriculture on a cost recovery basis and invested back into the industry to assist in R&D, marketing and market access services.

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. Levies received by MLA are accounted for in two streams – one to support marketing activities and the other to support R&D.

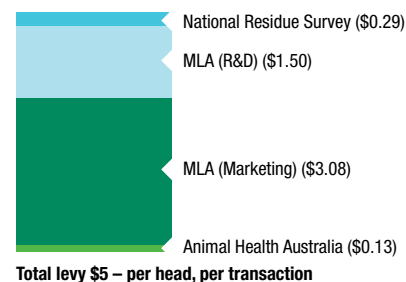
Total levies charged in 2014-15 were \$5 per head of grassfed and grainfed cattle transacted, two per cent of the sale price on each head of sheep transacted and 37.7 cents per head of goats transacted.

The Department of Agriculture distributed the levies in the following way:

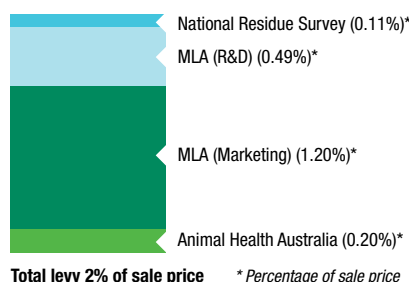
#### Grassfed cattle levy allocation



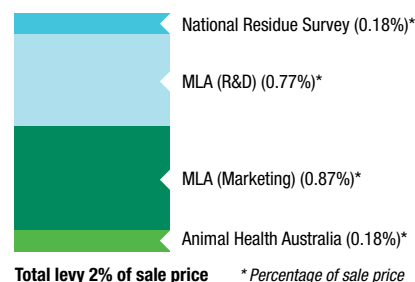
#### Grainfed cattle levy allocation



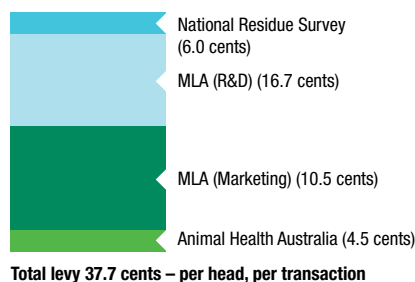
#### Lamb levy allocation



#### Sheep levy allocation



#### Goat levy allocation

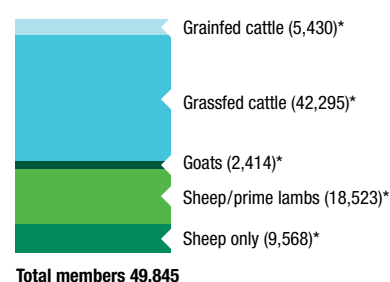


### MLA membership

Membership of MLA is open to all levy-paying grassfed cattle, grainfed cattle, sheep, lamb and goat producers and is free of charge.

MLA had 49,845 members at 30 June 2015, an increase of 1.2 per cent on the previous year.

#### MLA membership by levy stream



\* MLA members may be involved in more than one enterprise

#### MLA members

	2010-11	2011-12	2012-13	2013-14	2014-15
Grassfed cattle	40,450	41,005	41,334	41,828	42,295
Grainfed cattle	5,201	5,301	5,308	5,391	5,430
Sheep/prime lambs	17,410	17,611	17,862	19,262	18,523
Sheep only	9,875	9,872	9,713	9,625	9,568
Goats	2,302	2,344	2,360	2,386	2,414
<b>Total members</b>	<b>47,556</b>	<b>48,173</b>	<b>48,608</b>	<b>49,260</b>	<b>49,845</b>

Note: MLA members may be involved in more than one enterprise



## STRATEGIC FRAMEWORK

### MLA stakeholders

MLA operates in partnership with industry and government to deliver services to the cattle, sheep and goat industries.

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

Peak industry councils provide policy direction, scrutinise budgets and monitor MLA's performance on behalf of the red meat industry. These are the Australian Lot Feeders' Association, Cattle Council of Australia, Goat Industry Council of Australia and Sheepmeat Council of 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.

### 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 *Meat Industry Strategic Plan (MISP)* which provides the overarching strategic framework that enables the direction, measuring and reporting of overall industry progress for government and industry stakeholders.

Levy payers are consulted by RMAC during the development of the five-year *MISP*. The peak industry councils subsequently develop sector specific (grassfed cattle, feedlot, sheepmeat, goats, live export) industry plans.

MLA's five-year corporate planning is cascaded out of the *MISP*, industry strategic plans and Commonwealth national rural R&D priorities. MLA's

five-year corporate plan is translated into annual operating plans that define MLA's marketing and research and development strategies and programs.

Examples of areas where consultation occurs include:

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

- > *Meat Industry Strategic Plan*
- > *Beef Industry Strategic Plan*
- > *Sheepmeat Industry Strategic Plan*
- > *Goat Industry Strategic Plan*
- > *MLA Five Year Strategic Plan*
- > *MLA Annual Operating Plan*

#### On research and development:

- > Research, development and adoption investment priorities
- > Red Meat Co-investment Committee
- > Regional consultation model (see below)
- > Sheep and beef forecasting committees
- > Sheep Genetics Advisory Committee
- > MSA Taskforce and Pathways Committee
- > Resource Flock Steering Committee
- > Genetics Steering Committee

#### On marketing:

- > Region-specific global marketing and market access for beef and sheepmeat (Australia, Japan, Korea, North America, Middle East, Europe/Russia, Indonesia, China and South Asia)
- > MSA 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 forum 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 and budget allocations for the upcoming financial year and importantly, setting key performance indicators.

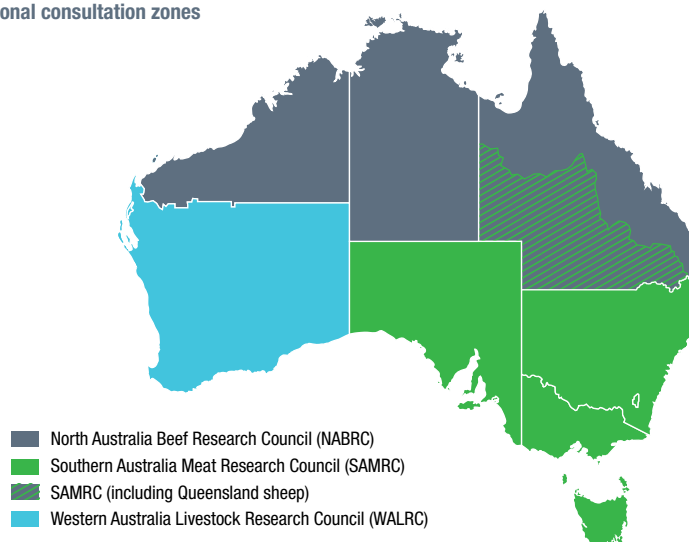
### Regional consultation

Following an independent review of MLA's levy investment systems for on-farm research and development, a regional consultation framework has been developed to improve transparency and engagement with stakeholders in setting priorities for research and development.

The consultation framework divides Australia's livestock production areas into three zones – northern, southern and western – and each will operate within a national structure.

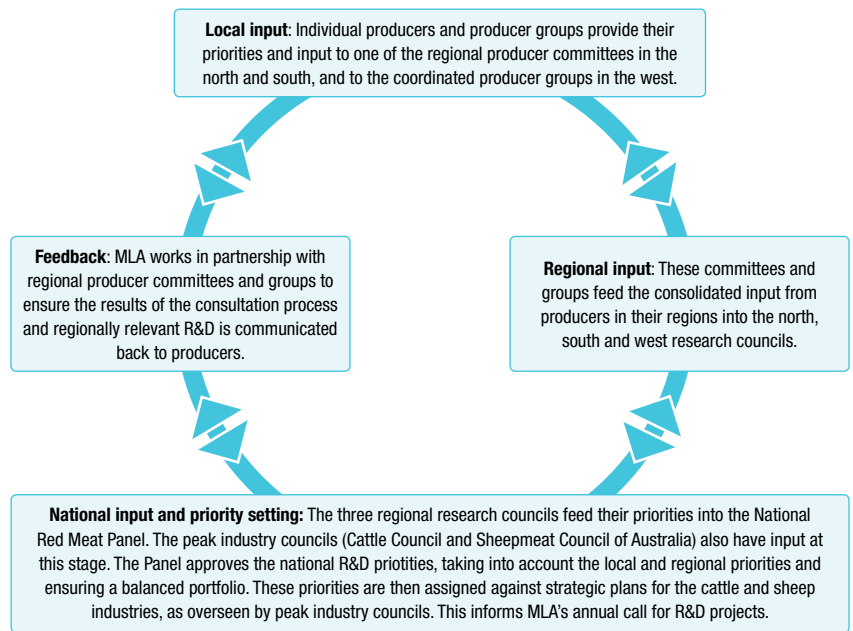
Eleven producer committees already exist in north Australia and northern producers regularly have the chance to

#### Regional consultation zones





**How the regional consultation will work**



nominate to sit on these committees. The regional groups will feed locally important R&D priorities through to a regional producer committee for consideration and then, if successful, onto one of three Research Councils:

- > Southern Australia Meat Research Council (SAMRC)
- > Western Australia Livestock Research Council (WALRC)
- > North Australia Beef Research Council (NABRC) (which has been providing direction to R&D investment for some time)

These Councils will collectively represent the interests of northern, southern and western grassfed cattle and sheep levy payers at further industry meetings.

**Strategic alignment**

MLA's work is aligned with industry bodies and government to ensure our activities have greatest impact. We continually strive for efficiencies in how we deliver benefits to members and key stakeholders.

Aligning our investments with industry and government is a critical way of achieving these efficiencies. The *MLA Corporate Plan 2010–2015* is a dynamic document that the MLA Board and Leadership Team review annually to ensure it remains relevant to industry, government and

community needs. This forms the basis for developing closely aligned annual operating plans, and ensures that we direct our funds to achieve industry's vision.

This strategic plan aligns closely with the *Meat Industry Strategic Plan 2010–2015 (MISP)* which gives focus and direction to our work to build demand, productivity and trust for the red meat and livestock industry. The *MISP* addresses key drivers across markets to create access advantages; value-add products and marketing; a product focus on food safety and eating quality; and the supply chain

addressing community concerns and whole-of-chain efficiencies.

The *MLA Corporate Plan 2010–2015* and *MISP* align with the Australian Government's national and rural R&D priorities.

Refer to page 13 for a graphical view of MLA's strategic and operational planning process.

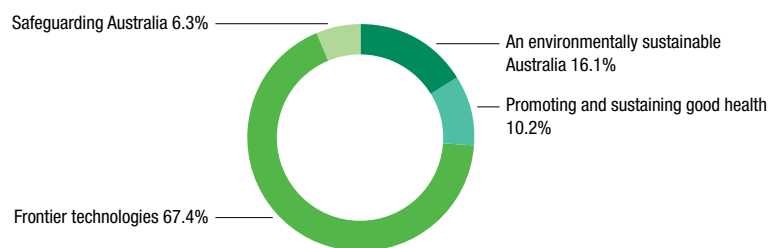
**R&D alignment with government priorities**

MLA invested \$92.9 million in a range of R&D programs during 2014–15. This included \$30 million invested through the MLA Donor Company. This investment includes matching funds from the Australian Government and aligns with National and Rural R&D Priorities.

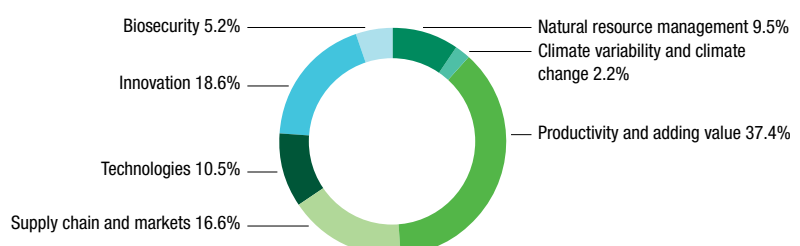
The Australian Government has developed clear, farmer-orientated priorities to target rural RD&E funding in its *Agricultural Competitiveness White Paper*, released in July 2015. The new priorities will include a stronger focus on advanced technology; biosecurity; soil, water and management of natural resources; and the adoption of R&D.

These new Australian Government RD&E priorities for agriculture are consistent with the national Science and Research Priorities announced in May 2015. The national priorities align areas of research excellence with Australia's comparative advantages, including food, soil and water, transport, cybersecurity, energy,

**Alignment of MLA R&D projects with the Australian Government's National Research priorities**



**Alignment of MLA R&D projects with the Australian Government's Rural R&D priorities**



resources, advanced manufacturing, health and environmental change.

MLA will report on the alignment of its R&D projects to these priorities in its *Annual Report 2015-16*.

## R&D contracts

Throughout the year MLA:

- > completed or terminated 438 research contracts worth \$52.7 million
- > commenced 348 new contracts during the year worth \$47.3 million.

This resulted in a total portfolio of 322 current research contracts at 30 June 2015 valued at \$110.9 million. These contracts only include industry research projects with many undertaken over multiple years.

It is important to note that each R&D project can include multiple contracts. These reported contracts for 2014-15 include the areas of on-farm innovation and adoption, livestock productivity, value chain innovation, nutrition, industry systems, communications and stakeholder engagement, food safety and livestock export R&D programs.

These research contracts cover all ongoing R&D projects, with the major outcomes from these summarised in the *Report to Stakeholders* in this *Annual Report*. A complete list detailing R&D contracts with a value of greater than \$10,000 and completed during 2014-15 has been published online at [www.mla.com.au/annualreport](http://www.mla.com.au/annualreport).

## MLA Donor Company

MLA works on research projects with the commercial sector in areas that bring value to producers, through innovation and new technologies. This is via the MLA Donor Company (MDC) where voluntary funding from individual enterprises is matched by Australian Government R&D funds. No producer levies are used in MDC projects. Eligible projects deliver outcomes that address broader industry and/or government priorities and are available to benefit the industry.

The MDC provides a mechanism for attracting commercial investment into the red meat industry and delivers value throughout the supply chain.

## Average value of research contracts at 30 June 2015

2010-11	\$234,513
2011-12	\$217,220
2012-13	\$232,353
2013-14	\$279,335
2014-15	\$344,410

## No producer levies are used in MDC projects.

During 2014-15, the MDC attracted a total investment of \$30 million in private and public funds in industry R&D.

A total of 72 new project contracts were approved in 2014-15 totalling \$35.2 million. Since its inception in 1999, the MDC has approved 721 contracts worth \$260.5 million. Private investors in projects funded through the MDC have included all parts of the red meat supply chain – processors, value-adders, breed societies, pastoral companies and technology providers.

The MDC also facilitates the commercialisation of industry R&D. Through international alliances, the MDC fosters world class innovation by accelerating access to intellectual property at a much lower cost than would otherwise be possible. This model injects valuable new funding into red meat industry R&D and commercialisation, with a number of resulting benefits:

- > improving sustainability on- and off-farm
- > reduced production costs leading to a more competitive industry
- > higher standards of occupational health and safety
- > new value-added products that facilitate access to new international markets and increased export earnings
- > enhanced employment opportunities for young professionals in the industry.

MDC funding enabled a number of key projects that have been highlighted throughout this *Annual Report* including:

- > Red meat-lupins partnership (page 29)
- > LEAP processing automation (pages 46-47)
- > Electricity efficiency (pages 58-59)

- > Covered anaerobic lagoons (page 59)
- > Buccalgescic pain relief product (pages 60-61)
- > Collaborative Innovation Strategies Partnership program (page 65).

## CoMarketing Program

The Collaborative Marketing Program commenced in 2014-15, and replaced the former Industry Collaborative Agreement program.

The CoMarketing Program is an initiative by MLA to support Australian companies who are responsible for the marketing of Australian beef, veal and lamb brands to develop superior brand marketing strategies and effective marketing plans.

The aim of the Program is to assist brand owners create customer loyalty and sustainable brand growth, through investment that delivers ongoing added value back down the supply chain to producers.

For beef, MLA worked with 50 Australian companies during the year to deliver CoMarketing activities across key markets including Australia, Japan, South-East Asia, Greater China, Europe, the Middle East and North Africa, North America, Korea and emerging markets. MLA contributed a total of approximately \$1.9 million via producer levies, and participants contributed the same amount or more. These activities strengthened brands and built awareness for beef across both new and existing accounts.

For lamb, MLA managed CoMarketing activities with 19 Australian companies across the same regions as for beef. MLA contributed a total of approximately \$279,000 via producer levies and participants contributed the same amount or more. These activities focused on retaining key accounts and maintaining volumes, given strong lamb prices and the exchange rate.

### MLA contributions to the CoMarketing Program

Region	MLA contribution (A\$)	
	Beef	Lamb
Australia	517,299	69,900
Europe	83,895	0
Indonesia	32,593	4,688
Japan	272,164	16,330
Korea	222,875	2,057
Middle East/North Africa	64,129	51,989
North America	146,778	52,821
South East Asia/Greater China	323,736	23,316
Cross regional	282,134	58,055
<b>Total MLA contribution</b>	<b>1,945,603</b>	<b>279,156</b>

Activities co-funded by the CoMarketing Program during 2014-15 included marketing strategies and brand development, trade missions, sampling, point-of-sale design and printing, advertising, social media campaigns, website development, trade shows, training seminars and market research.

Details of each participant and the specific funding amounts invested are published at [www.mla.com.au/annualreport](http://www.mla.com.au/annualreport) and in Appendix 1 to this *Annual Report*.

### Evaluation and performance

MLA provides details of returns on industry and government investment in order to remain transparent and accountable to our stakeholders.

#### Program evaluation

To determine the value and efficiency of work and its impact, MLA sets targets through the annual planning process and measures performance each year against agreed key performance indicators.

MLA's evaluation framework, developed by the Centre for International Economics, enables objective assessment of program outcomes against our strategic imperatives. It also reports on the alignment of programs with the Australian Government's rural R&D priorities.

Independent evaluation of programs across our portfolio of work began in 2006-07 and this year two evaluations

were completed: the animal genetics and genomics program and the market access program.

For the genetics and genomics program, MLA's investment estimated at \$91 million is expected to return a total industry benefit of \$458 million in present value terms over 38 years to 2039-40. This represents a benefit-cost ratio (BCR) of 5.1 to 1 and an internal rate of return of 26 per cent. In the case of southern cattle the BCR was 4.4:1; for northern cattle 1:1 and for sheep 5.8:1.

For the market access program, the earlier evaluation of the program conducted in 2007 was updated. The evaluation carried out in 2014-15 concluded that a total industry investment estimated at \$33 million is expected to return a total industry benefit of \$6.1 billion in present value terms over 24 years to 2030. An average attribution level of 21 per cent back to MLA represents a benefit-cost ratio of 39.9 to 1 and an internal rate of return of 47 per cent (to 2020).

#### Senate Inquiry

In December 2013 the Rural and Regional Affairs and Transport References Committee was referred by the Senate to examine the representative and R&D levy arrangements for the grassfed cattle sector and options to improve transparency, accountability and engagement with levy payers. The Committee handed down its report in September 2014.

During the Inquiry, in August 2014, MLA commenced a restructure to address the recommendations made in the 2013 Systems Review into levy investment in on-farm R&D. The restructure also responded to the criticism expressed by levy payers through the Senate Inquiry process, for MLA to deliver the support and services required by industry into the future.

Minister for Agriculture, the Honorable Barnaby Joyce, provided the Government's response in July 2015. Minister Joyce acknowledged that MLA – as the provider of R&D and marketing services to the grassfed cattle industry – can provide a solid basis for the future with greater direction from grassfed levy

payers. Minister Joyce also said the government would continue to allocate the current grassfed levy to MLA.

#### Systems review

In early 2013, MLA commissioned an independent review of the systems used for investing grassfed cattle and sheepmeat levies in on-farm R&D projects to get recommendations as part of its regular drive for continuous improvement. The purpose was to find ways to strengthen the systems to maximise the benefits from producer investment. A key driver for commissioning the review was the changing nature of the R&D landscape including the cessation of the Beef CRC, the continued decline in state agency R&D resources and the implications of working under the National RD&E framework. Given these significant changes in the operating environment, it is critical that as an R&D service provider, MLA ensures it is focused on the efficient and effective investment of industry R&D funds.

MLA asked the review panel to identify areas for improvement in the framework for making investments in on-farm R&D projects and to advise what MLA should be doing to achieve international best practice. The review made 11 recommendations. Presentations have been made to both Cattle Council of Australia and Sheepmeat Council of Australia on the review and its recommendations.

Through the fundamental changes to MLA over the past 12 months, MLA is focused on addressing all 11 recommendations. MLA has systems in place that are addressing nine of the 11 recommendations. Examples of these systems are:

1. The new MLA regional consultation strategy (see pages 73-74), through which MLA has moved to a producer-based engagement process. This is across 20 regional producer research committees to establish research, development and adoption (RD&A) investment priorities and establish a two-way discussion between producers and our RD&A partners in prioritising the MLA RD&A investment portfolio.

2. A new open and transparent annual project call process, through which MLA will manage selection and execution of its RD&A portfolio using independent scientific expertise and under direct oversight of industry.
3. A process through which MLA will invest 30 per cent of its on-farm RD&A budget within long-term strategic partnerships to address critical strategic RD&A needs and address the run-down in the red meat industry RD&A capacity.

MLA is developing approaches to address the remaining two systems review recommendations and will implement these over the next 12 months.

#### Performance review

An independent review of MLA's performance conducted by Arche Consulting was completed in June 2010. It recommended a number of key areas of improvement principally relating to longer term strategic planning and KPI setting and reporting. An MLA working group has managed the ongoing implementation of most of the review's recommendations and updates are published on the MLA website.

Under MLA's Statutory Funding Agreement (SFA) with the Commonwealth, MLA is obliged to undertake an independent review of its performance prior to the expiry of the SFA. As the SFA is due to conclude in October 2016, MLA has worked with the Department to agree on the Terms of Reference for the review which were approved by the then Minister for Agriculture on 10 September 2015. A steering committee has been established comprising representatives from peak industry councils, the Department of Agriculture and Water Resources and MLA to oversee the reviewer selection process and, if requested, to provide guidance in the course of the review. Once the Minister has approved the Terms of Reference, the project will be put to open tender and from this a reviewer will be selected to perform the review. The details of the successful tenderer will be published on MLA's website. The review is currently scheduled to be completed by February 2016 after which time the findings will also be published on MLA's website.

#### Corporate reporting

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 2014 AGM was held in Sydney, NSW and was preceded by Wodonga, Victoria (2013), Fremantle, WA (2012), Longreach, Queensland (2011), Launceston, Tasmania (2010), Darwin, NT (2009), Orange, NSW (2008), Rockhampton, Queensland (2007) and Adelaide, SA (2006).

MLA's *Annual Report 2013-14* was made available through its corporate website as well as in hard copy for members who requested it.

#### CORPORATE GOVERNANCE

Meat & Livestock Australia Limited (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 (AMLI Act)*.

MLA's corporate governance framework is set by the Board having regard to the best interests of members, the values of the organisation, MLA's obligations set out under the Statutory Funding Agreement with the Commonwealth of Australia (Deed), and in accordance with the ASX Corporate Governance Council's *Corporate Governance Principles and Recommendations* (3rd edition). This long-established framework has been implemented to ensure that MLA remains accountable to its 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 MLA's corporate governance framework are also available on the MLA website.

#### The Board

MLA is governed by a skills-based board that works with industry to set strategic priorities for the company. It also approves and monitors progress against the strategic plan, 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, Deed, and under corporations law.

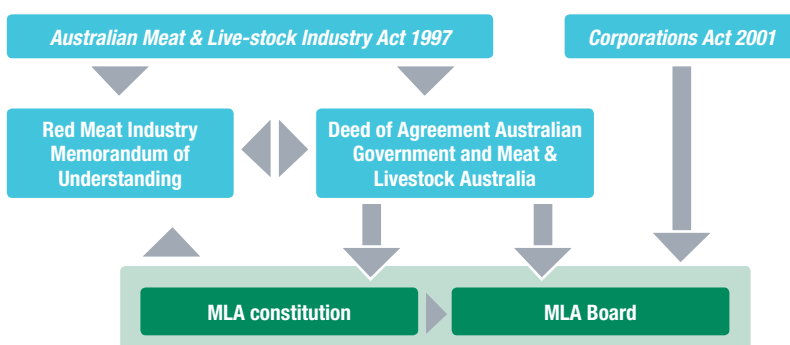
#### Composition

The Board comprises of directors with a broad range of skills, experience and expertise necessary to guide the company. Many of the Directors are also producers and members of the company. The Managing Director is the only executive director. Directors are nominated through the Selection Committee and appointed at MLA AGMs for a three-year term under MLA's constitution, after which time 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 pages 81-82. The Chair of the Board was elected in 2011 and is an independent director.

#### Board members

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

#### MLA's governance framework





## Board members



**Michele Allan**  
(Chair)

BAppSc MMgtTec  
MCommLaw DBA FAICD

Director since November 2011

Dr Allan has an academic background in biomedical science, management and law. Dr Allan is a past executive director and non-executive director of Patties Foods Limited and was previously a non-executive director of the Dairy Research and Development Corporation, Forest and Wood Products Australia, Ruralco Holdings Limited Tasmania Fruit and Vegetable Taskforce, Tasmanian Irrigation Pty Ltd, Callaghan Innovation, William Angliss Catering and Hospitality TAFE College and Grape and Wine Research and Development Corporation. Current board positions include Innovation Australia, Food Innovation Australia Limited, Apple and Pear Australia Ltd, Grain Growers Limited, Cooperative Research Centre Hearing and member of the CRC Advisory Committee. She is Chancellor of Charles Sturt University, Chair of the CSIRO Food and Nutrition Flagship Advisory Committee, and Legumes Nutritional Council, and a Fellow of the Australian Institute of Company Directors. Dr Allan is also a member of the Selection and Remuneration Committees.



**Richard Norton**  
(Managing Director)

MBA, MAICD  
Appointed 2 June 2014

Mr Norton joined MLA as Managing Director in June 2014. The fifth generation of a beef and sheep farming family from Monaro NSW, Mr Norton began his working life as a rouseabout and jackaroo. He has spent more than 20 years serving livestock producers as a stock agent and auctioneer across NSW, where he still farms beef. His drive to see Australian agribusiness thrive has led him to hold various executive positions, including Head of Live Export and International Trade and then Managing Director of Landmark Operations Australia, a subsidiary of Agrium Inc based in North America. In addition to roles in agribusiness, Mr Norton has held executive positions in retail, manufacturing, logistics and warehousing with Woolworths, Coca Cola, Wesfarmers and Toll Holdings. Mr Norton has an MBA from Monash University, and has held various board positions including Agrium Asia Pacific, the Australian Wheat Board, RD1 New Zealand, Landmark Harcourts and Australian Wool Handlers. He was also Chairman of Integrated Traceability Solutions (Global) and AuctionsPlus. Mr Norton is also a director of MLA Donor Company Limited, National Livestock Identification System Limited, Red Meat Traceability Systems Pty Ltd and AUS-MEAT Limited.



**Alan Beckett**  
BEc, FICA, GAICD

Director since November 2014

Mr Beckett has a keen interest in the agriculture industry and in particular the beef industry and currently operates a 550 Angus cow herd at Yea in Victoria. He had 40 years' experience with a major professional services firm, practising in the area of audit and corporate services in the large companies sector with an emphasis on listed public companies. He brings extensive business experience to the Board, along with general finance, accounting and governance expertise together with practical experience in doing business in Oceania, South East Asia, Japan and India. Mr Beckett is also experienced with the operations of audit committees, including chairing audit committees and attendance as the external auditor. Mr Beckett is a non-executive director of Defence Health Limited, Westbourne Capital Pty Ltd and Westbourne Credit Management Limited, and a member of the Very Special Kids Foundation. He is Deputy Chairman of the Audit and Risk Committee of the Department of Defence and the independent member of the Audit and Risk Committee of Note Printing Australia Limited. Mr Beckett was previously Chairman of Basper Limited (formerly Berklee), a publicly listed company in the automotive industry. He is currently Chair of MLA's Audit and Risk Committee.



**Lucinda Corrigan**  
BScAgr (Hons 1) FAICD

Director since November 2007

Ms Corrigan is a Director of Rennylea Angus, a leading beef genetics business running 3,000 head of cattle across five properties in the Murray Valley of NSW. Rennylea supplies commercial producers across Australia and genetic products to international markets. Ms Corrigan has skills and experience in R&D, genetics, natural resource management, communications, marketing and advocacy and for 20 years has served as a non-executive director on industry bodies and innovation companies. She has been a Director of four CRCs, including Deputy Chairman of the Future Farm Industries CRC. In 2014 she was appointed Commissioner of the Australian Centre for International Agricultural Research. She is Chairman of the advisory committee of the Graham Centre, a partnership between Charles Sturt University and NSW Department of Primary Industries. In the Holbrook community, she is convener of the local beef group's activities. She is a Fellow of the Australian Institute of Company Directors and the Australian Rural Leadership Foundation. Ms Corrigan is a member of the Audit and Risk Committee and is the Chair and a Director of the MLA Donor Company Ltd.



**Geoffrey Maynard**  
BBus

Director since November 2011

Mr Maynard runs a 10,000-hectare cattle stud seedstock operation near Jambin in central Queensland. He has 35 years' experience in northern production systems, and has had significant involvement in collaborative research and genetics programs. Maynard Cattle Company is one of the largest users of embryo transfer technology in northern Australia. The Maynard Family was one of the largest suppliers of cattle for the Beef CRC I Project in the 1990s and participated in CRC II and CRC III. Mr Maynard was previously the Vice-Chair of the Beef Australia Board and a past member of the industry advisory committee of the Beef CRC II. Mr Maynard is also a Director of MLA Donor Company Limited.

## Company secretary



### **John McKillop**

BBus GradDipAg MBA GAICD  
Director since November 2012

Mr McKillop has extensive agribusiness experience gained through various executive and director roles in the meat and livestock, and grains industries. From 2007 to 2011, Mr McKillop was the managing director of diversified commodities producer Clyde Agriculture, a fully-owned subsidiary of John Swire and Sons. Previous executive roles included general management positions with Elders Australia Limited, and as a senior executive with Stanbroke Pastoral Company. Mr McKillop has considerable experience evaluating research and development proposals, as well as strong skills in global marketing, financial management, strategic planning and corporate governance. He is Chair of the Remuneration Committee and a member of the Audit & Risk Committee.



### **Chris Mirams**

GradDip Financial Markets  
Director since November 2014

Mr Mirams is an agricultural consultant based in Albury and has extensive commercial and practical experience in southern Australian sheepmeat production and managing sheep enterprises covering prime lamb, wool and meat with the latest technology and benchmarking. He has significant experience in strategic research and development, broad commercial experience in southern beef production, specialist skills in business, finance, corporate governance, communication and leadership. Mr Mirams is passionate about the agricultural industry and rural and regional Australia. Mr Mirams participated in the Australian Rural Leadership Program, is a past Chair of Holbrook Landcare Network and EverGraze National Advisory Committees and served on the AVCLP and Scots School Albury boards. Mr Mirams is a member of the Selection and Remuneration Committees.



### **George Scott**

Director since November 2013

Mr Scott has had a lifelong involvement with the north Australian cattle industry initially as an employee of both corporate and private operators in Queensland and NT, more recently as an owner operator. Mr Scott has a broad knowledge of beef production systems, resource management, genetic development, breeding programs, land management and industry associations. During the past decade, Mr Scott has held senior executive and representative roles in the Northern Territory Cattlemen's Association (NTCA), acted as the NTCA Cattle Council delegate, and been a member of the Barkly Regional Advisory Committee to the Northern Australia Beef Research Council. Based at Thylungra Station in south-west Queensland he is currently Managing Partner of Scott Cattle Company producing commercial cattle in Queensland and SA, a Director of Thylungra Cattle Co Pty Ltd and Kyabra Creek Pty Ltd. Mr Scott is also a director of AUS-MEAT Ltd.



### **Peter Trefort**

Director since November 2003

Mr Trefort manages his family's property at Narragin in WA. He has more than 40 years' experience in sheep and cattle production as well as management across the supply chain. Mr Trefort has worked extensively developing on-farm and processing R&D strategies with the Department of Agriculture (WA), University of WA and Murdoch (WA). In 2007, he received an Honorary Doctorate in Science from Murdoch University. He is a Director of the Sheep CRC. In 2010, Mr Trefort was recognised as the Rural Achiever of the Year by the Royal Agricultural Society of WA. He was a member of the Selection Committee until December 2014 and is currently a member of Remuneration Committee.



### **Clare Stanwix**

BA (Hons) LLB LLM, GAICD  
Appointed June 2014

Ms Stanwix joined MLA in June 2009. In addition to holding the office of Company Secretary, Ms Stanwix also holds the position of General Counsel. Prior to joining MLA she was an external legal adviser with DLA Piper. Ms Stanwix has experience in intellectual property, technology, corporate and commercial law and dispute resolution. She is a Graduate of the Australian Institute of Company Directors and is currently completing a graduate diploma in Applied Corporate Governance with the Governance Institute of Australia.

## Directors who retired or resigned during the year



### **Dr Gregory Harper**

BSc PhD GradDipMgmt  
GAICD

Director November 2009 –  
February 2015

Dr Harper is a career scientist with extensive research experience within Victorian Economic Development, Jobs Transport and Resources, universities, CSIRO and cooperative research centres. Dr Harper's research has been into aspects of genetics, biochemistry, and human nutrition and development. He has worked in laboratories in Australia, the USA and Sweden. More recently he has turned his attention to the translation and commercialisation of science for the benefit of the community. Dr Harper is the Executive Director of Agriculture Research and Development for the Victorian Economic Development, Jobs, Transport and Resources. Previously Dr Harper was the Director, External Engagement for CSIRO's Animal, Food and Health Sciences division, and previously Deputy Chief for Business Development of CSIRO Livestock Industries. He holds a Bachelor of Science degree as well as a Doctorate in Biochemistry, a Graduate Diploma of Management majoring in technology, and a company Director's Diploma from the Australian Institute of Company Directors. He was a member of the Audit and Risk and Selection Committees until he resigned from the MLA Board on 11 February 2015.



### **Rodney Watt**

Director November 2011 –  
November 2014

Mr Watt is the manager of a family farming partnership based near Cowra NSW, producing Poll Dorset and White Suffolk rams, prime lambs and crops. Mr Watt is past Vice President and Treasurer of Sheepmeat Council of Australia. He is also a past member of the Sheep Genetics Australia Advisory Committee which oversaw the establishment of Sheep Genetics and the development of Merinoselect. Mr Watt was Chair of the Remuneration Committee until his retirement in November 2014.

## Board roles and responsibilities

The roles and responsibilities of the Board are formalised in the Board charter which underpins the conduct of the Board as it strives to build sustainable value for MLA's members and the red meat industry and to achieve MLA's mission. The Board Charter is regularly reviewed by the Board. The Constitution and the Board Charter are available on MLA's website [www.mla.com.au](http://www.mla.com.au).

The Board is responsible for the appointment and assessment of the performance of the Managing Director and monitoring the performance of the Leadership Team (see pages 89-90) against agreed KPIs. The Managing Director's role is to lead MLA and together with the Leadership Team develops and implements MLA's business strategy once approved by the Board.

## Board committees

There were two Board committees that met during the year:

- > Audit and Risk Committee
- > Remuneration Committee

These Board committees are comprised solely of non-executive directors, with management attending committee meetings by invitation only. A program of committee meetings is developed at the beginning of each year and committees also meet throughout the year to consider issues which may arise. The Chair of each committee provides a verbal update of each committee meeting to the Board and minutes of committee meetings are provided in the Board papers.

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 93.

### Audit and Risk Committee

The Audit and Risk Committee oversees MLA's risk program and has oversight responsibility of the company's financial reporting, internal control structure, risk management 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 and Risk Committee is required to meet at least three times a year and meets separately with the external auditor at least once each year. The Audit and Risk Committee is responsible for making recommendations to the Board for the approval of the annual audit plan and annual financial statements.

The Audit and Risk Committee consisted of Alan Beckett (Chair), Lucinda Corrigan and John McKillop at 30 June 2015. Details of each members' attendance at meetings is set out in the *Directors' Report* on page 93.

#### External auditor

Our external auditor is Ernst & Young (EY), and the Committee holds discussions with the external auditors and management before the annual financial statements are submitted to the Board. The Audit and Risk Committee oversees our 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; and
- > reviewing EY's proposed annual audit scope and audit approach, including materiality levels.

#### Internal auditor

The Audit 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 and legal and ethical compliance programs. This review includes monitoring the implementation of MLA's Risk management plan, Fraud control plan and Intellectual property 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 and Risk Committee working with Management has appointed internal auditor Deloitte Touche Tomatsu (Deloitte). Deloitte's role during 2014-15 was to conduct a review of MLA's risk and compliance framework and to work with the Board to set a new risk appetite and to establish a program working with management with independent and objective assurance on the effectiveness of our governance, risk management and internal control processes. To maintain the necessary independence it needs to carry out its role, Deloitte has no direct operational responsibility or authority over any of our business or risk management activities.

#### Remuneration Committee

The Remuneration Committee consisted of John McKillop (Chair), Michele Allan, Peter Trefort and Chris Mirams as at 30 June 2015.

The Remuneration Committee oversees remuneration practices across the company. The Committee reviews the policies and systems in place for managing remuneration to ensure they are appropriate and consistent with company objectives and values.

The Remuneration Committee worked in accordance with a comprehensive schedule of activities undertaken by it during the year and with Board endorsement amended its charter to reflect its new areas of responsibility and the revised ASX Corporate Governance Council's *Corporate Governance Principles and Recommendations* as set out in the third edition.

The responsibilities of the Remuneration Committee include the review 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 HR policies and practices.

The Committee also assists the Board by developing plans for identifying, assessing and enhancing director competencies. Details of each member's attendance at meetings is set out in the *Directors' Report* on page 93.

#### Selection Committee

The role of the Selection Committee is to report to members of MLA on the suitability of candidates for re-election or election as a director at annual general meetings.

The Selection Committee consists of:

- > three persons elected by livestock producers
- > three persons appointed by peak councils
- > two MLA Board directors.

The process for producers to obtain a position on the Selection Committee includes:

- > producers submitting a nomination form
- > all nominees are included in the Notice of Meeting and are put forward to the AGM
- > on the day of the AGM (or by proxy vote), members vote on the person they want to have as their producer representative on the MLA Board Selection Committee.

At the 2014 AGM members voted to change the composition of the Selection Committee by reducing the number of MLA directors from three to two and removing their voting rights. A further change made at the 2014 AGM was that the MLA Chair no longer chairs the Selection Committee. Instead, the Chair of the Selection Committee, Don Mackay, was elected by the members. At the 2015 AGM the number of grassfed cattle producer representatives on the Selection Committee will increase from one to two.

MLA's constitution sets out the requirements for the proceedings of the Selection Committee and the qualifications and skills of candidates in nominated fields which the Selection Committee must consider.

The Selection Committee assesses candidates against a range of criteria, including experience and skills, personal qualities and their available time commitment. 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 93.

### Board meetings

The Board had nine scheduled meetings during 2014-15, the agendas of which are formulated in preparation for each meeting and also incorporate items from an annual agenda to ensure regular review of key aspects of the business. The agenda items include regular reviews of MLA's financial position and management reports, a detailed review of the company's strategic imperatives, together with a review of key topics such as industry dynamics and challenges; industry outlook and forecasts; and marketing and R&D programs. The annual agenda also sets key review dates for items that must come before the Board under the categories of performance, compliance and governance.

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 company and industry level. Management attends and presents information relevant to their portfolios and to respond to issues arising in Board meetings.

### Board training

The Board held an in-boardroom risk management review session in February 2015 which was facilitated by Deloitte. The program focused on MLA's risk management framework and included a review of MLA's risk profile, governance, policies and systems. In addition, directors are encouraged and do participate in individual training programs throughout the year.

### 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 of the non-executive directors are independent.

### Conflicts of interest

In accordance with the requirements of the Corporations Act and its *Conflict of interest policy and procedures*, Directors must declare any conflict of interest they may have, and must follow the procedures set out in our Policy including, in certain circumstances, abstaining 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* (3rd edition).

### Reporting framework

MLA is operating under its 2012-16 Statutory Funding Agreement with the Commonwealth of Australia through its Department of Agriculture, which took effect from 15 October 2012 (Deed). The Deed 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.

Key reporting obligations include:

- > *Corporate Plan* (known as the *Strategic plan*) – a strategic plan which sets out the company's objectives, performance indicators and resource allocations
- > *Annual Operating Plan* – linked to the *Corporate Plan*, the *Annual Operating Plan* covers intended operations of the company for the current year and R&D and marketing programs and activities to be undertaken
- > *Risk management plan* – specifies measures to manage risk
- > *Fraud control plan* – sets out measures to minimise the risk of fraud within the company
- > *Intellectual property plan* – specifies procedures for the management, adoption and commercialisation of intellectual property.

### Financial and risk management

MLA's risk management policies and assessments are documented in the Risk Management Plan (the plan). During 2014 a full review of the plan and risk management framework was undertaken. In February 2015 the Board set its risk appetite and adopted a revised plan. Individual risks have been identified, assessed, categorised and entered into a risk register, which forms part of the plan. The Board has been actively engaged with this process and has delegated to the Audit and Risk Committee the responsibility to monitor and review risks relating to governance and finance and those risks that are operational/internal in nature. The Committee receives regular updates on matters relating to financial management, treasury, foreign exchange, payroll management, system controls and levels of authority.

The Audit 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.

### Code of business conduct and ethics

The Board endorsed the revised *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. It otherwise sets out the principles which must be met to ensure that the company and its business associates meet its commitments to all stakeholders.

Key principles outlined in the code are:

- > acting with openness, integrity and fairness
- > protecting our business and using company resources appropriately
- > protecting confidential information
- > acting responsibly towards individuals
- > acting responsibly in relation to safety, health and the environment
- > avoiding conflicts of interest
- > integrity in dealing with governments and in business
- > integrity in financial reporting
- > acting responsibly to members, stakeholders, competitors and the community
- > complying with the law.

The code also establishes a reporting framework to enable employees to report any breach of the code. A copy of the code is provided to all new employees on commencement and

is a feature of the formal induction training which is provided. The code was updated during the year to further focus on the company's values and to reaffirm our commitment to maintain integrity in dealing with governments and in business dealings.

As part of an annual program of training and capability building within MLA, training in *Competition and Consumer Act* requirements as well as anti-bribery and corruption training was provided to all staff.

### Diversity

Since April 2011, the Board has implemented a company-wide diversity policy. At that time the Board also set a number of Board focused measurable objectives, including: at least one suitable female candidate should be included on a Selection Committee interview shortlist; at least one female should sit on the Selection Committee and Board Remuneration Committees; and 30 per cent of MLA Board Directors by December 2014 should be female.

MLA also recognises the importance of gender diversity in senior leadership roles, as well as the need to focus on other areas of diversity such as age, ethnicity and disability, and further work in the area of flexibility for care givers.

As at 30 June 2015, 52.7 per cent of MLA's staff were women. Six of the 11 (54.5 per cent) executives on the MLA

Leadership Team were female. Two directors on the MLA Board were female – with one being Chair of the Board. The remaining seven MLA Board Directors are men. In accordance with the Remuneration Committee annual work plan, the diversity policy is under review.

### 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. The Board determined in December 2014 that an increase of 2.3 per cent for directors' fees would take effect from 1 January 2015 and that in recognition of the additional workload on the Audit and Risk Chair that an additional sum of \$5,000/pa be paid taking the total per annum costs to \$488,145.

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 Leadership Team are reviewed each year and include several gateways before eligibility to the performance-based component to ensure 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 (3rd edition)

Recommendation	ASX Corporate Governance Principles and Recommendations (3rd edition)	MLA's Corporate Governance Principles
<b>Principle 1: Lay solid foundations for management and oversight</b>		
1.1	A listed entity should disclose: <ul style="list-style-type: none"> <li>a) the respective roles and responsibilities of its board and management; and</li> <li>b) those matters expressly reserved to the board and those delegated to management.</li> </ul>	This is outlined in the Board Charter and Operating Principles.
1.2	A listed entity should: <ul style="list-style-type: none"> <li>a) undertake appropriate checks before appointing a person, or putting forward to security holders a candidate for election, as a director; and</li> <li>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.</li> </ul>	As part of the Selection Committee process in relation to Director selection appropriate background checks are, and will continue to be, undertaken.  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.  Candidates' biographical details included on the <i>MLA Notice of Meeting</i> are prepared from the material submitted through the Selection Committee process.

Recommendation	ASX Corporate Governance Principles and Recommendations (3rd edition)	MLA's Corporate Governance Principles
1.3	A listed entity should have a written agreement with each director and senior executive setting out the terms of their appointment.	MLA has written engagement letters for directors and executive employment contracts with all members of the senior leadership team.
1.4	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.	The Company Secretary is accountable to the Board through the Chair on all matters related to the proper functioning of the MLA Board.
1.5	A listed entity should: <ul style="list-style-type: none"> <li>(a) have a diversity policy which includes requirements for the board or a relevant committee of the board to set measurable objectives for achieving gender diversity and to assess annually both the objectives and the entity's progress in achieving them;</li> <li>(b) disclose that policy or a summary of it; and</li> <li>(c) disclose as at the end of each reporting period the measurable objectives for achieving gender diversity set by the board or a relevant committee of the board in accordance with the entity's diversity policy and its progress towards achieving them, and either: <ol style="list-style-type: none"> <li>1. the respective proportions of men and women on the board, in senior executive positions and across the whole organisation (including how the entity has defined "senior executive" for these purposes); or</li> <li>2. 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.</li> </ol> </li> </ul>	<p>The Diversity Policy is available on MLA's website <a href="http://www.mla.com.au">www.mla.com.au</a></p> <p>MLA has set the following measureable objectives for gender diversity:</p> <ul style="list-style-type: none"> <li>• Selection Committee requested to interview at least one suitable female candidate</li> <li>• Board: increase proportion to 30 per cent female representation</li> <li>• At least one female be on the Board Selection and Remuneration Committees</li> <li>• Leadership Team: proportion be at least 30 per cent representation.</li> </ul> <p>MLA also enunciates its commitment to diversity in other policies such as Anti-discrimination and bullying policy and Acceptable Behaviours 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"> <li>• Board members: 22 per cent</li> <li>• Leadership Team: 55 per cent</li> <li>• Senior leaders: 31 per cent</li> <li>• Whole organisation: 53 per cent</li> </ul>
1.6	A listed entity should: <ol style="list-style-type: none"> <li>a) have and disclose a process for periodically evaluating the performance of the board, its committees and individual directors; and</li> <li>b) disclose, in relation to each reporting period, whether a performance evaluation was undertaken in the reporting period in accordance with that process.</li> </ol>	<p>The Board evaluates its performance through an annual performance review, which is periodically facilitated by an external specialist.</p> <p>As part of the Board's review process in 2014-15 it held a session to discuss and progress the outcomes from the Board review which came out of surveys with each director.</p>
1.7	A listed entity should: <ol style="list-style-type: none"> <li>a) have and disclose a process for periodically evaluating the performance of its senior executives; and</li> <li>b) disclose, in relation to each reporting period, whether a performance evaluation was undertaken in the reporting period in accordance with that process.</li> </ol>	<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 has been undertaken.</p>
<b>Principle 2: Structure the board to add value</b>		
2.1	The board of a listed entity should: <ol style="list-style-type: none"> <li>(a) have a nomination committee which: <ol style="list-style-type: none"> <li>1. has at least three members, a majority of whom are independent directors; and</li> <li>2. is chaired by an independent director,</li> </ol> and disclose: <ol style="list-style-type: none"> <li>3. the charter of the committee;</li> <li>4. the members of the committee; and</li> <li>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</li> </ol> </li> <li>(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.</li> </ol>	<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 <i>Corporate Governance Statement</i> (pages 81-82).</p>

Recommendation	ASX Corporate Governance Principles and Recommendations (3rd edition)	MLA's Corporate Governance Principles
2.2	A listed entity should have and disclose a board skills matrix setting out the mix of skills and diversity that the board currently has or is looking to achieve in its membership.	Biographical details of directors are published to the MLA website <a href="http://www.mla.com.au/About-MLA/Who-we-are/Board-of-directors">http://www.mla.com.au/About-MLA/Who-we-are/Board-of-directors</a>
2.3	A listed entity should disclose: <ul style="list-style-type: none"> <li>a) the names of the directors considered by the board to be independent directors;</li> <li>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</li> <li>c) the length of service of each director.</li> </ul>	The MLA Board currently considers the independence of its directors on an annual basis. Refer also to the section about Director Independence in the <i>Corporate Governance Statement</i> . Length of service of each director is included in the <i>Corporate Governance Statement</i> .
2.4	A majority of the board of a listed entity should be independent directors.	All of the directors are independent with the exception of the Managing Director.
2.5	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.	The role of the Chair and the Managing Director are not performed by the same person.
2.6	A listed entity should have a program for inducting new directors and provide appropriate professional development opportunities for directors to develop and maintain the skills and knowledge needed to perform their role as directors effectively.	MLA has a program for inducting new directors and provides appropriate professional development. Refer also to the section about Director training in the <i>Corporate Governance Statement</i> .
<b>Principle 3: Act ethically and responsibly</b>		
3.1	A listed entity should: <ul style="list-style-type: none"> <li>(a) have a code of conduct for its directors, senior executives and employees; and</li> <li>(b) disclose that code or a summary of it.</li> </ul>	MLA has a <i>Code of Conduct</i> which covers the governance and sets the expectation for the Board and all MLA personnel. The <i>Code of Conduct</i> is on MLA's website.
<b>Principle 4: Safeguard integrity in corporate reporting</b>		
4.1	The board of a listed entity should: <ul style="list-style-type: none"> <li>(a) have an audit committee which: <ul style="list-style-type: none"> <li>(1) has at least three members, all of whom are non-executive directors and a majority of whom are independent directors; and</li> <li>(2) is chaired by an independent director, who is not the chair of the board,</li> </ul> and disclose: <ul style="list-style-type: none"> <li>(3) the charter of the committee;</li> <li>(4) the relevant qualifications and experience of the members of the committee; and</li> <li>(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</li> </ul> </li> <li>(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.</li> </ul>	The Board has established an Audit and Risk Committee which is structured so it: <ul style="list-style-type: none"> <li>• consists of only non-executive, independent directors;</li> <li>• is chaired by an independent chair who is not chair of the Board; and</li> <li>• consists of at least three members of the Board.</li> </ul> The charter of the committee is on MLA's website. Biographical details of directors are published to the MLA website <a href="http://www.mla.com.au/About-MLA/Who-we-are/Board-of-directors">www.mla.com.au/About-MLA/Who-we-are/Board-of-directors</a> Refer also to the section about the Audit and Risk Committee in the <i>Corporate Governance Statement</i> .



Recommendation	ASX Corporate Governance Principles and Recommendations (3rd edition)	MLA's Corporate Governance Principles
4.2	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.	The wording of the declaration reflects the wording in the recommendation.
4.3	A listed entity that has an AGM should ensure that its external auditor attends its AGM and is available to answer questions from security holders relevant to the audit.	MLA's external auditor attends each AGM and is available to answer questions from members relevant to the audit.
<b>Principle 5: Make timely and balanced disclosure</b>		
5.1	A listed entity should: <ul style="list-style-type: none"> <li>(a) have a written policy for complying with its continuous disclosure obligations under the Listing Rules; and</li> <li>(b) disclose that policy or a summary of it.</li> </ul>	As MLA is an unlisted public company it is not an ASX disclosing entity but does report annually to members on its operations and financial results.
<b>Principle 6: Respect the rights of security holders</b>		
6.1	A listed entity should provide information about itself and its governance to investors via its website.	MLA provides information about itself and its governance framework on its website.
6.2	A listed entity should design and implement an investor relations program to facilitate effective two-way communication with investors.	MLA has a Communications and Stakeholder Engagement team and program to promote effective two-way communication with members and levy payers.
6.3	A listed entity should disclose the policies and processes it has in place to facilitate and encourage participation at meetings of security holders.	Information about how MLA facilitates and encourages participation by members at meetings is on MLA's website.
6.4	A listed entity should give security holders the option to receive communications from, and send communications to, the entity and its security registry electronically.	MLA amended its constitution in 2009 to ensure it could provide information electronically. Members can elect to receive and send communications electronically.
<b>Principle 7: Recognise and manage risk</b>		
7.1	The board of a listed entity should: <ul style="list-style-type: none"> <li>(a) have a committee or committees to oversee risk, each of which: <ol style="list-style-type: none"> <li>(1) has at least three members, a majority of whom are independent directors; and</li> <li>(2) is chaired by an independent director,</li> </ol> and disclose: <ol style="list-style-type: none"> <li>(3) the charter of the committee;</li> <li>(4) the members of the committee; and</li> <li>(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</li> </ol> </li> <li>(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.</li> </ul>	The Board has established an Audit and Risk Committee which is structured so it: <ul style="list-style-type: none"> <li>• consists of only non-executive, independent directors;</li> <li>• is chaired by an independent chair who is not chair of the Board; and</li> <li>• consists of at least three members of the Board.</li> </ul> The charter of the committee is on MLA's website. Refer also to the section about the Audit and Risk Committee in the <i>Corporate Governance Statement</i> .
7.2	The board or a committee of the board should: <ul style="list-style-type: none"> <li>(a) review the entity's risk management framework at least annually to satisfy itself that it continues to be sound; and</li> <li>(b) disclose, in relation to each reporting period, whether such a review has taken place.</li> </ul>	Refer to the section about the financial and risk management in the <i>Corporate Governance Statement</i> .

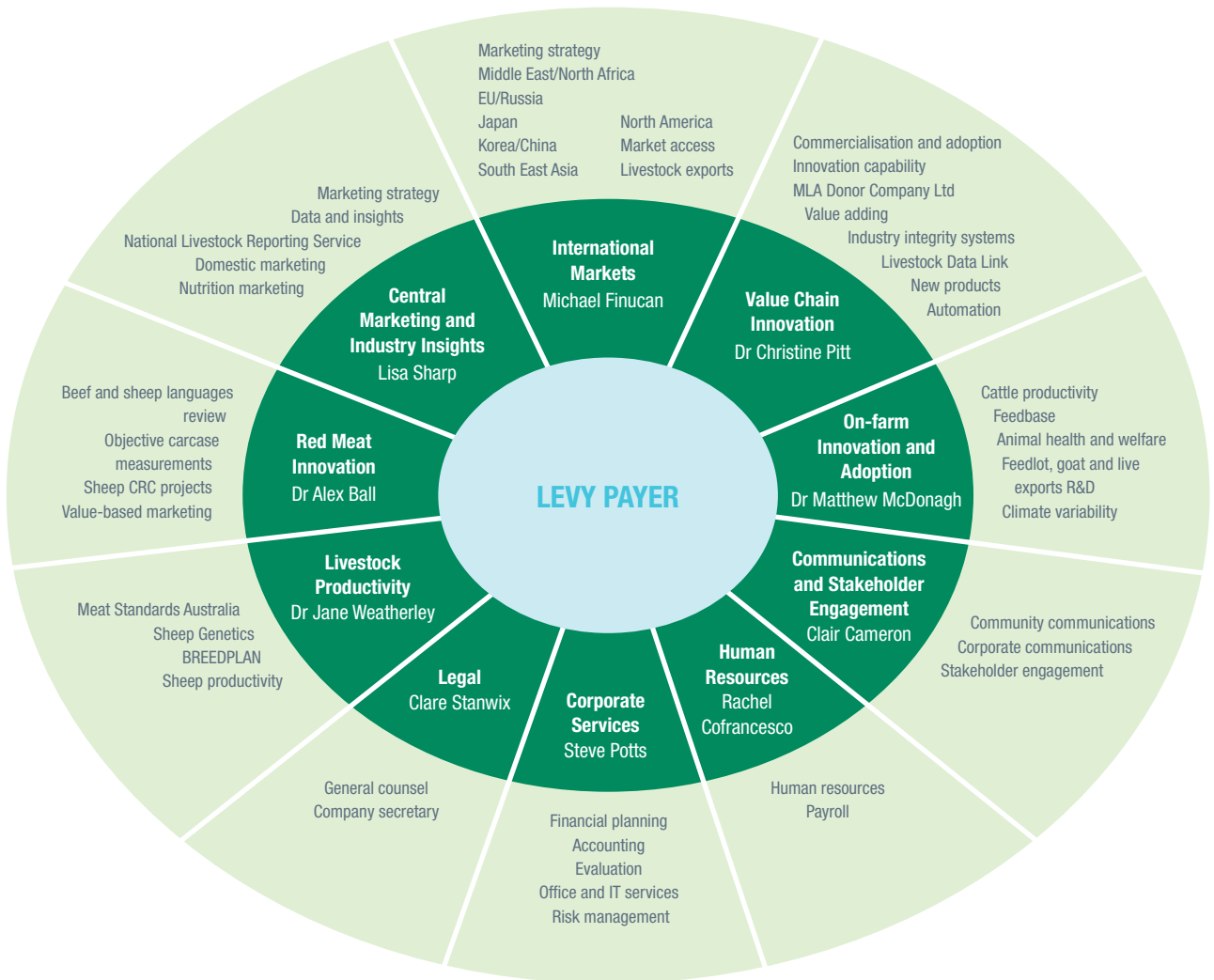
Recommendation	ASX Corporate Governance Principles and Recommendations (3rd edition)	MLA's Corporate Governance Principles
7.3	A listed entity should disclose: (a) if it has an internal audit function, how the function is structured and what role it performs; or (b) if it does not have an internal audit function, that fact and the processes it employs for evaluating and continually improving the effectiveness of its risk management and internal control processes.	Refer to the section about the Internal Audit program in the <i>Corporate Governance Statement</i> .
7.4	A listed entity should disclose whether it has any material exposure to economic, environmental and social sustainability risks and, if it does, how it manages or intends to manage those risks.	Refer to the section about the financial and risk management in the <i>Corporate Governance Statement</i> . Further development of the risk register is underway.
<b>Principle 8: Remunerate fairly and responsibly</b>		
8.1	The board of a listed entity should: (a) have a remuneration committee which: (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 (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.	The Board has established a Remuneration Committee which is structured so it: <ul style="list-style-type: none"> <li>• consists of three non-executive, independent directors; and</li> <li>• is chaired by an independent chair who is not chair of the Board.</li> </ul> The charter of the committee is on MLA's website. Refer also to the Remuneration Committee and Remuneration and performance arrangements sections in the <i>Corporate Governance Statement</i> .
8.2	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.	Refer to the remuneration and performance arrangements section in the <i>Corporate Governance Statement</i> .
8.3	A listed entity which has an equity-based remuneration scheme should: (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 (b) disclose that policy or a summary of it.	Not applicable as MLA does not have an equity based remuneration scheme.



## ORGANISATION STRUCTURE

As at 30 June 2015, MLA had 10 business units. This structure was announced in August 2014 to address issues raised in the Senate inquiry into the grassfed cattle levy and recommendations of a review on MLA's on-farm R&D (see pages 76-77).

MLA's business units are as follows:



## MLA Leadership Team

The MLA Leadership Team is comprised of the Managing Director, eight General Managers, the Head of Human Resources and General Counsel and Company Secretary. It is responsible for guiding MLA's performance through the development of key strategies, business plans and policies, and ensuring the company's corporate objectives are met. The members of the MLA Leadership Team at 30 June 2015 were:



**Richard Norton**  
Managing Director  
See page 78 for Mr Norton's profile.



**Lisa Sharp**  
BEC  
General Manager  
Central Marketing and Industry Insights  
  
Ms Sharp joined MLA in April 2015. She has an extensive background in consumer goods marketing, insights and general management and has held executive positions in Australian and multinational organisations including SPC Ardmona, PZ Cussons and Novartis Consumer Health. At SPC Ardmona, she led the reinvigoration of the Australian packaged fruit category through product, packaging and nutrition marketing innovation and successfully extended the global footprint of the SPC 'Natures Finest' brand. Ms Sharp has also held marketing roles at Kraft, Uncle Tobys and Coca Cola.



**Matthew McDonagh**  
BSc (Hons 1) PhD (ruminant nutrition and meat quality)  
General Manager  
On-farm Innovation and Adoption  
  
Dr McDonagh has a sheep and cattle farming background and has held research positions focused on ruminant nutrition, genetics, animal growth and development and meat eating quality within the US Department of Agriculture, Victorian and NSW departments of primary industries. Dr McDonagh has led large national cross-agency R&D projects and large collaborative R&D programs. At MLA, Dr McDonagh's team aims to maximise the value of RD&A investments in the grassfed, sheepmeat, feedlot, livestock export and goat on-farm programs.



**Christine Pitt**  
DBA MHA BSc MAICD  
General Manager  
Value Chain Innovation  
  
Dr Pitt held a number of senior positions in retail, manufacturing and financial service companies before joining MLA. She now oversees MLA's Value Chain Innovation team, including extensive off-farm R&D programs. Dr Pitt is the Secretary of the MLA Donor Company and is responsible for overseeing its activities.



**Steve Potts**  
BlntFin  
GradDipAppCorporateGov CPA  
General Manager  
Corporate Services  
  
Mr Potts joined MLA as Chief Operating Officer in November 2014 and was recently appointed Director of Red Meat Traceability Systems Pty Ltd. He was previously Chief Financial Officer and Company Secretary at Sheep CRC Ltd and prior to that held a number of financial-focused roles in BHP Billiton Ltd and worked in the insolvency and hospitality industries.



**Jane Weatherley**

BAppSc (Agric) and GradDip (Hons 1A) and PhD (farming systems RD&E) GAICD

General Manager  
Livestock Productivity

Dr Weatherley joined MLA in 2006 and worked predominantly in the on-farm research and development and adoption team. Prior to working for MLA she held positions spanning red meat extension program development, delivery and evaluation and has also worked with Rabobank in north-west Tasmania. She maintains an active role in her family beef breeding operation on Bruny Island, Tasmania. At MLA Dr Weatherley oversees meat eating quality R&D, Meat Standards Australia operations, on-farm sheep productivity RD&E, sheep and beef genetics investments and data insights.



**Alex Ball**

BRurSci (Hons 1) and PhD (livestock productivity)

General Manager  
Red Meat Innovation

Dr Ball started at MLA in 1997 and has held roles such as national manager for Sheep Genetics, sheep and southern R&D, eating quality and lean meat yield R&D. He has worked on initiatives such as MSA Optimisation, the MSA Index and finding new tools for objective beef carcass grading and feedback systems. Dr Ball is the author of three book chapters and over 65 refereed journal articles and he is an Adjunct Professor at the University of New England. Dr Ball is currently a wool, sheep and beef producer in the Tenterden district of Guyra NSW running fine wool sheep and cattle. He is a fellow of the Australian Rural Leadership Foundation.



**Clair Cameron**

MHlthLaw and  
BA Communication

General Manager  
Communications and  
Stakeholder Engagement

Ms Cameron is from a fifth-generation sheep and cattle farming family in the NSW New England area. She started at MLA in May 2015 with almost 20 years of experience in corporate communications and expertise in issues and crisis management, stakeholder engagement, media relations, public relations and strategic communications. Most recently Ms Cameron was a senior director and head of corporate and public affairs at FTI Consulting, where she managed many high profile issues for ASX top 100 companies and multinationals and provided strategic advice to agricultural companies on issues including live export and acquisitions.



**Michael Finucan**

BAGSc

General Manager  
International Markets

Mr Finucan has extensive experience working in international markets after being involved in the export of a range of agriculture commodities including timber, dairy products and live animals before joining MLA in 2007. He has held a number of roles at MLA, including Manager Livestock Exports and International Business Manager in MLA's Korea office. He has now relocated to MLA's China office in Beijing to oversee MLA's investment in international markets.



**Rachel Cofrancesco**

Head of Human Resources

Ms Cofrancesco joined MLA in April 2015. She has worked in the agribusiness sector over the last seven years. Prior to working in agribusiness she held several senior roles in both human resources and operations management within the retail and hospitality industries.



**Clare Stanwix**

General Counsel and  
Company Secretary

See page 79 for Ms Stanwix's profile

## Human resources

### Restructure

In August 2014 MLA commenced a restructure to address the recommendations made in the 2013 Systems Review into levy investment in on-farm R&D (see pages 76-77). The restructure also responded to the criticism expressed by levy payers through the Senate Inquiry process (see page 76), that MLA will deliver the support and services required by industry into the future. During the restructure, 31 roles were removed from the organisation, resulting in redundancies.

### Staff profile

At 30 June 2015, MLA had 237 employees, including three Australian-based casuals that have been included in the part-time numbers – a reduction of 12 per cent from the previous year. The turnover was 36 per cent, which included redundancies, voluntary turnover and terminations, and probations which didn't continue.

## Workplace health and safety

A comprehensive workplace health and safety (WHS) management system is being implemented to support MLA programs and all existing WHS policies, procedures and processes have been reviewed. The revision of the WHS system and review of 'high risk' areas is part of an ongoing program that aims to ensure a safe working environment for MLA workers and management of risks to which workers are exposed. The updated WHS policy and critical safety rules have been adopted by the international offices and translated into native language.

High risk activities of the business will continue to receive strong focus, particularly around off-site activities at saleyards, processing facilities, property visits, events and international travel.

There was one worker's compensation claim which resulted in total lost time of 1.5 days. There were seven incidents reported with corrective action taken to remove or reduce residual risks. There were no reported breaches of workplace health and safety laws.

## Diversity and gender equality

MLA has a diversity policy that outlines the company's commitment to diversity, including gender equality, and sets measurable performance objectives (see page 83).

At 30 June 2015, 52.7 per cent of the workforce consisted of female employees. These employees were spread across the business and age groups.

MLA will continue to offer employees flexible work arrangements that support work/life balance, and family or caring responsibilities. These include flexible hours of work, time in lieu, telecommuting, part-time work, job sharing, paid parental leave and personal/carer's leave provisions. MLA also offers access to an employee assistance program, training and formal policies to protect employees against discrimination, harassment and bullying.

### MLA staff profile

	30 June 2011	30 June 2012	30 June 2013	30 June 2014	30 June 2015
Male	127	126	118	127	112
Female	116	107	130	142	125
Full-time	229	219	233	235	208
Part-time	14	14	15	34	29*
Australia based	204	202	210	231	197
Overseas based	39	31	38	38	40
<b>Total staff</b>	<b>243</b>	<b>233</b>	<b>248</b>	<b>269</b>	<b>237</b>

Note: Part-time total includes three casual employees

### MLA employees – age and gender composition

