

**Response to recommendations from the
ACIL Allen Consulting review of MLA performance 2010-2015**



Implementation Plan

Dated: September 2017

Finding 1: There is considerable benefit of having one services company which can span the entire value chain.		
Recommendation 1: Maintain current company structures – to ensure MLA has the ‘breathing space’ necessary to operationalise the internal reforms that have been implemented over the past 2-3 years. This recommendation supports the continuation of the MDC (but with enhancements) as a fully-owned subsidiary of MLA.		
Owner	Actions	Progress / Completion Date
RN	Endorsement of 2014 restructure Appointed Christine Pitt to CEO of MDC and Sean Starling to address succession following departure of Dr Alex Ball and new role for Dr Christine Pitt.	Complete
CS	MLA Corporate Governance process documents and policies will be amended so that these specifically capture “MLA Group companies” (i.e. subsidiary companies MDC and NLIS) to reflect the fact that subsidiary company processes and policies mirror those used by the MLA Board. ACIL Allen assessed these documents as meeting ASX good practice principles and recommendations.	Completed August 2016 – Approved by the Board in November 2016. As part of ongoing program of work, company policies are reviewed, updated and considered by the MLA Board on an annual basis.
CS	Future assessments of the MLA Board performance will include a component that specifically focusses on the performance of the MDC Board. In the context of the expanding roles of the MDC and Information and Integrity System (previously NLIS Ltd) companies the MLA Board resolved to sit on all MLA Group boards. In accordance with its usual review cycle the Board will assess its performance in the context of	During MLA Board reviews undertaken during September – November each year Board reviews undertaken in 2015 and 2016 using the AICD GAT tool completed during the period September – November and the outcomes of these were reported to and discussed by the Board in November. The Board of MLA Group companies has completed the annual skills audit process which culminates in a report being presented to the MLA Selection Committee in April 2017. This report assists the Selection Committee to determine the skill sets

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	the MLA Group of companies.	required for the Board of the MLA Group of companies. The process has just been completed for 2017 with announcements to follow once background checks are completed.
CP	A CEO was appointed to the MDC and an updated resource plan developed to accord with project activity and revenue for 2016-17. The plan was adopted by the MDC Board in September 2016. A key component of the new MDC plan is the greater focus on stakeholder engagement and ensuring that MLA members are aware of the opportunities that are available for them to partner with MDC.	<p>An Annual Report for MDC activities for the 15/16 year was published October 2016 .</p> <p>At the MLA Producer Forum held in Hahndorf, SA on 10 November 2016 MDC announced the introduction of the Producer Innovation Fast Track Program. Significant interest by producers has been demonstrated with over 85 applications received for this program.</p> <p>The MDC Strategic Business Plan 2016-2020, 2017-18 Investments has been approved by the Board and will be available in print and online versions soon. The MDC Annual Report for 2016-17 is being compiled and will be considered for approval by the MDC Board in September 2017.</p>
CP	A comprehensive MDC Marketing and Communications Plan has been developed to address the needs of all key MDC stakeholders including: MLA members; current and new MDC partners; providers for MDC projects; Government. Additionally an enhanced MDC operational platform will be developed to simplify the application process and ensure clear visibility of the outcomes of all MDC projects. A targeted producer MDC program has been developed and was launched in November 2016.	<p>Operational Platform enhancements from July 2016.</p> <p>Launch new producer MDC program November 2016 to co-incide with MLA’s AGM and Producer Forum.</p>

SS	All research, development and innovation activities that span the entire value chain under a single General Manager within MLA. General Manager can now effectively balance investments in whole of value chain R&D with levies and Donor Company to maximise industry impact	Completed September 2016
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Finding 2: MISP is an underutilised planning, investment, engagement and communication tool		
Recommendation 2: Use MISP 2020 as the access and exit point to MLA – to reinforce the role of MISP 2020 as a strategic planning and operational tool which drives internal and external company interactions.		
Owner	Actions	Progress / Completion Date
MLT	Implemented MISP 2020 as reflected in MLA Strategic Plan	Completed - By first quarter of 2016-17
MLT	<p>The structure of MLA’s 2016 – 2020 Strategic Plan (strategic pillars, outcomes and priorities) mirrors that of the 2020 Meat Industry Strategic Plan (MISP).</p> <p>The strategic pillars, outcomes and priorities in MLA’s 2016 – 17 Annual Investment Plan (AIP) also mirror the structure of MLA’s Strategic Plan, using identical descriptors and a nodal system to ensure ease of navigation when comparing and contrasting the longer term strategic plan with annual programs.</p>	<p>By July 2016 - completed</p> <p>AIP 2016-17 released in July 2016 and distributed to the Peak Industry Councils and DAWR and posted on the MLA’s website</p> <p>AIP 2017-18 was distributed to the Peak Industry Councils and DAWR in May 2017 and was published to MLA’s website on 3 July 2017.</p>

Finding 2: MISP is an underutilised planning, investment, engagement and communication tool

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Owner	Actions	Progress / Completion Date
MLT	<p>All annual projects, sponsorships and scholarships will be linked to the MLA 2016 – 2020 Strategic Pillars which clearly link to the pillars outlined in MISP 2020.</p> <p>Both MLA subsidiary company (MDC and NLIS Ltd) strategies are aligned to the MLA 2016-2020 strategic pillars.</p>	<p>Complete Nov 2016</p> <p>Project approval governance form updated to ensure all projects for approval demonstrate clear alignment to strategic plan</p>
MLT	<p>Progress to the AIP will be monitored quarterly with corrective actions taken as required. Progress to the Strategic Plan will be monitored and reported annually.</p> <p>MLA’s consultation, planning and reporting cycle has been developed in conjunction with peak industry councils (PICs) to ensure committee structures are utilised within the planning and reporting process.</p>	<p>Quarterly updates</p> <ul style="list-style-type: none"> - Internal monthly business reporting structures set up to ensure a clear line of sight with tracking achievements against KPIs - The second round of producer consultation has been initiated with 2017 priorities identified and a project call made on 23 November 2016. - Quarterly progress meetings have been held with the respective R&D, Marketing and Industry Systems committees of CCA, SCA & ALFA. Marketing meetings have been held with AMIC. MD attended Aug 2016 Board meetings (CCA, SCA) - Planning and consultation for 2017/18 FY commenced in Nov 2016 PIC meetings and were finalised by May 2017. - Progress meetings have been held with CCA, ALFA, AMIC (Marketing) and SCA in August 2017
AF	<p>All individual performance plans will be aligned to delivering to the pillars of the MISP 2020 and MLA’s Strategic Plan</p>	<p>For 16-17 individual performance plans were aligned with the MISP 2020 pillars and were completed by November 2016.</p> <p>Development of performance plans for 17-18 to align with MLA’s AIP and the MISP 2020 pillars is underway.</p>

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LS	<p>There is a long term decline in red meat consumption across many developed markets. Concerns around nutritional benefits are a key purchase barrier in the domestic (Australian) market, but this is not the only factor limiting or influencing the rate of consumption. Changing demographic and ethnic population profile, cuisine trends, concerns around animal welfare and the environment, perceptions around relative convenience and versatility, and the price premium relative to other popular proteins all need to be considered.</p>	<p>In September 2016 MLA released the Beef Fast Facts from its Market Information team, MLA continues to proactively explain the market conditions influencing beef consumption and the strategy in place to continue to drive demand.</p> <p>Update re: domestic market performance shared with CCA MMAT Committee Aug 2016</p> <p>Update re: domestic market community and consumer attitudes (2016 Pollinate Study) shared with RMAC Sept 2016 and ALFA Dec 2016</p> <p>Update re: domestic market community and consumer attitudes (2017 Pollinate study) shared with ALFA and SCA August 2017. To be shared with RMAC and CCA no later than Nov 2017 (as part of scheduled CEO/Committee meetings).</p>
	<p>MLA’s role is to identify and understand all the possible triggers and barriers to consumer purchase in each of the key markets in which we operate. This is collected on an annual basis with additional ‘deep dive’ consumer and end user research as required.</p> <p>With an understanding of triggers and barriers, MLA determines where Australian red meat has relative points of superiority (vs. competitive set), and will then screen and prioritise where (geographic market, city, and sector) MLA activities most likely to have an impact. Marketing activities are developed in direct response to this understanding of purchase triggers and barriers and will therefore reflect local opportunities and local conditions. All this analysis informs the development of MLA’s global marketing objectives and strategies and underpins the development of MLA’s global portfolio strategy.</p>	<p>2016 Global tracker study completed (16 markets); results have informed proposed 2017/18 global portfolio strategy</p> <p>Domestic market consumer segmentation now informing MLA marketing programs. Segmentation has been shared with key stakeholders to assist with their respective brand positioning/brand marketing/portfolio strategies/merchandising and category management strategies</p> <p>2017 Global tracker study completed (16 markets); results will be used to inform proposed 18/19 global markets portfolio strategy. Contents will also be shared with key stakeholders (processors, other brand owners, retailers, large pastoral groups) via a series of workshops and supporting resources from Nov 2017.</p>

<p>A key exhibit within the global portfolio strategy is the global markets matrix. This matrix plots markets according to their relative attractiveness (sum of growth potential and MLA ability to influence) and forms the basis of market investment allocations</p>	<p>Extensive supply side and demand driver data analysis complete with proposed 17/18 global portfolio strategy to be shared with PICs and other stakeholders Nov 2016</p> <p>Matrix (key inclusion in the 18/19 global portfolio strategy) is under development and will be shared (via a series of workshops with PICs and key stakeholders) from w/c Nov 20, 2017.</p>
<p>The global portfolio strategy (and the matrix) is developed in consultation with peak industry councils and is reviewed in detail every 12 months (with progress reported every 6 months). The annual review includes an assessment of prior performance and delivery of KPIs, changes in key consumer and competitor metrics, an overview of other demand influencers (e.g. economic outlook, retailing and food services trends) plus a production outlook. The matrix and consumer tracking and research are also shared with commercial brand owners – an input into the development of individual brand propositions and marketing programs.</p>	<p>Annually</p> <p>Annual consultation with 6monthly progress reports`</p> <p>Proposed 2017/18 global portfolio strategy has been prepared ahead of Nov 2016 PIC meetings (Inc. GICA)</p> <p>Progress to plan has been reported at least every 6 months (in some cases quarterly) including a full year review of 2016/17 KPI results (Aug 2017).</p> <p>Consultation meetings for the 18/19 global portfolio strategy have been scheduled with all PICs and will be held between Nov 21 and Dec 5, 2017.</p>

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Owner	Actions	Progress / Completion Date
MC	<p>During 2014-15 MLA developed a new Regional Consultation Model with the objective of implementing a transparent, representative, cost effective and systematic framework for effective and relevant RD&A investment as follows:</p> <p>NABRC - Chair: Lee Fitzpatrick SAMRC - Chair: Angus Hobson WALRC – Chief Executive: Tim Watts Red Meat panel Northern, Southern and Western Producer Panels Expert panel - Chair: Alan Bell</p>	<p>MLA’s Regional Consultation Model was implemented in 2015 with annual reviews taking place to ensure the program remains effective.</p> <p>In September 2016 MLA released the 18 R&D projects out of the regional consultation model for RD&A endorsed to receive MLA investment of sheepmeat and grassfed beef levies. The projects address a range of issues within industry priority areas including animal health and welfare, feedbase, farm systems, and capacity building. The priorities were identified by producers through 18 regional committees as well as the North Australia Beef Research Council (NABRC), the Southern Australia Meat Research Council (SAMRC), and the Western Australia Livestock Research Council (WALRC).</p> <p>SAMRC, WALRC and NABRC identified their top priorities for the 17/18 annual call. The Red Meat Panel finalised the annual call priorities on the 15th and 16th of November 2016 with the 17/18 Open Call commencing on the 23rd of November 2016.</p> <p>NABRC and SAMRC are identifying a series of strategic partnerships required to deliver on industry priorities – to be completed early 2017</p>

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LS	<p>In April 2016, MLA commenced the development of its stakeholder engagement strategy.</p> <p>The first phase is the development of stakeholder segmentation and the identification of compelling value propositions. An extensive research program covering producers and non-producer stakeholders and using both qualitative and quantitative research stages.</p> <p>Clarity around the MLA value proposition (and the application of this to a diverse group of stakeholders) will inform the development of MLA’s stakeholder engagement strategy and it is expected that this strategy will have some implications for organisational design, culture and enabling processes.</p> <p>The stakeholder strategy directly informs MLA’s corporate communications strategy and the channels utilised, MLA membership strategy, adoption and extension practices and market information products and services.</p>	<p>Key program milestones include:</p> <ul style="list-style-type: none"> - Completed all qualitative research - June 2016 - Completed value proposition workshops (non-producers) – mid July 2016 - Completed quantitative research (producers) – September 2016 - Completed cross BU value proposition workshops (producers) – end September - Progress update to MLA Board – Sept 2016 - Final segmentation, stakeholder strategy and corporate communications strategy to be presentation to MLA Board – Dec 2016 - Workshops scheduled with MIS, RD& I and PC&A teams Dec 2016 to build understanding and aid adoption of the segmentation across MLA - Corporate communications strategy (reflecting segment strategies) developed and implemented January 2017 - Review of market information services (vs. the distinct needs of segments) completed in March 2017. Series of improvements presently underway to improve adoption of MIS services with producers - Segmentation insights continue to inform major communications initiatives (e.g. new LPA modules and commitment fee (from July 2017)) and will inform the development of the MLA Group masterbrand architecture (Sept 2017) <p>Cross functional teams have been engaged throughout the process and new (skills based appointments) have been made within the Communications, Marketing and Industry Insights (CMII team) to assist the development and application of MLA’s engagement strategy.</p>

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CS/LS	<p>In May 2015, Ardrossi Pty Ltd were commissioned to examine the process for identifying levy payers and calculating voting entitlements, and to propose alternatives and improvements to enhance automation, transparency and accuracy.</p> <p>During that project various options in relation to existing systems and processes. Potential cultural, financial, political and functional barriers of each option were explored. These options were:</p> <ol style="list-style-type: none">1. NLIS/National Vendor Declaration (NVD) leverage: Using this source of data to remove the need for producer self-declarations.2. Legislated data: Legislative change requiring levy collection agents to pass levy-payer data to Department of Agriculture – Levies and to third parties such as the relevant RDC.3. Commercial service provider: Commercial arrangements to access levy collection agent data, or an alternative source of data, that is then provided to a commercial services organisation.	Report completed regarding possible alternatives and improvements to enhance automation, transparency and accuracy of identifying levy payers.

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CS/LS/JW	<p>Phase 3 of the Ardrossi review investigated the relevant systems and processes of MLA and MLA’s suppliers to provide a point reference from which to evaluate the three options. The analysis showed that while all three final options would provide a viable and affordable solution to meet MLA’s levy payer data needs, the legislative option is worthy of priority consideration due to the superior quality of the data it provides, the ability to use this data for identifying levy payers, to assist with membership registration and in automating allocation of voting entitlements. It also provides greater accuracy and transparency leading to increased producer confidence in the voting process.</p>	<p>In July 2017 MLA re-engaged with Ardrossi to progress the next phase of MLA’s single sign-on project and to explore the use of the integrity systems databases with the CRM tool to capture producer levy payments and to calculate voting entitlements for the MLA AGM process.</p>
CS/LS	<p>MLA has continues working with the specialist DAWR team tasked to conduct a feasibility assessment for levy pay identification across all agriculture industries and will continue to assist as requested.</p> <p>Meanwhile and because that process is likely to take some time to realise, MLA will focus on the systems it hosts and the Single Sign-on project to bring together multiple data sources to assist levy payers with the management of their operations and for MLA’s service delivery to members and levy payers.</p>	<p>March 2016 and ongoing as requested by DAWR.</p> <p>Single sign on service officially launched January 31, 2017. The service allows users to access their NLIS, LPA, LDL, MSA accounts and the MLA website through one log on and via the myMLA dashboard, the additional ability to build customised dashboard and reports. MLA’s target was to secure 20,000 registrations within the first year (10,240 registrations as at 29/8/17).</p>

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LS	<p>MLA has completed the build of its CRM tool (utilising Microsoft Dynamics platform). The build included involvement from a cross functional team to ensure the needs of internal stakeholders incorporated into the design phase. System integrity and user experience testing included populating the tool with the contact details and key operations data of the ‘top 400’ levy payers.</p> <p>The ownership of the CRM will sit within the Communications, Marketing and Industry Insights team and a number of roles and responsibilities have been revised to reflect this.</p>	<p>Completed June 2016</p> <p>The tool will be implemented across the organisation in Q1 2016/17.</p> <p>Widespread adoption of the CRM has been deferred to Q3 2016/17. Delay was driven by some technical and UX issue with the mobile interface (especially for MLA’s international business managers).</p> <p>Small group of super users have been identified and UX now complete. To aid adoption, details of top 500 levy payers have been uploaded to the CRM. Common groups (e.g. breed societies, industry task force members, key stakeholders are scheduled for CRM input Nov and Dec 2016) all supporting Feb 2017 internal launch.</p> <p>8 ‘golden questions’ have been identified from the producer segmentation study and these will be used to assist with profiling/more targeted communications</p>
LS	<p>It is necessary that MLA and Peak Industry Councils (PICs) have a clear framework in which to provide input, review and approve investment in international and domestic marketing and market access programs. Outlined below is a brief overview of the annual industry consultation, planning, and reporting framework.</p>	<p>This annual process continues to provide the framework under which MLA engages with peak industry councils and other industry representatives to ensure broad understanding and oversight of MLA programs.</p>

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LS	As per the red meat industry Memorandum of Understanding (MOU), once the industry has developed the Meat Industry Strategic Plan (MISP), MLA develops 3-5-year business plans and annual investment plans, in consultation with red meat industry peak councils (PICs).	<p>Attendance of MLA technical subject matter experts and management team, at the August 2016 meetings of CCA, ALFA, SCA and AMIC</p> <p>Throughout the planning, consultation and reporting process, MLA requests PICs to provide:</p> <ul style="list-style-type: none"> - Strategic advice to MLA on Global market priorities for industry - Guidance on levy investments by markets, and where relevant, by program area - Input on evaluation and setting of KPIs for each region for the new strategy - Feedback on half yearly and yearly reports for performance and refining of next year strategies - Confirm / agree on levy investments by regions, by levy stream, by March to enable MLA to develop detailed market plans.

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	<p>MLA operates several taskforces to oversee and assist direction of MLA’s strategies and programs. These taskforces are key interfaces between MLA and industry and they ensure that MLA’s programs seek outcomes that are relevant to and valued by industry. While not having direct decision making authority, recommendations from the taskforces carry considerable weight with the MLA Board and peak councils.</p> <p>Details on MLA’s Industry consultation arrangements are also reported in the MLA Annual Report.</p>	
MF	<p>The global marketing and market access consultation process underpins the overarching market strategy specific to each region. MLA consults with PICs to set strategic and investment priorities for growing demand and improving market access for the Australian red meat industry across global markets.</p> <p>Within MLA, Communications Marketing & Industry Insights (CMII) is responsible for the development of the Global Strategy, and International Markets (IM) is responsible for the development and delivery of the annual implementation plans.</p>	<p>Market Access taskforce held a number of meetings over the July – October period to formulate strategy post Brexit decision and to determine resource requirements</p> <p>Objectives:</p> <p>To address specific market issues, such as FTA negotiations in a region, MLA in consultation with PICs and their appointed representatives, will form issue specific Taskforce(s) to develop strategies and investment plans to address the specific issue.</p> <p>After seeking feedback from 2017/18 participants (including survey on usefulness of pre-reads, workshops), the planning, consultation and reporting framework for global marketing investments remains in place as MLA develops the 2018/19 plan. Two key periods of consultation (Nov 2017 and Feb 2018) with meetings scheduled and stimulus (e.g. global demand outlook) in final stages of preparation.</p>

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LS/MF	MLA marketing consultation with PICs and industry:	<p>As per the timetable - Aggregated prior year outcomes included in the Consultation 1 pre-read deck distributed to the PIC Oct 29, 2016</p> <p>Consultation 1 meeting booked for all PICs (scheduled for Nov 7 – Nov 15, 2016). Meetings with other stakeholders scheduled for Nov 11 – Nov 18 – meetings completed as planned</p> <p>2017 Global Markets Information Forum was held 9 March (Mel) and 14 March (Bris). Consultation 2 meetings were held immediately after these events</p> <p>As per prior comment, the March 2017 stakeholder survey indicated a high degree of satisfaction with the planning, consultation and reporting cycle and this cycle and timeline is being adhered to for the development of the 2018/19 global portfolio plan. There is however, one key difference planned for 2018, this being to hold the Brisbane Global Market Forum in Rockhampton in May 2018 (to coincide with Beef Australia 2018 and maximise attendee numbers).</p>																
	<table border="1"> <thead> <tr> <th data-bbox="351 464 495 520">TIMING</th> <th data-bbox="495 464 987 520">ACTION</th> </tr> </thead> <tbody> <tr> <td data-bbox="351 520 495 568">Aug</td> <td data-bbox="495 520 987 568">MLA Report to PICs</td> </tr> <tr> <td data-bbox="351 568 495 624">Sept</td> <td data-bbox="495 568 987 624">PIC feedback</td> </tr> <tr> <td data-bbox="351 624 495 679">Nov</td> <td data-bbox="495 624 987 679">Consultation #1 re Global Strategy</td> </tr> <tr> <td data-bbox="351 679 495 735">Feb</td> <td data-bbox="495 679 987 735">Global Markets Information Forums</td> </tr> <tr> <td data-bbox="351 735 495 791">Feb</td> <td data-bbox="495 735 987 791">Consultation #2 Global Strategy</td> </tr> <tr> <td data-bbox="351 791 495 847">Feb</td> <td data-bbox="495 791 987 847">MLA Report to PICs</td> </tr> <tr> <td data-bbox="351 847 495 943">Feb - Mar</td> <td data-bbox="495 847 987 943">PIC marketing committee: Confirm strategies & levy allocations.</td> </tr> </tbody> </table>		TIMING	ACTION	Aug	MLA Report to PICs	Sept	PIC feedback	Nov	Consultation #1 re Global Strategy	Feb	Global Markets Information Forums	Feb	Consultation #2 Global Strategy	Feb	MLA Report to PICs	Feb - Mar	PIC marketing committee: Confirm strategies & levy allocations.
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LS /MC	<p>The role of the MSA Beef and Sheepmeat Taskforces is to provide advice to support MLA’s efforts in improving the eating quality of Australian beef and lamb. When formulating advice, the committee will seek a consensus position across industry representatives. This will include consideration of the MSA program as well as MLA’s R&D, domestic marketing and international marketing programs as they relate to eating quality. The Taskforce focus includes:</p> <ol style="list-style-type: none"> 1. Review MSA operational plans and marketing and R&D plans that relate to the MSA program: Provide advice on the strategic direction and prioritisation of MLA activities during plan development and endorse operational plans. 2. Technical operations: Provide advice on how to overcome technical and commercial issues that pose a risk of restricting commercial adoption of the MSA program or undermining the integrity of the MSA program. 3. Evaluation: Monitor MSA key performance indicators. 4. Peak council communication: Apprise peak councils on operational developments within the MSA program. 5. Industry communication: Ensure a comprehensive industry communication plan is operational and effective. 	<p>Late July 2015 MLA released the Meat Standards Australia (MSA) 5-year plan. MLA has led the development of the MSA program, which has grown to the point that 3.1 million head of cattle were graded in 2015/16, or 38 per cent of the national adult cattle slaughter. MLA continues to pursue a target of MSA grading over 50 per cent of all cattle slaughtered by 2020.</p> <p>A minimum of two meetings are held per annum. The MSA pathways committee supports the identification and prioritisation of eating quality R&D to underpin the continued advancement of the MSA program and works in conjunction with the MSA Taskforce.</p>

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JW	<p>In July 2016 MLA announced the launch of its Value Chain Digital Strategy, an industry first which will be designed to empower every participant at every point in the value chain through data-driven commercial decision making.</p> <p>MLA will lead the development of the long-term strategy with industry to deliver seamless capture, integration and interpretation of the vast and increasing range of data being generated through new technology.</p> <p>By exploring the types of data now emerging from the farm gate right through to the consumer, the strategy will define ways to accelerate the creation of a user-friendly, integrated data platform that enables more informed and agile decision making by businesses right across the value chain.</p>	<p>July 2016 - The DVC strategy was drafted and was being finalised through the PIC taskforce processes. The strategy incorporates a number of MLA business units, and the ISC. A digital strategy taskforce that includes industry representatives and technical specialists will be set up as part of the on-going consultation process driving the strategy.</p> <p>On 7 October 2016 MLA hosted the Red Meat Industry Digital Strategy forum in Brisbane – bringing together over 300 stakeholders from across the entire value chain to hear from digital experts, both domestic and international. The event, the first since MLA announced it would be developing a value chain digital strategy for the red meat industry.</p> <p>In addition to MLA engaging and developing the DVCS through existing consultative mechanisms with PICs and committees such as MSA taskforce, NLGC taskforce, LDL Advisory Committee, Lamb Supply Chain Group, Sheep Genetics Advisory Committee, Red Meat Panel it will also work with members of the following government and industry stakeholders DAWR, AMIC, AMILSC, QLD DAFF, Animal Health Australia, VIC DPI, NSW DPI, WA Dept of Agriculture , PIRSA, NT DPI and TAS DPI.</p>

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Owner	Actions	Progress / Completion Date
SS/JW	<p>A key area of the Value Chain Digital Strategy announced by MLA in July 2016 is objective measurement technology.</p> <p>The plan, developed by MLA with industry partners, is intended to drive the adoption and use of new objective measurement systems and technology from farm gate to dinner plate. MLA plans to create new ways for generating objectively measured data and ensure transparent feedback systems through all stages of the value chain.</p>	<p>At the East Gippsland Beef Conference in August 2016 MLA outlined how Australia’s red meat industry is positioning itself as a world leader in objective measurement (OM) technology, the role MLA will play in developing this with industry and how it fits within the DVCS to producers.</p> <p>In August 2017 MLA announced it will invest nearly \$28 million in new research into OM of eating quality – both on-farm and in processing units during the next 5 years.</p> <p>An Objective Carcase Measurement (OCM) taskforce has also been formed, under the chairmanship of respected industry veteran Gary Burridge, and is progressing the adoption and commercialisation of OCM technologies.</p>
SS	<p>In September 2016 MLA invited goat and sheep producers to apply for our Producer Demonstration Sites (PDS) program which provides funding of up to \$25,000 a year for three years for producer groups to demonstrate, develop and adopt new innovation and on-farm management practices into local farming systems that improve profitability and productivity. This is an important program that encourages increased adoption of technological innovation.</p>	<p>37 applications were received to participate in the program.</p> <p>Participation in the PDS sites as reported in MLA’s annual report note that more than 500 producers have engaged in demonstration site projects and/or extension activities at more than 175 individual sites.</p> <p>A ‘Farm Innovation Network’ strategy, based on multiple PDS sites and group mentoring, has been scoped out with plans for implementation in the coming year.</p>

Finding 3: Listening is not enough, genuine partnerships are needed to drive future performance

Recommendation 3: Improve MLA’s strategic partnership model – to ensure stakeholder engagement is meaningful, focused on building trust, oriented to evolve from transactional communication to seeking stakeholder involvement, and be calibrated to generate mutual benefits for stakeholders and MLA.

Owner	Actions	Progress / Completion Date
SS	<p>Since 2007, MLA has developed and delivered a Collaborative Innovation Strategy program (CISP) with the processing sector (15 companies) that has facilitated an increase in innovation initiatives between MLA and the client processing companies with adoption impact. MLA is currently reviewing this program and similar processor and producer engagement offerings to launch a more streamlined, yet intensive, whole of value chain facilitated innovation strategy program with a larger range of customers.</p>	<p>Program framework was completed in September 2016. Program road-tested with industry during 2017.</p> <p>MLA’s Collaborative Innovation Strategies Partnership helps businesses make their technological initiatives a reality through the formation of collaborative partnerships. Examples of successes or activities underway in this area include:</p> <ul style="list-style-type: none"> - the rapid development and implementation of the first fully integrated carton handling and palletising solution for beef processing - partnering with technology providers, such as Hitachi Consulting, to develop and implement fully integrated information capture and real-time analytics to inform business decisions across the whole value chain - An on-farm project to identify and enhance process efficiencies was piloted on ‘Croydon’, an Australian Cattle and Beef Holdings property in central Queensland <p>At the MLA Producer Forum held in Hahndorf, SA on 10 November 2016 MDC announced the introduction of the Producer Innovation Fast Track Program. Significant interest by producers has been demonstrated with over 85 applications received for this program</p>

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Owner	Actions	Progress / Completion Date
MC	<p>MLA will also initiate new strategic partnerships, including the National Livestock Genetics Consortium (NLGC). The National Livestock Genetics Consortium is designed to provide a new structure for investment that will enable the industry to increase genetic gain and adoption to underpin profitability through the beef and sheep value chains. Attracting an additional \$24.5M in industry funding and in-kind resources (on top of existing \$32M already invested), the NLGC has representation and interest from all member across the value chain. The NLGC governance structures and 5 year investment plan are being completed by an implementation committee and interim board which will be finalised through broad industry engagement by September.</p>	<p>MLA formed a skills-based taskforce rather than proceed with the full plan developed by the Consortium’s Implementation Committee, due to the proposed structure deemed to be too top heavy and resource intensive. The skills-based taskforce has been established with the following purpose and key deliverables:</p> <ul style="list-style-type: none"> a) Analysing and providing recommendations on the genetics RDE&A landscape including gaps, priorities and opportunities; b) Identify opportunities to facilitate collaboration across organisations to address industry priorities; c) Undertaking calls for and/or assessment of concept notes and proposal; d) Undertaking evaluation and monitoring of projects or programs; and e) Where appropriate, link into MLA consultation processes, including the expert panel and red meat panel process for final project selection

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Recommendation 3: Improve MLA’s strategic partnership model – to ensure stakeholder engagement is meaningful, focused on building trust, oriented to evolve from transactional communication to seeking stakeholder involvement, and be calibrated to generate mutual benefits for stakeholders and MLA.

Owner	Actions	Progress / Completion Date
AF	<p>Currently all MLA investments have an element of monitoring and evaluation (M&E) within. For some investments this is suitable for ongoing M&E and analysis of ROI, whilst for others there is additional work required to enable analysis of ROI. A more consistent and efficient approach to M&E has been deployed by MLA through:</p> <ul style="list-style-type: none"> Developing the MLA M&E policy. This is currently being drafted and will be submitted to the MLA Board for approval 	<p>Monitoring & Evaluation framework and policy developed and presented to MLT in October 2016 and was then submitted to the Board for approval in November 2016.</p>
	<ul style="list-style-type: none"> Reviewing current M&E Frameworks in use for some investments and developing the MLA M&E Framework to align with the MLA M&E Policy and other requirements 	<p>March 2017</p>
	<ul style="list-style-type: none"> Ensuring all MLA investments have consideration and documentation for M&E including establishment of baseline criteria and data, establishment of KPIs and/or contribution to MLA Corporate Plan and MISP 2020 KPIs 	<p>Ongoing</p>
	<ul style="list-style-type: none"> Reviewing the range of in-house economic assessment tools currently in use across the business to align where possible and consider the establishment of a single in-house economic assessment tool as recommended by the Performance Review 	<p>December 2016</p>

	<ul style="list-style-type: none"> Developing a M&E process and system to enable recording of M&E information for all investments and enable regular reporting of potential benefits (ex-ante analysis) and progress against KPIs 	<p>Process complete by September 2016</p> <p>System in place by June 2017</p>
	<ul style="list-style-type: none"> The Performance Review findings state that a program evaluation schedule should be developed so that all programs are covered over a 5-10 year cycle. This schedule and the process for the program evaluations currently are being considered as part of the overall review of M&E in MLA 	<p>Underway</p>

<p>Finding 4: Sourcing and procurement generates performance issues for the company</p>		
<p>Recommendation 4: Identify and then implement a leaner and more flexible procurement process – to achieve more from its investments and to accelerate realisation of MISP 2020 for the industry’s benefit.</p>		
Owner	Actions	Progress / Completion Date
AF	<p>Appointed a Process and Project Manager on contract for six months</p> <p>Review project and contract approval/process underway with a view to create a streamlined and consistently applied Project Management Framework (PMF).</p>	<p>The Project Management Framework (PMF) was released September 2016 and presented to the MLT in October 2016 following a review of the process.</p> <p>Following the release of the PMF the role of Project Management Office (PMO) Manager was implemented to drive adoption of the PMF throughout the business. The PMO also advises on and oversees MLA’s project and contract approvals in order to achieve a leaner more flexible procurement process by MLA.</p> <p>Additionally, the implementation of strategic partnerships and the change in the way these have been structured and contracted has also improved the efficiencies in MLA’s procurement process.</p>

Finding 4: Sourcing and procurement generates performance issues for the company

Recommendation 4: Identify and then implement a leaner and more flexible procurement process – to achieve more from its investments and to accelerate realisation of MISP 2020 for the industry’s benefit.

Owner	Actions	Progress / Completion Date
SS/MC	<p>MLA is implementing an annual call where a proportion of on-farm R&D for grass fed and sheepmeat levy-funded projects will be publically tendered.</p> <p>MLA is moving towards investment in fewer, larger and longer term projects through implementation of Strategic Partnerships in areas of core importance to delivering on the MISP 2020. Examples of this are the National Livestock Genetics Consortia to deliver on MISP2020 Pillar 4 and development of the Animal Welfare Strategic Partnership to deliver on MISP 2020 Pillar 1, QAAFI and QDAF (across multiple pillars) and the University of Adelaide (across multiple pillars)</p>	<p>Complete</p> <p>Animal Welfare Strategic Partnership (AWSP) In August 2016 the MDC Board endorsed the contracting of projects within the AWSP up to \$7M p.a. for 5 years. Interested parties become members by signing onto an overall program agreement which covers the running of the partnership. AWSP is governed by a Management Committee consisting of a scientific representative from each financial member under an independent Chair. The committee gives peer review of projects, ensures that projects comply with the objectives of the MISP and organises an annual forum. The forum fosters collaboration, gives industry stakeholders a direct opportunity to hear about ideas, state what is needed, guide research priorities and interact with the scientists. Current members are; CSIRO, Animal Welfare Science Centre based at the Uni of Melbourne and South Australian Research and Development Institute, Queensland Alliance for Food and Agricultural Innovation, Charles Sturt University, University of WA, University of Sydney, University of Adelaide, NSW DPI and Agriculture Victoria. Membership is not closed. \$22M projects contracted by August 2017. Implemented by June 2017.</p>

Finding 4: Sourcing and procurement generates performance issues for the company

Recommendation 4: Identify and then implement a leaner and more flexible procurement process – to achieve more from its investments and to accelerate realisation of MISP 2020 for the industry’s benefit.

Owner	Actions	Progress / Completion Date
LS	MLA has increased PIC involvement in the development of marketing strategy and the supporting investment allocations (by market, by core work programs e.g. market access, market information, business development and consumer promotion) via the new consultation framework. As required, key investment decisions are discussed in quarterly committee meetings and are supported by MLA contracting and approval processes.	Quarterly meetings with PICs as noted above.
CP	MDC has a series of long-standing strategic partnerships with key providers that allows for efficiencies in contract negotiations and consistency across a range of projects. An enhanced MDC operational platform will seek to simplify the application and approval process for new partners and achieve efficiencies and greater transparency in the MDC procurement process.	Enhancements to be progressively implemented from July 2016. A strategic partnership model has been implemented with a number of Universities and research providers. Head agreements have been or are being negotiated in order to streamline the contracting process and to enable project schedules that sit under this to be developed from time to time.