

Annual Report
2021–22



Creating
impact

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Auditors: Ernst & Young **Bankers:** Commonwealth Bank

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

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Overview

Overview

Report to stakeholders

About MLA

Financial report

Supporting information

The Hughes family property 'Dulacca Downs', Western Downs Queensland.

MLA at a glance



Our purpose

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



Our vision

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



Our mission

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



Our values

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



Our history

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



Our funding

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

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

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

See page 53 for further detail of our funding agreements.



Our members

Membership of MLA is voluntary and free to all levy-paying grassfed cattle, grainfed cattle, sheep, lamb and goat producers. MLA had 49,775 members at 30 June 2022 (page 48).



Our stakeholders

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

Through the science and research priorities and the rural research, development and extension priorities, the Australian Government sets high-level priority research and development objectives covering community, industry and environmental concerns.

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

MLA also works closely with the Australian Meat Processor Corporation, Australian Meat Industry Council, LiveCorp and Australian Livestock Exporters' Council to develop programs that address key industry issues and opportunities through the supply chain, manage projects and communicate outcomes. See pages 46–48 for more on how MLA engages with its stakeholders and collaborators.



Our subsidiary companies

MLA owns two operating subsidiary companies.

MLA Donor Company (MDC) works in partnership with investors in areas that bring value to the red meat supply chain through innovation and new technologies (page 66).

Integrity Systems Company (ISC) administers the National Livestock Identification System database which records livestock movements. It is also responsible for the Livestock Production Assurance program and National Vendor Declarations and Livestock Data Link (page 66).
















Our decision making processes

MLA doesn't make investment decisions in isolation. Decisions are carried out in collaboration with producers, the government, peak industry councils and other industry organisations (see 'Stakeholders' and pages 47–48 for other consultation mechanisms). The regional consultation framework, which commenced in the second half of 2015, enables producers to have direct input into MLA's research and development priorities.

Our locations

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

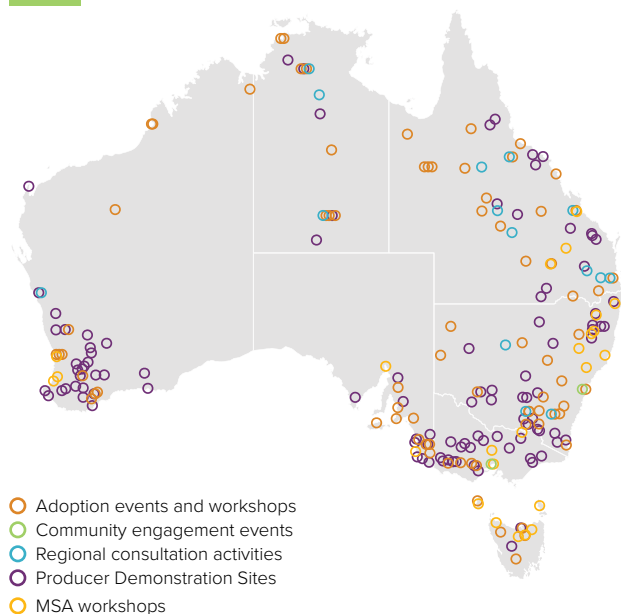
 Sydney, Brisbane, Armidale, Perth	 Ho Chi Minh*, Hanoi*
 Tokyo	 Jakarta
 Seoul	 Manila*
 Beijing, Shanghai	 Dubai
Taipei	 Riyadh*
 Singapore	 Brussels
 Kuala Lumpur*	 London
 Bangkok*	 Washington D.C.

*MLA has a presence through local agents in these locations but does not have registered offices.

Our employees

At 30 June 2022 MLA had 293 employees both domestically and internationally. MLA's workforce profile reflects a balanced gender profile and age distribution across the organisation (page 67). More than 51% of employees are from a rural background.

Our engagement in 2021–22



These locations and figures are in addition to 81 online and in-person events sponsored by MLA.

Our strategic focus areas

Decisions informed through data and insights



Targeted investment to address the industry's big, complex challenges



Enabling new sources of revenue



Developing new, high value products that allow us to maximise the whole carcass



Beyond today's farm gate



Strengthening our core



2021-22 highlights

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



The red meat industry has reduced its greenhouse gas emissions more than any other sector in Australia, with emissions **down by almost 60%** since 2005.

Australian Lamb's annual summer campaign achieved the highest cut-through in five years, with this year's ad scoring the top spot as the

#1 trending video on YouTube



The MSA beef program delivered an estimated

\$204 million

in additional farm gate returns in 2021-22.

The program has returned

\$1.66 billion

to the farm gate since 2011-12.



MLA launched the cattle industry's first-ever **Live Export Price Indicator (LEPI)**,

NLRS

responding to the need to provide greater coverage of pricing trends for supply chains in northern Australia.

MLA's new legumes hub,

launched to help producers harness legumes to boost productivity, drought resilience and sustainability – has been viewed



14,845 times as of 30 June 2022.

With **six DEXA systems**

now installed at processors across the country, approximately

half of Australia's annual lamb slaughter

is being measured for Lean Meat Yield (LMY).



The use of feed additive Bovaer® (3-NOP) was found to reduce methane production in feedlot cattle by up to

90%



Australian Good Meat's sustainability-focused animations have proven extremely effective in sharing our industry's story with

>4.1 million impressions and **>400,000 video views**



In December 2021, the

Australia-United Kingdom

Free Trade Agreement was signed,

meaning Australian producers are better placed to supply the UK with high quality beef, sheepmeat and goatmeat.



Producers who participated in MLA adoption programs between 2015 and 2022 received an

annual net benefit of \$54.6 million

during 2022 to 30 June.



Chair's report

Operating environment, market information and Board business

Operating environment

In pleasing news, above-average seasonal conditions have continued for the third consecutive year across large parts of Australia's grazing lands. Northern Australia experienced a challenging wet season in 2021–22, limiting pasture growth and water supply until late rains brought some relief. However, in general terms, seasonal conditions have been excellent for most of Australia's livestock producers.

Driven by the above-average rainfall patterns, producer confidence in the medium-term outlook for industry has remained robust and as a result, the national herd rebuild and flock growth has been substantial. By the end of 2022, the national herd is estimated to have grown by 5.6% to 27.6 million head. In 2021, the national flock rebuild matured and so in 2022, entered a growth stage, where it is predicted to increase by 7.2% to 76 million head – its highest level since 2013.

As a direct result of Australian cattle producers' strong intentions to rebuild their herds, slaughter numbers reached their lowest volume in 36 years in 2021 at 6 million head and are forecast to remain tight in 2022. Meanwhile, with growth of the sheep flock, lamb slaughter volumes are forecast to increase 7% to 22 million head in 2022.

Encouragingly, the rainfall patterns driving abundant pasture and grass growth have seen carcass weights reach records in 2022 and these weights are forecast to remain at elevated highs for both sheep and cattle. These carcass weight increases have offset lower slaughter volumes and ensured Australia is set to produce more beef and lamb from less available supply – demonstrating the efficiency of Australia's red meat industry.

While sheep and lamb prices broke records between July and September in 2021, the Australian cattle market climaxed to reach records in late January 2022 across all indicators.

In the export space, constricted cattle slaughter is forecast to drive lower exports in 2022. On the contrary, lamb exports are forecast to reach records of 308,000 tonnes this year in a display of robust international demand from both established and emerging markets.

Although headwinds remain – including labour challenges, shipping and logistics as well as an uncertain economic outlook – Australia's red meat industry is extremely well positioned to capture emerging global opportunities as livestock supply continues to increase.

FMD and LSD

Maintaining the superior market access and world-leading reputation of Australia's red meat remains a priority for all of industry, including MLA.

At the time of printing, foot-and-mouth disease (FMD) and lumpy skin disease (LSD) is present in Indonesia but importantly, Australia remains free of both diseases.

To help control the spread of FMD and LSD, MLA, in conjunction with the Australian Government, is currently working closely with the Indonesian Government and industry on a biosecurity support program and is also an active member of the industry taskforce for planning and preparedness.

MLA will continue to work in partnership with industry to support the Australian Government in protecting Australia from these diseases via all possible means. [▶](#)

Maintaining the superior market access and world-leading reputation of Australia's red meat remains a priority for all of industry, including MLA.



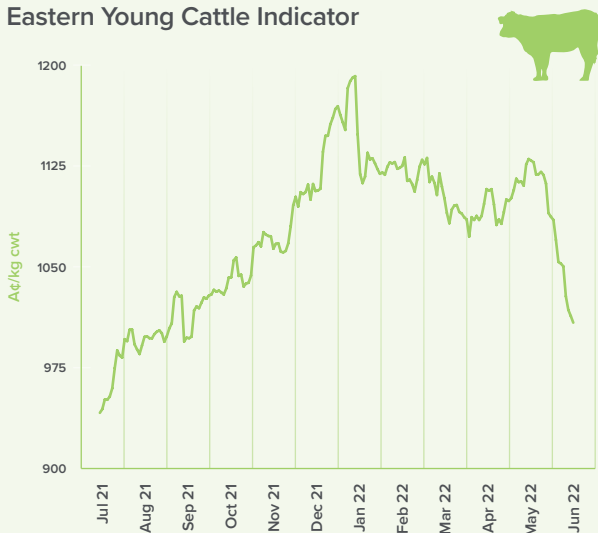
Markets

Cattle and beef

Key trends

- National cattle prices reached records in late January 2022
- The national herd rebuild continues
- Export demand for Australian beef remains favourable

Eastern Young Cattle Indicator



On 24 January 2022, the Eastern Young Cattle Indicator (EYCI) reached a record high of 1,191¢/kg cwt – 79¢ or 526¢/kg cwt higher than the five-year average at the time. After continually reaching new highs throughout 2021, this price was the result of intense herd rebuilding intentions and tight cattle supply driving robust restocker demand for young cattle. Around similar stages, all other indicators reached record highs of their own. Due to these record highs, the average price paid for finished cattle in 2021–22 was \$2,457.82/head, or 25.7% above 2020–21 prices.

As a result of the rebuilding intentions continuing for Australian cattle producers, cattle supply continues to remain tight, with the retention of females for current and future breeding purposes contributing heavily to this. In 2021–22, cattle slaughter was at its lowest level in 36 years at 6 million head, although processors paid \$14.83 billion for cattle this financial year – an increase of 18% or 2.2 billion on 2021 values.

In the export markets, tighter domestic slaughter supply due to the herd rebuild will mean volumes are lower in 2022. However, higher average prices paid on the export market due to robust demand are offsetting some of this volume decline.

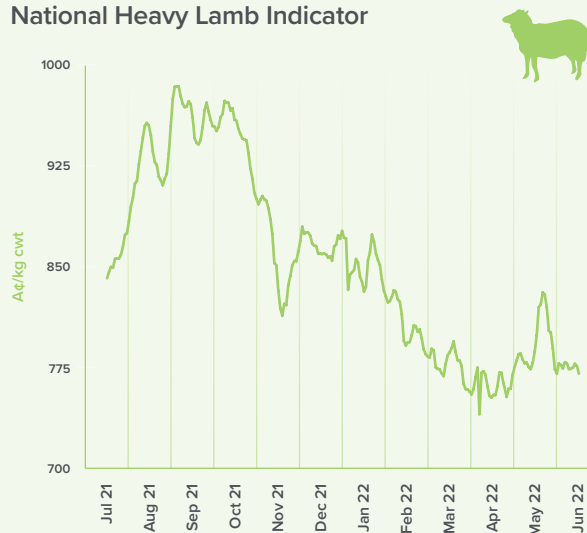
Global dynamics and drivers assisting Australian beef demand include the continued global protein shortage created by African Swine Fever and its associated implications as well as the growing world population. In addition to this, the increasing number of consumers with a higher disposable income is supporting Australia's role in providing high quality red meat protein to a growing consumer base.

Sheepmeat

Key trends

- The national sheep flock entered a growth stage
- Mutton and lamb prices have performed relative to supply and price dynamics
- Mutton and lamb export volumes outperformed 2021 year-to-date levels

National Heavy Lamb Indicator



As a result of sheep's shorter gestation lengths and turnoff times, the national flock is set to grow in 2022 to its highest level since 2013.

The third successive season of above average rainfall patterns for most sheep producing regions in Australia has provided producers the platform to rebuild their breeding ewe numbers over the last two years and as a result, grow their flocks in 2022.

This growth has been made evident in the unseasonable increase in slaughter and yarding volumes across Australia throughout the winter months of 2022.

In the second quarter of 2022, lamb production hit its third highest levels ever at 140,165 tonnes. Meanwhile, the highest ever value of sheep and lambs slaughtered was also recorded. Overall, \$5.13 billion was paid for sheep and lambs in the financial year of 2022 – 14.5% more than 2021 values.

On the back of the increasing flock and slaughter numbers – as well as record high carcass weights – both lamb and mutton exports are outperforming 2021 year-to-date levels in 2022. Clearly, the recovery of economies following the pandemic as well as a growing taste for Australian sheepmeat across emerging and established global markets is spurring strong export volumes.

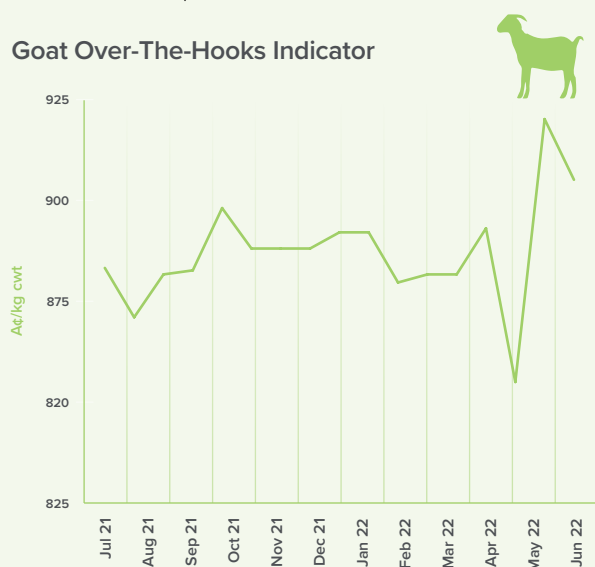
While the United States and China continue to remain Australia's largest markets for lamb and mutton, there has been the emergence and growth in new markets such as Malaysia, Singapore, South Korea and Papua New Guinea. These new markets demonstrate Australia's rich diversity of export market demand and ensures the industry is well positioned to grow its market share and capture opportunities across many markets moving forwards.

Goatmeat

Key trends

- Continued high rainfall has driven increased national herd numbers
- National goat slaughter has outperformed volumes from the last three years
- Over-the-hooks prices remain favourable

Goat Over-The-Hooks Indicator



With above average rainfall and the uptake of exclusion fencing driving confidence across large parts of western NSW and Queensland, goat herd numbers have increased and rebuilt extremely well following the drought induced liquidation.

With producers now including goats in their operations as a more managed enterprise, turnoff volumes are translating into very strong slaughter volumes this year. Goat slaughter jumped 52% this financial year to 1.46 million head, while goatmeat production jumped 47% to 24,091 tonnes.

This is an exciting development for the industry and furthermore has provided robust export supply to our largest and most established market of the US, as well as the emerging markets such as South Korea, Taiwan and Canada.

Australia remains the largest goatmeat exporter in the world, despite having a small herd size in comparison to other nations.

On the price front, goat over-the-hooks prices have continued to hold premiums to those paid for sheep and lambs.

Board business

MLA again held a virtual AGM in 2021, where MLA members voted to elect two Directors to the board – Manny Noakes and Jacqueline Wilson-Smith.

Thankfully, in-person meetings were able to resume in 2022 and MLA's Directors relished the chance to once again attend industry events, go on site visits and engage directly with producers. On-property visits to producers in Darwin and Armidale were highlights for the Board alongside the Northern Territory Cattlemen's Association (NTCA) Annual Industry Conference.

The MLA Board and the MLA team are to be commended for their efforts to bring the vision of the company and industry into being over the past year. Industry has a bright future to look forward to.

Alan Beckett
Chair



In the second quarter of 2022, lamb production hit its third highest levels ever at 140,165 tonnes. Meanwhile, the highest ever value of sheep and lambs slaughtered was also recorded. Overall, \$5.13 billion was paid for sheep and lambs in the financial year of 2022 – 14.5% more than 2021 values.

Managing Director's report

MLA's focus and outlook

Working towards a common goal for industry

It is my pleasure to present *Annual Report 2021–22*.

The past year has seen the many years of effort and investment by the Australian red meat industry take it from strength to strength. A more connected supply chain delivering a high quality, in-demand product to discerning customers across the globe has seen many records broken across our livestock markets.

In a time where the global pandemic continues to create challenges, our sector has thrived. Excellent seasonal conditions across much of the country are a big help, but it is also a reflection of the resilience of Australian producers and our industry's ability to execute creative solutions to complex issues.

Amid the changing and challenging global landscape, MLA remained focused on our 'Fewer, Bigger, Bolder' initiatives in 2021–22. These initiatives have been carefully crafted to help double the value of red meat sales by 2030 – one of the ambitious goals set out in the industry's strategic plan, *Red Meat 2030*. The last few years have demonstrated how important it is to find ways to deliver against our plans and support the red meat sector regardless of the challenges our industry faces.

The theme for this year's report is 'Creating impact' and that is exactly what we have set out to do with every investment we have made this year. If we are to help double the value of red meat sales by 2030, it is crucial for us to consider each project's value proposition and ask the question: how is this going to create impact for our industry?

We have entered our third year of our five-year *Strategic Plan 2025*. In line with the 'Fewer, Bigger, Bolder' approach, we are targeting a smaller number of areas with larger impact. Three key areas with an increased focus in the plan are:

- sustainability
- traceability and biosecurity
- extension and adoption.

These focus areas are covered in the 2021–22 overview below, along with an outline of our key communications and marketing activities throughout the year.

Creating impact through...

Sustainability innovations

Sustainability has been a focus for MLA for many years now and 2021–22 was no exception. The red meat and livestock industry has made the greatest reduction of any sector in the Australian economy, reducing our emissions by almost 60% since 2005. We should see this figure drop a further 5% by 2025, with an associated 20% improvement in livestock productivity (page 20).

In addition to the ground-breaking research conducted by MLA, James Cook University and CSIRO that showed the reduction in methane produced by feeding red asparagopsis as a feed supplement, an MLA-funded project has identified that the feed additive Bovaer® (3-NOP) can reduce emissions from feedlot cattle by up to 90% (page 23).

Our strategic partnerships (larger programs of work focused on specific challenges) – BeefLinks, Livestock Productivity Partnership (LPP) and Northern Breeding Business (NB2) – also have a big role to play in sustainability (pages 36–37) and complement our Australian Beef Sustainability Framework and Australian Sheep Sustainability Framework (pages 20–21). Each of these partnerships and frameworks have been designed to drive productivity and profitability for producers in a way that ensures the sustainability of our industry.

Industry stakeholders now have all this information at their fingertips following the release of 'Our sustainability story', a special edition of Feedback magazine released in July 2022. To read the special edition, which delves into our industry's sustainability journey so far and answers FAQs on climate action on-farm, visit: mla.com.au/sustainability-hub.

Supply chain innovations

Innovations along the entire supply chain have always been a priority for MLA, but in recent years, we have placed a particular focus on helping producers adopt these innovations on-farm. This is why I'm pleased to announce that producers who participated in MLA adoption programs between 2015–2022 received an annual net benefit of \$54.6 million during 2022 to 30 June. Read more about our flagship adoption programs on page 28.

Of course, MLA-funded supply chain innovations don't stop at the farm gate. We now have six DEXA systems installed at processors across Australia, with almost half of the country's lamb slaughter now being measured for lean meat yield and a range of more game-changing carcass grading technologies in development (page 26).

We have also found ways to add value to typically low-value products – for example, harvesting collagen from hides and skins to create a range of organic products in the nutraceutical industry (page 30). Sharing the learnings and insights from these investments can create new markets for Australian red meat products that had not previously been considered.

Strengthened integrity systems

High quality integrity systems have proven to be more crucial now than ever before. At the time of publication, foot-and-mouth disease (FMD) and lumpy skin disease (LSD) are extremely topical due to the detection of these diseases in Indonesia. Although Australia maintains its disease-free status, it's important to stay on top of our biosecurity and traceability obligations as per the Integrity Systems Company (ISC) requirements. This will ensure we are best prepared if these diseases are ever detected in Australia.

Thankfully, we have seen the use of electronic National Vendor Declarations (eNVDs) continue to grow in 2021–22 (page 24). The ISC team is also working on a new all-in-one feedback system – 'Future Feedback' – which will revolutionise the way NLIS, MSA, animal disease/defect and carcass data is linked, accessed and analysed (page 32). Not only will Future Feedback help quantify lost opportunity costs and identify areas of improvement for producers on-farm, but it will also enhance our industry's traceability and biosecurity credentials.

Effective domestic and international marketing

Another way MLA has created impact in 2021–22 is through our world-class domestic and international marketing campaigns, showcasing Australian red meat in Australia and around the world.

The ads featured as part of the highly anticipated summer lamb campaign were trending at the top of the YouTube charts throughout the campaign period, while the beef mid-week meals campaign increased value share by 0.5%, equating to \$40 million in a category worth \$2.3 billion.

On the international front, a huge milestone was achieved this year: the signing of the Australia-United Kingdom Free Trade Agreement. This is an important step towards accessing new markets which you can read more about on page 17.

Building community trust

With more and more consumers making purchasing decisions based on health, animal welfare and environmental concerns, MLA has been on the front foot to ensure we are sharing the facts about our industry. The Australian industry is committed to sustainable, high welfare production of red meat that is an important part of a healthy, balanced diet – this is what we must share with our consumers.

Our first special edition of Feedback magazine was published in 2021 to help address this. The edition, *Together, we can share our story*, aims to spread the good news about Australia's red meat industry by empowering producers to tell their own stories to the wider community and put a stop to misinformation about beef, lamb and goatmeat production (page 40).

We have also leveraged the Australian Good Meat program to feature a series of seven animated videos that debunk myths about red meat production in Australia and take the viewer through step-by-step explanations of the natural carbon cycle and how plant-based fake meat is made (page 41). These animations complement a second series of videos from the program, featuring more than a dozen case studies from producers who are prioritising sustainability in their operations (goodmeat.com.au/producers).

Our fast-fact resources, *Red Meat*, *Green Facts* and *Red Meat, Health Facts* continue to be fantastic references for all things that are good about our industry. Please visit redmeatgreenfacts.com.au/contactus to order a hard copy.

Amid the changing and challenging global landscape, MLA remained focused on our 'Fewer, Bigger, Bolder' initiatives in 2021–22. These initiatives have been carefully crafted to help double the value of red meat sales by 2030 – one of the ambitious goals set out in the industry's strategic plan, *Red Meat 2030*.

Maintaining a strategic focus

Having completed two years of our *Strategic Plan 2025*, we are well on track to achieve the goals industry set out for us in 2020. For a full overview of our Strategic Plan KPIs and to track MLA's progress, turn to page 114.

Moving into the third year of our implementation Plan, MLA will continue to deliver research, development, adoption and marketing programs that create the greatest impact for the Australian red meat industry. We will continue to focus on fewer and bigger programs of work and we will continue to find ways to execute our plans regardless of the external conditions.



Jason Strong
Managing Director



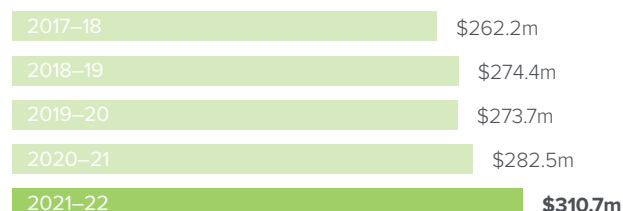
2021–22 summary statistics

Revenue



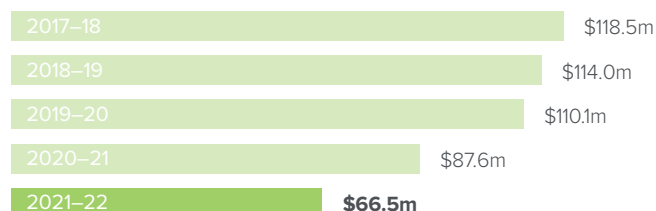
▲ 10.8% to \$288.2 million

Expenditure



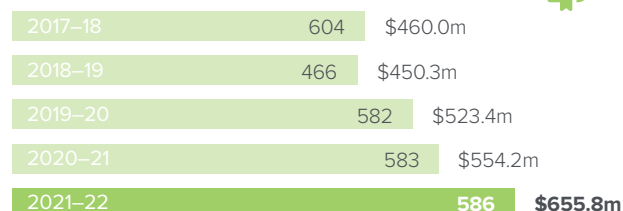
▲ 10% to \$310.7 million

Retained earnings



▼ 24.1% to \$66.5 million

Research contracts



▲ 0.5% to 586 contracts

MLA employees



▲ 5% to 293 employees

MLA members



▲ 1% to 49,775 members

Key performance indicators



▼ 4% to 76% achieved

A woman with blonde hair tied back, wearing a brown zip-up sweater and blue jeans, is smiling and petting a black and tan dog in a field of tall grass. The background is a bright, sunny outdoor setting with trees and a clear sky.

Report to stakeholders

Lynley Anderson, 'Anderson Rams' – Kojonup WA.

The report to stakeholders reports against the 16 programs as set out in the *Annual Investment Plan 2021–22* and provides transparency around MLA's actual activities and outcomes.

MLA objectives and planned activities in 2021–22 were directed by the *Annual Investment Plan 2021–22*. MLA regards the *Annual Investment Plan 2021–22* as the starting point under its *Strategic Plan 2025*, which is aligned to the Australian red meat industry's 10-year strategic plan, *Red Meat 2030*, and the Australian Government's science and research priorities and its rural research, development and extension priorities.

Animal wellbeing

MLA's investment in animal wellbeing research, development, extension and adoption (RDEA) aims to safeguard Australia's livestock biosecurity and to ensure proper care of our livestock. Consideration of health and welfare are inextricably linked in defining livestock wellbeing.

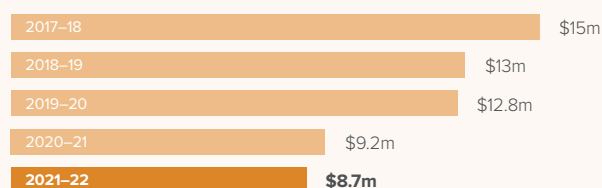
Red Meat 2030 priorities



MLA Strategic Plan 2025 strategic focus areas



Investment over time



Highlights

Respiratory infections in Australian sheep flocks

A recently completed project has provided information on the prevalence of the three common bacterial ovine respiratory pathogens (*Mycoplasma ovipneumoniae*, *Mannheimia haemolytica* and *Pasteurella multocida*) and two respiratory viruses (ovine Parainfluenza Virus 3 and ovine Respiratory Syncytial virus) circulating in sheep flocks in south-eastern Australia. This data was sourced from 24 abattoir visits and 1,095 sets of sheep lungs, representing 253 abattoir lots.

The project revealed widespread infection with *M. ovipneumoniae* in Australian slaughter sheep, with 64.4% of abattoir lots testing positive for the bacterium. Abattoir lots positive for *M. ovipneumoniae* originated in NSW, Queensland, SA, Tasmania, Victoria and WA.

The other two bacteria are commensals of the nasal cavities, pharynx and throat of healthy sheep that can overwhelm host defence mechanisms and invade the lower respiratory tract during periods of stress or infections with *M. ovipneumoniae* or respiratory viruses. However, only small numbers of abattoir lots tested positive for ovine respiratory viruses.

The finding of widespread infection with *M. ovipneumoniae* in Australian sheep will help producers and their veterinarians put in place appropriate management and treatment strategies to better control outbreaks of disease and ensure animal welfare/ economic benefits for industry.

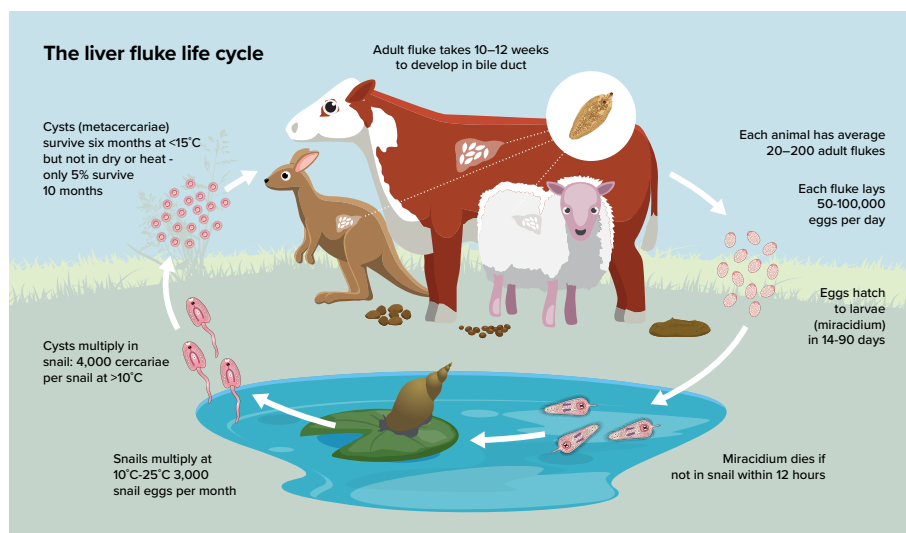
Resistance sparks new approaches to treating liver fluke

Growing resistance to existing treatments for liver fluke, combined with diagnostic difficulties and increased livestock trading across the country, is making this parasite even more difficult for producers to deal with.

To overcome these challenges and move beyond increasingly ineffective strategies such as April and winter drenches, MLA has invested in new research and development focusing on resistance to commonly used treatments.

In 2021–22, fluke trials were conducted on a farm on NSW's south coast and showed the prevalence of liver fluke's resistance to these treatments, as liver fluke eggs were present before and after the treatment.

Producers are urged to conduct resistance tests to determine whether their particular flukicide is effective. In addition, they





On top against the odds



Cobargo beef producers Craig and Tamara Corby.

Beef producers Craig and Tamara Corby's resilience, pragmatism and willingness to accept help following the devastating 2019 New Year's Eve bushfires were crucial to their business's recovery. The Corbys were leasing property 'Belmont Park', near Cobargo, NSW, when the bushfires hit and they lost 25 stud bulls, a number of cows in calf, a large portion of machinery and all their pasture.

"We just thought, we can't sell our cows, because we'd be selling them for less than what we paid for them – and they were our bread and butter that we'd been feeding through the drought," Tamara said.

A firebreak around their hay shed meant they could hand feed their herd immediately following the fires, and despite damaged fences, a lack of pasture encouraged cattle to stay close.

Assistance from a range of sources, including fellow Limousin producers, Need for Feed, BlazeAid, the Army, South Coast Rural Relief and Local Land Services opened up the doors to emergency agistment and fodder.

"One breeder was so generous they sent a load of hay to us and also took 40 of our cows – or half our herd – to continue joining them for us, free of charge," Craig said.

Doing full health inspections of each animal before agistment paid dividends despite the extra cost. It informed prudent management decisions such as not sending cows with burnt udders to agistment to be joined.

Due to seasonal conditions and cheap agistment, the couple decided to agist the 80 remaining weaners who they had weaned down to eight weeks old as a drought strategy.

"As time went on and the drought broke, we could see that cattle prices were starting to go up – so we took the opportunity to buy into some calves and diversify our business by developing a trade operation," Tamara said.

MLA's 'Back to Business' program also gave the Corbys access to three, free one-on-one sessions with a local farm business consultant.

"It gave us a great sense of relief, having a third party who was able to give us clarity and focus on that high level context to keep us moving forward in the strategic aspect of our business," Tamara said.

2021–22 investment by funding source



- Producer levies \$1m
- Government funding \$4.1m
- Other sources \$3.6m

Key performance indicators



- 2 achieved
- 1 not achieved

See Appendix A for a full list of KPIs.

can visit the MLA-supported ParaBoss's Wormboss website (wormboss.com.au) to learn more about the biology and life cycle of liver fluke. This tool explains the disease and sets out a range of effective strategies producers can employ on-farm to reduce the impact of liver fluke, according to what is relevant to their individual properties.

New flystrike control options

Pinkeye is the most important and common eye disease in cattle worldwide and a major welfare and economic concern to the Australian cattle industry. Pinkeye can occur in epidemic proportions, but severity and susceptibility vary within and between herds, indicating that the disease is multifactorial.

Throughout 2019, data was gathered from 999 cattle producers, 173 located in northern Australia and 826 in the south, to identify the on-farm risk factors associated with pinkeye disease in Australian cattle – evaluating the association of several explanatory variables with pinkeye within-herd prevalence.

Results revealed that farm location, farm grazing area, farmer-reported dust levels, fly levels, rain levels, animal zebu content and cattle age were significantly associated with pinkeye prevalence. More specifically, having a farm located in southern Australia, of smaller grazing area, with cattle ≤ 2 years of age, was associated with a higher pinkeye's prevalence.

Pinkeye prevalence was also greater if properties had high fly levels compared to moderate and low fly levels, and farms ranked low for rainfall compared to moderate and high rainfall. Producers that ranked their farms as having high dust levels had more pinkeye compared to moderate and low dust levels, but moderate dust levels were protective compared to low dust levels.

These results confirm that pinkeye disease is multifactorial and is associated with a range of host and environmental factors. These findings will be used to assist in the control of the disease and improve pinkeye outcomes in Australian cattle.

Domestic market

MLA's domestic market program assists MLA to foster the prosperity of the Australian red meat and livestock industry by demonstrating the value of red meat to consumers and customers.

This is achieved by generating insights into the drivers of preference and choice amongst both consumers and customers, and then leveraging these insights to promote the relevant benefits of red meat and addressing the barriers that limit consumption, such as value for money (relative to other proteins), cooking confidence, and health perceptions.

By addressing these opportunities and barriers, MLA seeks to maintain and enhance the value of domestic red meat sales and slow the historic long-term decline in consumption.

Red Meat 2030 priorities



MLA Strategic Plan 2025 strategic focus areas



Investment over time



Highlights

Summer lamb campaign

The annual summer lamb campaign launched in January was based on the idea that as other countries opened post-pandemic, Australia needed to invite the world for a celebratory barbecue.

The campaign achieved the highest brand cut through in the past five years.

Ads featured as part of the campaign were viewed 6.4 million times and were the number one trending video on YouTube. Activations at the Australian Open, combined with a targeted international billboard advertising execution, helped drive more than 1,300 media stories about Australian Lamb.

Bucking the trend of a total fresh meat market that had experienced a decline of -5% in volume and -3% in sales, lamb's volume share increased slightly by 0.1% and value sales share increased by 0.8% during the summer lamb campaign period.

Australian Beef. Feed Your Greatness.

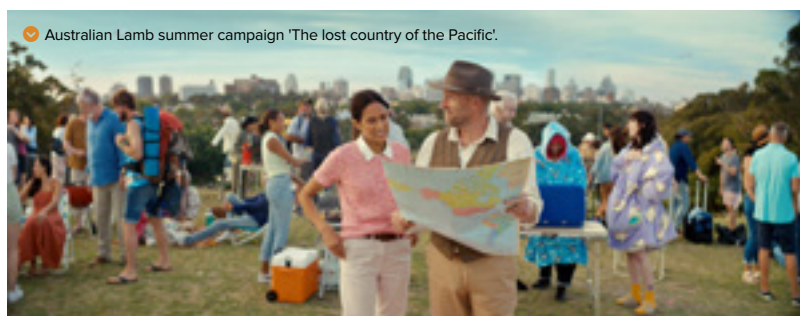
Australian Olympic and Paralympic athletes highlighted beef's nutritional value and the important role it plays in their diets as part of the winter beef campaign, 'Australian Beef. Feed Your Greatness.'

Targeting main grocery buyers, including those who claim to be reducing their red meat consumption, the campaign instilled confidence in Australians to feel good about eating beef for its nutritional greatness.

The integrated campaign appeared across TV, digital, social, outdoor and point of sale including PR activity featuring elite athletes and health influencers.

Campaign highlights:

- beef volume share increased 0.3% during the campaign versus the quarter pre-campaign period



- value share increased 0.5% – the highest it's been in the past 18 months and equating to \$40 million in a category worth \$2.3 billion
- the campaign reached 19.8 million people on social media.

Beef – the unbeatable protein choice for mid-week meals

The new Australian Beef campaign, 'You're Thinking Beef', stamps beef's position as the unbeatable protein choice in a range of popular mid-week meals.

Research found 85% of shopping missions for protein are for mid-week meals, making it the most competitive and important occasion to drive scale, frequency and volume.

You're Thinking Beef targets main grocery buyers and will drive sales volume and household penetration of beef. The campaign provides a solution to the mid-week





Standing rib roast shines at Christmas

Stanbroke partnered with MLA's Collaborative Marketing (CoMarketing) program to shine a spotlight on beef during the Christmas period and offer an alternative to the seasonally popular ham and turkey.

MLA's CoMarketing Program helps brand owners develop effective marketing campaigns for red meat and supports a range of business development and brand marketing activities.

Stanbroke teamed up with MasterChef contestant and foodie influencer, Tessa Boersma to create the Christmas campaign and leverage her 132,000 social media following.

"We decided the best product to promote through this campaign was our Flinders Natural Grassfed beef OP Standing Rib Roast," Stanbroke's Sales Manager, Mark Harris said.

The campaign's success can be attributed to the fact that the target market of the campaign aligned perfectly with Tessa Boersma's social media followers' demographics.

"The target market was health-conscious foodies who are looking for a natural, locally sourced showstopper centrepiece for their upcoming Christmas lunch or dinner with their family," Mark said.

Stanbroke has been participating in MLA's CoMarketing program for several years.

"The CoMarketing funding helps with marketing support for direct customers and end-users, both domestically and internationally, to build our brands and increase business in key strategic markets," Mark said.

"For this campaign with Tessa, the CoMarketing funding went towards her talent management fee as well as end-of-campaign social media reporting."

The campaign results were strong with the Instagram posts by Tessa generating:

- over 80 saves
- 3,800 likes
- an audience reach of 50,000 approximately.

"Considering the results were entirely organic (not paid), this was a very positive result," Mark said.

"From a sales perspective, our Peter Augustus butcher shops completely sold out of the Flinders Natural Grassfed OP Standing Rib Roast.

"Engaging with an influencer is difficult to measure from a return-on-investment perspective however, by aligning the right product, message, channel, timing and audience we achieved strong results."



MasterChef contestant and foodie influencer, Tessa Boersma.

2021–22 investment by funding source



- Producer levies \$18.2m
- Government funding \$1.6m
- Processor contributions \$2.1m
- Other sources \$0.6m

Key performance indicators



- 7 achieved
- 1 partially achieved
- 1 not achieved

See Appendix A for a full list of KPIs.

consumer battle of 'what's for dinner?' and addresses the challenges of ease, versatility and satisfying the whole family with delicious beef meals.

The campaign, which provides recipe inspiration and useful tips and tricks, was launched in May 2022 with subsequent bursts in August–December 2022, and in early 2023 for back to school.

Promoted across retail, butcher point of sale, outdoor, online video and social, the top 10 most popular mid-week meals across a range of cuts such as steak, spaghetti bolognese and stir-fry are featured.

At publication, the campaign has delivered over 15 million impressions and 8 million views on social and digital video channels.

Cattle industry's first Live Export Price Indicator

MLA launched a new independent price indicator to assist the live export industry to make more informed business decisions and drive profitability through connected data in northern Australia.



The Live Export Price Indicator (LEPI) was developed in consultation with industry following the need to provide greater coverage of pricing trends to producers and participants throughout the supply chain in the northern cattle industry.

The LEPI is the average sale price of male feeder cattle (weighing 280–380kg liveweight) purchased by exporters for shipment via the Port of Darwin to Indonesia, released every second Tuesday for the previous fortnight. All data shown in the LEPI has been provided by livestock export companies active in the feeder cattle trade to Indonesia.

The NT accounts for about 10% of the total national cattle herd and the LEPI provides the live export industry with a measurable pricing indicator from an independent source rather than historically relying on anecdotal pricing information.

Since its launch, a total of 4,153 people have viewed the LEPI with an average of 67 users per day.

International markets

MLA's international markets program fosters prosperity for the Australian red meat and livestock industry by measurably improving economic and technical market access and helping make Australia the preferred choice of customers and consumers globally.

Red Meat 2030 priorities



MLA Strategic Plan 2025 strategic focus areas



Investment over time



Highlights

Growing red meat demand in Saudi Arabia, Vietnam and Thailand

South-East Asia and the Middle East have gained prominence in recent years as critical export destinations for Australian red meat. In response, MLA has partnered with the Federal Government's Agribusiness Expansion Initiative to fund three new Business Development Managers (BDMs) – based in Saudi Arabia, Vietnam and Thailand – to capture the emerging opportunities.

MLA has been working towards establishing a presence in the Saudi market, Australia's largest beef market in the Middle East, to take advantage of the rapidly evolving social, economic and cultural scene.

Jad Hedwane is MLA's new BDM in Saudi Arabia and has a background in sales and marketing and a passion for red meat.

Two other countries showing great promise for Australian producers are Vietnam and Thailand. With a growing middle class and red meat consumption increasing, MLA appointed:

- Huong Tran, BDM for Vietnam
- Juthamas (Cat) Kaewnoi, BDM for Thailand.

Immediate priorities are to improve knowledge about using beef and lamb through trade marketing and education programs with importers, distributors and key customers, and to add a local flavour to the MLA consumer marketing programs.

Showcasing Aussie lamb through Lambassadors program

The MLA Lambassador program aims to boost international demand for Australian lamb. It has built a passionate community of chefs and foodies from around the world to showcase the versatility of Aussie lamb and inspire consumers in their home countries. The program is supported by a \$2.5 million grant from the Victorian Government.

In May 2022, MLA hosted the first global Lambassador paddock-to-plate themed cooking and cultural delegation in Victoria. The initiative brought together 27 chefs from ten

countries around the world, in the pursuit of cultivating a love of working with Australia's top-quality lamb.

The calibre of food professionals was high, and they have a combined total of 542,140 Instagram followers who have engaged with Lambassador content 43,465 times.

The group met producers, food professionals, butchers and food industry professionals, learning first-hand about the versatility and quality of Australian lamb. These interactions directly benefit producers by increasing demand from global foodservice markets and boosting the industry's profile in emerging lamb markets. This is achieved by cultivating trust in Australian lamb and spurring a willingness in participants to showcase it amongst their networks back home.

Returning to face-to-face trade

In February 2022, 15 Australian red meat exporters joined more than 3,000 companies, 100 award-winning chefs and 150 speakers at the Dubai World Trade Centre for Gulfood 2022 – the world's largest annual food and beverage trade show.

Gulfood was the first physical global trade show since 2020 that Australian red meat exporters have been able to travel overseas to and attend.

For Australian red meat exporters, Gulfood provided the chance to meet with existing customers and clients in one space over a short period, as well as to meet with potential customers and show off the quality of Australian red meat.

The Middle Eastern region is a large net importer of food, sourcing produce from all over the world including the US, Europe and South America.

To stand out in this complex and competitive market, the MLA trade stand focused on:

- telling red meat's provenance story
- explaining what red meat producers do
- how red meat's traceability systems provide peace of mind
- why Australian beef and lamb perform so well.

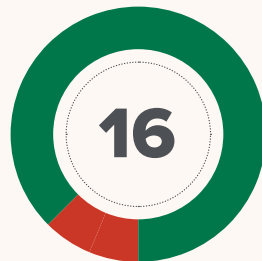


2021–22 investment by funding source



- Producer levies **\$40.1m**
- Government funding **\$1.4m**
- Processor contributions **\$2.4m**
- LiveCorp **\$1.1m**
- Other sources **\$2.4m**

Key performance indicators



- 15 achieved
 - 1 not achieved
- See Appendix A for a full list of KPIs.

There was plenty of genuine interest in Australian red meat, with more than 185 new business contacts generated from the event as the region continues to rebound from the COVID-19 pandemic.

Gulfood saw an increase in the number of countries exhibiting, reaffirming the importance of MLA and industry’s face-to-face presence at international events as markets open again.

Australia–United Kingdom Free Trade Agreement signed

On 17 December 2021, the Australia–United Kingdom Free Trade Agreement (A–UK FTA) was signed by the former Australian Minister for Trade, Tourism and Investment Dan Tehan and the UK Secretary of State for International Trade Anne-Marie Trevelyan.

The A–UK FTA outcomes will mean Australian red meat producers and exporters are better placed to help supply some of the UK’s import requirements for high quality beef, sheepmeat and goatmeat.

Under the A–UK FTA, trade distorting tariff rate quotas will gradually be phased out and future trade will be more streamlined, removing burdensome costs from the red meat supply chain that ultimately disadvantage British consumers and limit opportunities for market development.

The deal is now undergoing ratification in both Australia and the UK, via the domestic parliamentary processes, with the agreement anticipated to come into force before the end of 2022.

MLA continued to support UK Market Access Taskforce advocacy, including working closely with the Australian High Commission in London providing evidence to support the UK parliamentary scrutiny process.

In partnership with the Australian High Commission, MLA hosted a barbeque in London in June 2022 to celebrate the progress of the FTA negotiations with attendees including:

- UK parliamentarians
- UK and Australian government officials
- business alliance members
- UK trade and Australian exporter representatives.

Wine and dine: hospitality business putting Australian lamb in the spotlight

As the CEO of Fowles Wine, Matt Fowles runs a flourishing winery, cellar door and fine-dining restaurant in Victoria, where he recently hosted 27 food professionals from around the world as part of MLA’s Lambassador program.

The Lambassadors were immersed in a unique paddock-to-plate dining experience, grounding them with insights into how the Australian lamb they cook is produced.

Telling our story

Matt jumped at the opportunity to showcase his restaurant’s sustainable farm-to-table offerings to the Lambassadors and served up dishes crafted with ingredients harvested from his property as well as other local producers.

“If I were to travel to another country, this is exactly the sort of experience I would crave – seeing how people live and getting close to their culture through food, beverage and customs,” Matt said.

Sustainable management

The family have raised their non-mulesed sheep in the region since 2003 and recently achieved Responsible Wool Standards certification.

The enterprises are complementary, with sheep grazed through the vineyards for additional feedbase at key times of the management cycle.

“The sheep graze the vineyard rows prior to lambing so it provides a lovely flush of food around April when ewes are ready to lamb down.

“It also means we don’t have to run tractors through the vineyard to slash grass and manage weeds, which is a great sustainability outcome,” Matt said.

The business’ viticulturalist, Glenn Chisholm, is also an advocate for running livestock side-by-side with the vineyards.

“The sheep add nutrient-rich manure and graze on native and feed grasses, which along with clover, fixes nitrogen in the soil,” Glenn said.



The Lambassadors visit Fowles Wine, Avenal Victoria.

Eating quality

MLA's eating quality program, Meat Standards Australia (MSA), is integral to the red meat industry's 2030 goal of doubling the value of Australian red meat sales and ensuring continued trust in Australian red meat. The program also plays an important role in transitioning the red meat industry to value-based marketing.

The MSA program delivers significant benefits and value across the whole red meat supply chain through greater farm gate returns, maximising the value extracted from the carcass, and providing consistency and confidence in brands to ensure eating quality for consumers. This builds consumer trust and increases demand for Australian red meat.

Red Meat 2030 priorities



MLA Strategic Plan 2025 strategic focus areas



Investment over time



Highlights

MSA program continues to deliver high farm gate returns

Meat Standards Australia (MSA) has continued its success as a world-leading eating quality grading program in 2021–22 and has delivered an estimated \$204 million in additional farm gate returns over the past financial year. This means the program has returned \$1.66 billion to the farm gate since 2011–12.

In 2021–22, there were over 3.25 million cattle MSA graded, representing 55% of cattle slaughter in Australia, a two percentage point increase on 2020–21 and the highest since the MSA program began. Fifty-six MSA processors and brand owners are using the Eating Quality-graded cipher as part of their business to pack beef based on eating quality outcomes.

National beef compliance was the equal highest on record (same as the previous year), with 10% of carcasses meeting MSA minimum requirements.

The success of the MSA program can be attributed in part to several key activities, including:

- Business development activities with processors and brand owners to maximise value from their MSA carcasses to ensure greater value in the supply chain, and consistent eating quality to consumers in over 210 beef and sheepmeat brands.
- Providing carcass feedback, reporting and tools through the enhanced myMSA portal, enabling better decision making to drive on-farm productivity and profitability.
- Robust integrity systems and processes to ensure consumer expectations are met, including 469 audits on MSA licences.

MSA Index results

In 2021–22, the national average MSA Index was 57.37. The average MSA index for non-grainfed cattle was 58.20 (+ 0.49), while for grainfed cattle it was 56.89 (-0.04).

The MSA Index is a single number between 30–80 that is the standard national measure of eating quality of the carcass. It takes into account the impact on eating quality of management, environmental and genetic differences between cattle at the point of slaughter.

The lower national figure for 2021–22 was driven by a lower MSA Index for non-grainfed cattle. The largest decrease was in grassfed females in Queensland due to more animals grading with higher ossification scores, where there was also an increase in the number of head graded in this category between the two years. There was also a 10% increase in hormonal growth promotants (HGP) usage in some categories.





2021–22 investment by funding source



■ Producer levies **\$3.3m**
■ Government funding **\$1.6m**
■ Other sources **\$0.4m**

Key performance indicators



■ **4** achieved
 See Appendix A for a full list of KPIs.

Top MSA producers

Beef producers who consistently delivered beef of superior eating quality were recognised at the 2022 Meat Standards Australia (MSA) Excellence in Eating Quality Forum and Awards Series.

The awards are part of a national series across six states, which included forums where 550 producers and others along the supply chain heard from industry speakers on how to maximise value using the MSA program.

The MSA Excellence in Eating Quality Awards recognise beef producers who have achieved outstanding compliance rates to MSA specifications, as well as high eating quality performance as represented by MSA Index results for MSA-graded cattle during the 2019–20 and 2020–21 financial years.

In each state, awards include Most Outstanding Feedlot, Most Outstanding Beef Producer – Bands 1 & 2 (relative to cattle volume supplied) and a Progress Award for producers who have made significant improvement in compliance and average index since the previous two financial years of 2017–2018 and 2018–2019.

A new award, MSA Champion Index Carcase, was presented this year for the highest scoring MSA Index for a single carcase in each state.

The theme for this year's series was 'Growing and grading the greatest meat on earth', with a focus on how this can be achieved while creating more value for all parts of the red meat industry.

The series also provides a platform for MSA to launch the latest *Australian Beef Eating Quality Insights* report, a biennial benchmarking report that enables the Australian beef industry to measure its improvements and identify areas where further gains can be made. This report helps beef producers optimise the eating quality of their cattle by demonstrating the impact of various production factors on the MSA Index.

Keys to producing high eating quality beef



Amid a booming cattle market, producing cattle that continue to achieve high rates of compliance to Meat Standards Australia (MSA) remains a priority for Queensland beef producers, Rod and Kylie Apelt.

The Apelts operate Collingwood Pastoral Company, producing beef and broadacre crops across the state's Western Downs and Maranoa regions.

The Apelts won the Most Outstanding Queensland Producer (Band 1) category in the 2021 MSA Excellence in Eating Quality Awards, having achieved an MSA compliance rate across 2019–2021 of 99.9% and average MSA Index of 62.03.

Nutrition a necessity

Rod said quality nutrition was a key factor in consistently producing high eating quality beef.

"We finish our weaners off on improved pastures including Bambatsi, Reclaimer Rhodes Grass and a little bit of buffel and green panic – and we've had great success with those pastures in terms of improved stocking rates.

"We grow forage sorghum, oats, and barley, so the cattle run on those crops – and we often supplement them when the forage dries off with molasses-based liquid supplement Molafos."

Choosing the market

The Apelts send finished cattle for processing as milk-tooth cattle with a 520–600kg live weight to supply Coles or Woolworths.

"More recently, we have been targeting the feeder market with our cattle, due to current market conditions."

Selecting and managing for results

Choosing the right genetics is important to the Apelt's strategy for producing high eating quality beef.

"When buying bulls, we look for high intramuscular fat and a reasonable eye muscle area (EMA), in addition to other traits."

"Temperament and best practice livestock management are priorities for the business to ensure healthy, high performing livestock."

The Apelts look to carcase data as a benchmarking tool in their business to ensure their cattle hit the MSA target.

Environmental sustainability

Through the environmental sustainability program, MLA places investments in innovations with economic value propositions for stewardship of environmental resources. This priority reflects the desire for MLA to invest in research, development and adoption activities demonstrating leadership in the management of land, water, waste, energy, biodiversity, climate variability and biosecurity.

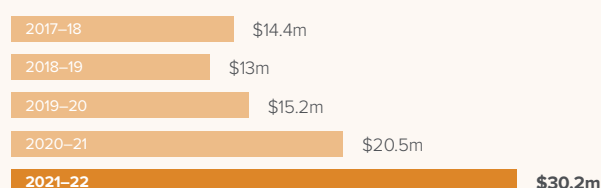
Red Meat 2030 priorities



MLA Strategic Plan 2025 strategic focus areas



Investment over time



Highlights

Carbon Neutral by 2030 (CN30) update

The Australian red meat and livestock industry has set the ambitious target to be carbon neutral by 2030 (CN30). This target means that by 2030, Australian beef, lamb and goat production, including lot feeding and meat processing, will make no net release of greenhouse gas (GHG) emissions into the atmosphere.

In an address to the Farm Writers' Association of NSW in April 2022, MLA Managing Director Jason Strong stated that the red meat industry is on track to reach carbon neutrality by 2030.

In fact, the red meat and livestock industry has made the greatest reduction of any sector in the Australian economy by reducing our emissions by almost 60% since 2005. Our industry currently contributes around 10% of Australia's GHG emissions, with the remainder coming mostly from the transport and electricity sectors.

MLA is aiming to reduce greenhouse gas emissions by a further 5% by 2025, with an associated 20% improvement in livestock productivity. In addition, MLA aims to store another 15 million tonnes of CO₂ within 10 million hectares of Australian grazing land within the next three years.

Emissions Avoidance Partnership and Carbon Storage Partnership

In 2021–22, MLA officially commenced projects relating to two key investments in the Emissions Avoidance Partnership and the Carbon Storage Partnership:

Emissions Avoidance Partnership (EAP)

The EAP is a partnership which aims for 10% improvement in livestock productivity and 50% reduction in enteric methane emissions in 5% of the herd and flock by 2025, through research and adoption of feed additives/supplements, additive delivery mechanisms, forages, genetics and supporting tools.

This equates to a reduction of approximately 3.1 million

tonnes CO₂e or 5% of industry's total emissions by 2025.

Carbon Storage Partnership (CSP)

The CSP is a partnership which aims for 10% improvement in livestock productivity in 5% of the herd and flock, and the equivalent of 15 million tonnes of CO₂ stored within 10 million ha of Australian grazing land by 2025, through research and adoption of products and practices resulting in increased carbon storage in production lands.

Storage of 15 million tonnes of CO₂e by 2025, combined with emissions reductions, will bring the Australian red meat industry's net emissions to approximately 45 million tonnes CO₂e by mid-decade – or a 67% cut in emissions since 2005 (based on rolling average herd and flock numbers).

Sustainability Frameworks updates

Australian Beef Sustainability Framework

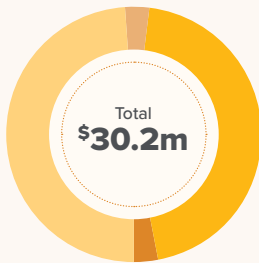
The Australian Beef Sustainability Framework (ABSF) was developed by the Australian beef industry to meet the changing expectations of customers, consumers, investors, and other external stakeholders, and is now a commitment of the industry's transparent, sustainable pathway of best practice. This is achieved by identifying opportunities for the beef industry to improve and showcase its sustainability credentials, through tracking performance against industry priorities.

The ABSF comprises of four themes – animal welfare, economic resilience, environmental stewardship, and people and community, with 24 identified priority areas. For each priority, key indicators are used to track progress.

In May 2022, Australian Beef Sustainability Framework (ABSF) Sustainability Steering Group (SSG) Chair, Mark Davie, urged the nation's beef sector to address vegetation management in a way similar to MLA's CN30 initiative. According to the ABSF, this could demonstrate environmental performance more powerfully and showcase the link between active grazing land management and positive sustainability outcomes.

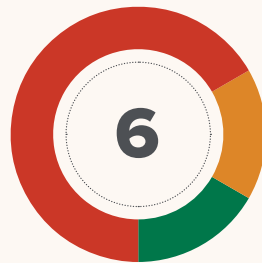


2021–22 investment by funding source



- Producer levies **\$0.9m**
- Government funding **\$13.6m**
- Processor contributions **\$0.9m**
- Other sources **\$14.8m**

Key performance indicators



- 1 achieved
- 1 partially achieved
- 4 not achieved

See Appendix A for a full list of KPIs.

Accountability at heart of AACo's sustainability commitment

As the nation's largest integrated beef producer – managing 383,000 head across 6.4 million ha in Queensland and the NT – the Australian Agricultural Company (AACo) has leveraged its position to become a leading voice in the sustainability story.

AACo released its Sustainability Framework, centred around three pillars:

- 1. Reimagining agriculture:** with a focus on the future of food, new approaches to landscapes and animal health and welfare.
- 2. Valuing nature:** encompassing climate action, regenerating nature and pursuing circularity.
- 3. Thriving communities:** involving valuing people, creating resilient communities and strengthening First Nations Partnerships.

Underpinning AACo's Framework are practical strategies, allowing sustainability and productivity to go hand-in-hand:

Management informed by nature

AACo is working with Accounting for Nature to develop a certifiable, evidence-based framework to facilitate environmental condition accounting. The Accounting for Nature framework will be used to measure and report on the condition of AACo's natural capital, including biodiversity, across its land assets.

Certification to drive welfare improvements

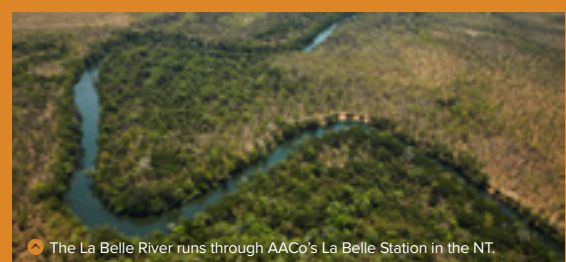
As part of AACo's commitment to animal welfare, it is looking at accreditation systems. It believes these can offer benefits such as market access and price premiums, as well as providing a framework to spur on performance improvement.

Efficient stocking

AACo has developed a Sustainable Stocking Model. This model is underpinned by a sustainable grazing system which aims to prioritise efficiency and productivity and strengthens its properties' climate resilience.

Practical ways this is achieved include:

- Cattle are moved less and with purpose, saving resources and limiting stress on the herd.
- Static stocking numbers in breeder herds are closely aligned to long-term carrying capacity to prevent over-grazing and landscape degradation.
- Regenerative grazing strategies provide pasture rest cycles, protect perennial ground cover, increase productivity and reduce operational costs.



The La Belle River runs through AACo's La Belle Station in the NT.

This year also saw increased attention towards biosecurity. In its 2022 *Annual Update*, the ABSF reported 83 per cent of Australian cattle producers under the Livestock Production Assurance Program (LPA) were covered by a documented biosecurity plan.

With the emergence of human and animal diseases in Southeast Asia, biosecurity will continue to be a central priority for the ABSF.

Australian Sheep Sustainability Framework

The Australian Sheep Sustainability Framework defines sustainable sheep production in Australia, prioritises industry issues and measures industry performance against relevant indicators.

With a focus on embedding the alignment of animal care, environmental, economic and social themes across the value chain, the Framework has developed a strategic plan and annual implementation plans for FY22–FY24. This focus will ensure that the Framework addresses stakeholder needs, delivers sound reporting and continuously improves its operation.

In 2022, the Sheep Sustainability Framework announced the appointment of Dr Scott Williams as Chair and four new members of the Sustainability Steering Group (SSG). Dr Williams, who has more than 30 years' experience in animal health, biosecurity, animal welfare, facilitation, strategic planning, corporate governance and the broader agriculture sector, will build on the important foundational work being done in bringing the sustainability framework into effect.

Three research projects were also launched to help track the sheep industry progress. This includes a focus on emissions intensity via the Lifecycle Analysis (LCA) project, which will assess and identify new measures and pathways towards low greenhouse gas wool and sheepmeat.

The other projects concern animal health and welfare (one of the most critical issues in the Australian sheep industry) and soil health through the Sheep Grazing Groundcover Mapping project, which will further develop Framework reporting via technology currently available to Australian sheep producers.

Feedlot

The feedlot program addresses the specific research, development and adoption requirements of the beef feedlot sector.

The key undertaking of the program is implementation of initiatives to enable the Australian feedlot industry to be world-leaders in animal health, welfare, sustainability and production practices.

Red Meat 2030 priorities



MLA Strategic Plan 2025 strategic focus areas



Investment over time



Highlights

Bovine respiratory disease (BRD) research update

MLA's feedlot program has a large focus on preventative, diagnostic and extension measures for minimising the impact of bovine respiratory disease (BRD). These measures include:

- development of new vaccines
- improving diagnostic technologies
- updating the *Bovine Respiratory Disease Preventative Practices* handbook for industry.

Here's an overview of the work completed on BRD in 2021–22:

Autogenous vaccine evaluation

Autogenous vaccines are custom vaccines produced from bacteria isolated from animals at the source feedlot to stimulate immunity against those strains included in the vaccine.

MLA joined forces with the University of Adelaide's Associate Professor Kiro Petrovski and Apiam Animal Health's Dr Tony Batterham, to evaluate if autogenous vaccines approved by the Australian Pesticides and Veterinary Medicines Authority (APVMA) confer additional protection from BRD, leading to:

- improved health and welfare
- reduced antimicrobial treatments
- increased profitability.

Current work is determining which sites the trial will commence at and identifying vaccine strain candidates. Regular surveillance and testing of specimens throughout the project will occur.

Based out of Quirindi in north-west NSW, the upcoming study promises exciting news for beef feedlot operators and possibly other beef producers who can utilise the technology.

The project aims to provide an additional preventative control measure for BRD in beef feedlots, using autogenous vaccines approved by the APVMA.

This will allow easy access to additional tools to mitigate BRD's impact on the Australian beef sector.

The vaccines are tailor-made to each feedlot site who are providing source material, however they require ongoing surveillance of the bacterial pathogens operating.

Emerging diagnostic technologies

Alongside vaccines, diagnostic technologies are an essential way to minimise and prevent BRD in feedlot cattle.

An ongoing project between MLA and Charles Sturt University led by Professor Jane Quinn, through the Gulbali Institute of Agriculture, Water and Environment, in collaboration with NSW Department of Primary Industries, is looking to quantify the cost of disease in feedlots including losses associated with carcasses condemned with BRD.

The project uses quantitative real-time polymerase chain reaction (qPCR)-based diagnostic methods to identify a range of pathogens related to BRD, within the same day, allowing this to be used for whole mob decision making.

Diagnostic tests undertaken so far, are showing a quantitative concentration of potential pathogens in an animal.

The technology development, led by Dr Ian Marsh at the Elizabeth Macarthur Agricultural Institute, is now in the final stages of testing. The project is now undertaking an economic analysis and intervention modelling to understand how the tests can be practically incorporated into a commercial feedlot.

Bovine respiratory disease preventative practices handbook

In 2016, MLA published the *Evaluation of practices used to reduce the incidence of bovine respiratory disease in Australian feedlots*. In 2021, MLA worked with Dr Paul Cusack at Australian Livestock Production Services (ALPS) to develop an updated handbook for the industry.

The updated handbook contains new information relating to environmental, animal and management factors that affect the incidence of BRD in lot fed cattle published between 2016–2021.

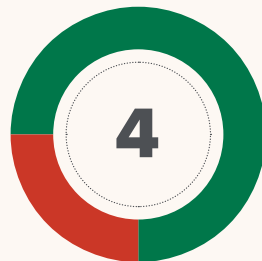


2021–22 investment by funding source



- Producer levies **\$2.1m**
- Government funding **\$2.9m**
- Other sources **\$1.2m**

Key performance indicators



- 3** achieved
- 1** not achieved

See Appendix A for a full list of KPIs.

Since the initial document was written, various new developments in peer reviewed literature and industry best practice have emerged which have been captured in the updated version. Despite the deeply technical nature of the information contained in the handbook, it can make a significant difference to producers and their cattle and businesses.

The updated handbook is now available on the MLA website.

Reducing methane emissions by up to 90% through feed additives

In 2021, the use of the feed additive Bovaer® (3-NOP) was evaluated as part of an MLA-funded project on reducing enteric methane emissions in Australian feedlot operations. The additive was found to reduce methane production by up to 90%.

The trial, which tested Bovaer® at different inclusion rates, was completed at the University of New England and is linked to the Australian red meat industry’s target to be carbon neutral by 2030.

A total of 20 Angus Steers were provided with different rates of Bovaer®, ranging from 0.5g up to 1.25g a day over 112 days in a typical Australian feedlot finisher ration.

At the lowest rate, a methane reduction for the total feeding period of 58% was observed, and at the optimal inclusion rate, methane emissions reduced by 79%. When steers were fed the high concentrate finisher diet, emissions reductions of over 90% were observed.

Steers in the study had average daily gain and feed conversion ratios in line with industry expectations, with Bovaer® treatment steers performing as ‘good or better’ than control steers in these performance parameters.

DSM, the company that developed the feed additive, is preparing for launch in Australia. The Australian lot feeding sector will be one of the first markets globally to have access to Bovaer®.

Bunk scanner up to the job

Using a bunk scanner commercialised by MLA and Manabotix, Bovine Dynamics managed a feed bunk management trial in a commercial feedlot in the Darling Downs in Queensland.

Custom algorithms were implemented based on scanner information, feed consumption history, and weather data. Over seven weeks, 5,500 cattle were inducted and randomised across three different bunk management treatments:

- the conventional (control) method, reliant on bunk callers
- a semi-automated method, where bunk scanning data was used by bunk callers to make feed allocation decisions
- a fully automated method, combining bunk scanning and automated feed allocation.

The automated systems were shown to perform as well as conventional methods whilst offering greater accuracy in determining the amount of feed consumed and improving consistency in feed allocations.

Research Project Officer at Bovine Dynamics, Sam Platts, said the outcomes showed that both automated methods performed just as well as highly trained callers.

“What we concluded was that there was no difference between the semi- and fully-automated system compared to the highly trained bunk caller in achieving cattle daily gain, feed conversion ratio and exit weights” he said.

This is good news for feedlot operators, offering a precise and reliable tool to enhance decision making and feed bunk management.

“Where the system is now, it will provide management and bunk callers with a really good decision support tool which eases the pressure and potentially reduces those areas where we see human errors,” Sam said.

“Providing staff with better information allows them to better achieve the goals that management has set, keeping feed intake high and consistent.”

The technology is now available for lot feeders and the Bunk Scanner system is already in use at several Darling Downs feedlots.



Integrity systems

MLA's integrity systems program assists MLA to foster the prosperity of the Australian red meat and livestock industry by helping to protect its disease-free status and underpinning the marketing of Australian product as clean, safe and traceable. It also helps Australia capture price premiums from customers and consumers willing to pay more for higher levels of product assurance.

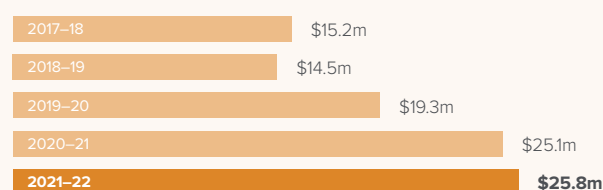
Red Meat 2030 priorities



MLA Strategic Plan 2025 strategic focus areas



Investment over time



Highlights

Digital consignment adoption

Use of the electronic National Vendor Declaration (eNVD) system to generate digital livestock consignments has continued to grow in 2021–22, with ISC working on feature enhancements to assist further adoption.

The eNVD is a suite of digital technologies supporting end-to-end digital transfer of livestock consignments that will improve the integrity system's efficiency and accuracy. Key documentation that is part of digital consignments includes:

- Livestock Production Assurance (LPA) NVDs
- Meat Standards Australia Vendor Declarations
- National Health Declarations
- National Feedlot Accreditation Scheme forms.

ISC is working with industry supply chain partners through a comprehensive consultation and adoption plan to fast-track industry's transition to paperless consignments. This will help to ensure the integrity system is easy to use, valued and trusted. The eNVD platform offers a host of benefits across the value chain including simplified audits due to fast online availability, reducing errors and increasing labour efficiencies.



A new feature is in development that will allow the transfer of a consignment from a producer's mobile device to their transporter – without internet connectivity – removing the need for hard copy declarations. This new feature has passed initial rounds of user testing, with its release set to assist in uptake of digital consignments along the entire supply chain.

Enabling data flow between agricultural industries

ISC is continuing to invest in the Australian AgriFood Data Exchange (AusAgDX) alongside other industry stakeholders and federal and state governments.

AusAgDX will create transformational market opportunities for Australian products and is a key strategy for the Australian Government's 2030 \$100 billion farmgate target, as well as MLA's *Strategic Plan 2025* and ISC's *2025 and Beyond Strategic Plan*.

The investment will result in a trusted platform for data sharing, controlled by and used across all Australian agricultural industries, to improve practices, market access, biosecurity and traceability.

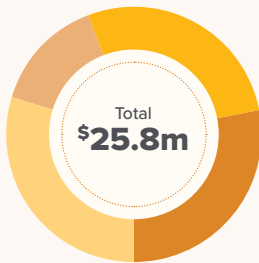
The AusAgDX business plan is in the final stage of development. The plan will inform investment and policies as well as target value propositions for stakeholders in terms of its operating model, ownership structure, market regulations, engagement and strategies for sourcing solutions.

In March 2022, a virtual demonstration day was held to share technology that will enhance the data exchange. This activity provided confidence for stakeholders to invest \$2.95 million in the project's ongoing development.

Following the finalisation of the business plan, further funding will be sourced to build the infrastructure needed to drive digital exchange across agricultural industries.

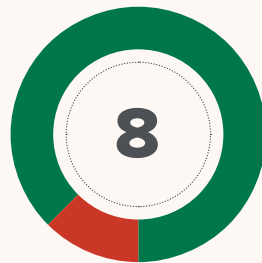


2021–22 investment by funding source



- Producer levies \$7.2m
- Government funding \$7.2m
- Processor contributions \$3.7m
- Other sources \$7.7m

Key performance indicators



- 7 achieved
 - 1 not achieved
- See Appendix A for a full list of KPIs.

By maintaining high levels of trust from consumers and trading partners, Australia’s red meat industry can continue to be a preferred supplier of beef, lamb and goat globally.

Benchmarking Australia’s integrity globally

ISC has undertaken two research projects to understand consumer perceptions of Australia’s red meat integrity systems, with the goal of determining our position in the global space.

The consumer research found:

- trust and awareness of Australian red meat integrity is high across key markets
- consumer red meat perceptions and choices are driven by quality and safety, as assured by our integrity systems
- Australian red meat products can be guaranteed as safe and high quality due to lifetime traceability, reassuring retailers, consumers and trade partners.

This comparison of red meat integrity found that ISC’s framework remains at the global forefront. However, it is vital for ISC to continue implementing ISC’s *2025 and Beyond Strategic Plan* to retain this prime position, as other countries are simultaneously enhancing their systems and processes.

By maintaining high levels of trust from consumers and trading partners, Australia’s red meat industry can continue to be a preferred supplier of beef, lamb and goat globally.

Cost savings with digital consignments

After many years of using the paper method of completing National Vendor Declarations (NVDs), the final push for NSW sheep producer Jenny Bradley’s move to digital was a desire to reduce costs.

“When the price of the NVD books went up, I thought that I’d better change to electronic NVDs – they were free, and I wanted to keep costs down.

“However, while that was the reasoning then, it was the best change I’ve ever made. It was the final push for me and it is simply so much better,” Jenny said.

Jenny runs Merino ewes and maternal Border Leicester sires and produces more than 2,000 lambs per year. With substantial production, Jenny appreciates the integrity of the Livestock Production Assurance (LPA) program.

“I’m fully LPA-accredited. There was one point where I reaccredited three times in six years, just to make sure I was up to date! We’re also regularly using eNVDs during our lamb turnover season, so between January and May.”

“I’m currently showing my husband and son how to use the eNVD because the only time I use paper now is in emergencies, and even then, that’s a rare occasion.”

Jenny takes pride in the health and quality of her flock, with her accreditation and performance records covering Meat Standards Australia (MSA) for her lamb sales and LAMBPLAN to support her seedstock rams.

“I’m also MSA-accredited, and the eNVDs just make it so easy. You can populate all your information, but only fill out the bare necessities.

“More than that, keeping track of records can be difficult with books and paper, so it really helps keep everything up-to-date and in the one spot.

“It’s easy, it’s efficient and there’s nothing that would make me go back to paper permanently.”



NSW sheep producer Jenny Bradley.

Objective measurement

Objective measurement of livestock and carcase attributes is an essential enabler for industry to improve grading accuracy, transparency and enable value-based marketing (VBM) that underpins the industry's *Red Meat 2030* goal to double the value of Australian red meat sales as the trusted source of the highest quality protein. These include unlocking decisions informed through data measurements across key traits to describe carcase value, such as lean meat yield, eating quality, health attributes and sensing to drive meat-cutting automation.

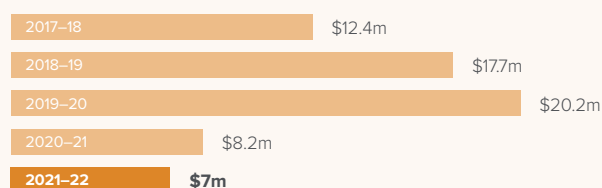
Red Meat 2030 priorities



MLA Strategic Plan 2025 strategic focus areas



Investment over time



Game changing investment in carcase grading technologies

MLA helped fund the development of three new objective carcase grading devices which have been given the conditional tick of approval for commercial use in the red meat supply chain.

Working alongside industry partners, MLA has invested over \$21 million since 2015 in objective carcase grading-related research and development. The AUS-MEAT accreditation is an important next step in the adoption of the technology in a commercial setting which will drive value through the supply chain and back to the farm gate.

The technologies include:

- MEQ probe for beef and lamb – utilising spectral analysis to predict marble score in hot beef carcasses and intramuscular fat percentage (IMF%) in hot lamb carcasses; marble score and IMF% are key components of eating quality.
- MasterBeef camera – a smartphone camera-based assessment technology developed in central Queensland that captures carcase grading site images.
- Frontmatec digital camera – assesses MSA marbling, AUS-MEAT marbling, eye muscle area and fat colour.



The MEQ probe for beef and lamb.

These technologies can improve current beef and lamb grading and enable new grading options to improve processing and carcase fabrication efficiency and will benefit producers to processors as well as foodservice and consumers.

The MLA-backed MEQ Probe is currently the only technology that can accurately predict both intramuscular fat (IMF) in lamb, and MSA marbling in beef, prior to chilling. It's used in hot lamb and beef carcasses, while other technologies are currently restricted to chilled carcasses only.

Being able to predict marbling in hot carcasses will provide efficiencies in carcase grading and market allocation; and may also enable cost savings on energy and chiller space.

The MasterBeef camera and Frontmatec digital cameras offer a more automated method for processors to grade carcasses. This increases consistency and repeatability of grading accuracy for processors, which is essential with slaughter numbers increasing following solid seasonal conditions over the last two to three years.

The camera technologies allow for consistent grading across separate processing facilities therefore, from north Queensland to Tasmania, the reliability of the grading is consistent.

Continuous improvement in the quality of grading is beneficial for producers considering the growing appetite for premium beef products by Australian consumers.

DEXA update

With six DEXA systems now installed and calibrated, approximately half of Australia's annual lamb slaughter is being measured for Lean Meat Yield (LMY), with LMY data now starting to flow to producers. This feedback, when combined with eating quality measurements, will allow producers to improve the value of their animals, as well as supporting value-based pricing systems for lamb.



2021–22 investment by funding source



Producer levies	\$0.5m
Government funding	\$2.9m
Processor contributions	\$0.3m
Other sources	\$3.3m

Key performance indicators



4 achieved
See Appendix A for a full list of KPIs.

The adoption of DEXA technology in automation is being used to reduce red meat processing costs by helping to facilitate the adoption of robotic processing in Australian abattoirs. A modified DEXA has also been developed for the beef boning automation program.

In 2020 and 2021, improvements were made to DEXA technology to separate the whole carcass into fore, middle and hindquarter LMY measurements. This will help maximise carcass value through optimised allocation of carcasses against customer specifications.

ALMTech I and II

MLA has continued to support the development of objective measurement technologies through the Advanced Livestock Measurement Technologies (ALMTech) programs I and II in 2021–22.

The programs are expected to generate as much as \$510 million by 2040 for Australia's beef, lamb and pork industries through producing technologies that support the accurate objective measurement of meat quality and quantity.

Program highlights from 2021–22:

- **Microwave fat depth measurement:** The first commercial prototype microwave scanner is currently being tested across a selection of lamb and beef abattoirs.
- **Beef eating quality grading technologies:** A series of experiments have been undertaken to facilitate the calibration and successful accreditation of technologies to measure AUS-MEAT and MSA rib-eye traits.
- **Lamb carcass optimisation:** A tactical optimiser tool that uses carcass measurements, including DEXA Lean Meat Yield, to optimise the allocation of carcasses to their most profitable market was developed.
- **Enhanced Australian Sheep Breeding Values (ASBVs):** Enhancements to ASBVs are helping to develop the capacity to integrate intramuscular fat (IMF) measures from MEQ and lean meat yield measures from DEXA into the Sheep Genetics database.

World-leading lamb measurement technologies



● Gundagai Meat Processors Chief Executive Officer Will Barton (on right) takes sheep producers Hamish Dickson and Isabele Roberts and MLA Managing Director Jason Strong on a tour of the processing plant. Image: Brett Naseby Creative.

World-leading objective measurement technologies in lamb were on show at an event hosted by Gundagai Meat Processors (GMP) in Gundagai, NSW in early 2022.

GMP has been working in partnership with MLA to enable the objective measurement, sortation and future grading of lamb carcasses under the new MSA cuts-based model.

Guests could see the technology – which can measure lean meat yield and intramuscular fat (IMF) of lamb – in action on the day. In addition to hot carcass weight, these measurements can then be input into the new MSA model for sheepmeat, which will predict the eating quality of nine cut by cook method outcomes (grill and roast) for each carcass.

These technologies enable the development of value-based payment systems based on eating quality, leanness and other attributes desired by consumers.

Feedback provided to producers based on these technologies can be used to incentivise continual on-farm improvements in lamb production, ensuring greater compliance and a greater ability to consistently meet market specifications.

The technologies on show included:

- Dual Energy X-Ray Absorptiometry (DEXA) – an objective measurement tool to assess lean meat yield, bone and fat composition of each carcass.
- MEQ Probe – a needle probe which uses spectral imaging to measure the amount of intramuscular fat in lamb carcasses.
- MSA grading – uses hot carcass weight, lean meat yield and intramuscular fat to predict a quality score for nine 'cut by cook' methods for each carcass.
- Health 4 Wealth – a standardised approach to the collection and feedback of animal disease and defect data to producers.
- Radio frequency identification – involving hook tracking of processing gambrels which are read to provide individual carcass tracking and sortation.

Producer adoption

The producer adoption program provides the vehicle to convey the productivity messages and findings from MLA's latest research and development investments to red meat producers with the aim of ultimately improving productivity in livestock farming businesses. The program engages producers in large scale awareness events, capability building and practice change projects that lead to productivity outcomes as a result of the adoption of R&D. The outcomes are evaluated to determine program level impact.

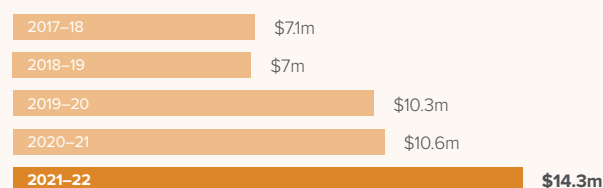
Red Meat 2030 priorities



MLA Strategic Plan 2025 strategic focus areas



Investment over time



Highlights

Adoption programs drive on-farm gains

MLA's producer adoption program encourages producers to implement best practice management on-farm, informed by the latest research and development.

MLA's Profitable Grazing Systems (PGS) and Producer Demonstration Sites (PDS) are two of the flagship adoption programs.

In 2022, the PDS program engaged 1,084 producers managing a total of 3.5 million sheep and 140,000 cattle over 2.7 million hectares, providing an annual net benefit of \$6/ha to each producer engaged.

Meanwhile, the PGS program provided an annual net benefit of \$18/ha to the 215 producers it engaged, impacting a total of 950,000 cattle, 400,000 sheep and 11 goats over 15.9 million hectares.

Overall, in 2022 to date, 6,240 producers participated in MLA's adoption programs, with 8.3 million hectares, 4.4 million cattle, 11 million sheep and 198,000 goats being positively impacted by practice change programs rolled out by MLA.

Producers who participated in MLA adoption programs between 2015 and 2022 received an annual net benefit of \$54.6 million during 2022 to 30 June. On average, participating producers rated their satisfaction with MLA's practice change programs as 8.3 out of 10.

MLA's third annual *Producer Adoption Outcomes Report* will be released in late October 2022 and will provide a full overview of the impact of MLA's investments in producer adoption.

BeefUp and MeatUp forums

BeefUp and MeatUp forums are two MLA-driven events which are keeping producers up to date with the latest on-farm research, best management practices and technologies relevant to their region.

Six BeefUp forums have been held over the past year in Cloncurry, Newman, Broome, Georgetown, Goondiwindi



and Alice Springs, with 393 total attendees. Covering topics such as land management, beef genetics, carbon farming opportunities and reproductive performance, over 98% of attendees reported that they learnt something new.

Meanwhile, four MeatUp forums for southern beef, sheep and goat producers have been held in 2022 in Perth, Dubbo, Longreach and Naracoorte. The workshops attracted 350 attendees in total and covered topics including incorporating technology on-farm, boosting productivity with genetics and increasing business resilience.

Seventy-one percent of producers who attended the workshops indicated they would implement practice changes on-farm as a result of the forums, with attendees rating their satisfaction with the event at an average of 8.6 out of 10.

Regional consultation

MLA's Regional Consultation Framework provides a way for producers to have their say on what research, development and adoption (RD&A) investments should be made using grassfed cattle and sheepmeat levies. The aim of the Framework is to drive nationally

2021–22 investment by funding source



■ Producer levies **\$6.1m**
■ Government funding **\$5.5m**
■ Other sources **\$2.7m**

Key performance indicators



■ **2** achieved
See Appendix A for a full list of KPIs.

and regionally relevant investment that delivers optimum value back to producers and industry.

At present, the Framework is guided by 19 regional producer committees across northern, southern and western production regions, operating under the following three Research Advisory Councils (RACs):

- the North Australia Beef Research Council (NABRC)
- the Southern Australia Livestock Research Council (SALRC)
- the Western Australia Livestock Research Council (WALRC).

The Red Meat Panel provides strategic oversight of this process, which to date has guided the investment of around \$52 million dollars in almost 70 RD&A projects set to advance industry.

In 2022, face-to-face meetings resumed with the Framework's councils and committees, with a total of 42 meetings held this year to shape MLA research and development priorities for the next two years. This included producers' priorities for Producer Demonstration Site (PDS) projects to drive sustainability, productivity and profitability on-farm.

A new flexible investment call process has also been finalised following a series of 11 workshops with the Red Meat Panel to develop the process, which will be trialled in 2022–23.

The toolbox – training courses for producers

As MLA's free, one-stop shop for training courses, tips, tools and calculators, 'The toolbox' provides producers with an easy, practical way to boost skills and knowledge across topics including:

- animal health and welfare
- genetics
- beef production and productivity
- healthy soils and pastures.

Over the past year, 944 users have accessed help from 'The toolbox', with 84% of overall users indicating the modules they completed provided value to them relevant to their work within the red meat industry.



Producers band together to boost productivity

A PDS delivered by the MacKillop Farm Management Group (MFMG) is boosting heifer reproduction from weaning to second calving for more than 18,000 breeding cows across the Limestone Coast region of SA.

PDS Project Facilitator and consultant, Elke Hocking, said the project came about after a survey conducted with MLA Livestock Consulting Intern, Emma Peters, revealed strong interest in the initiative.

"We rang 15 producers across the Limestone Coast region, who indicated there was a large gap in beef extension and adoption services there and that they were eager to conduct a PDS to address common issues impacting animal health and reproduction in the region," Elke said.

"We put together a preliminary application for the project with MFMG and after it was accepted by MLA, we then worked with the participating producers to get consensus on the project's focus before submitting our final application for the PDS."

Project productivity

Now in its second year of operation, the project is successfully supporting 19 beef businesses to develop best practice management skills for reducing reproductive losses while boosting cattle herd health, welfare and profitability.

"We've collected baseline reproduction data from producers and we're now conducting sessions to help producers adopt best practice management systems for optimum reproductive performance.

"This year, we'll be collecting reproductive data from participating producers' heifers and discussing what they're observing, as well as how they're applying what they've learnt in the first year to improve their heifer reproduction rates and get set up for the subsequent joining."

Learning for life

Elke recommends producer groups interested in finding new ways to improve their enterprise consider applying to undertake a PDS, with the program's peer-to-peer learning and skill development proving invaluable to her group.

"Producers appreciate having technical experts delivering sessions, but they really value getting out onto other people's properties and seeing how other producers manage their enterprises."

MLA calls for new Producer Demonstration Site projects annually, with the next round of preliminary applications opening April 2023.



📍 The MFMG PDS group watches on during a practical session held in the cattle yards of one of the project's host properties.

Product and packaging innovation

MLA's product and packaging innovation program explores new products and occasions, packaging and business model innovations to transform commodity red meat (and its components) into higher valued solutions.

It supports the industry's *Red Meat 2030* goal to double the value of Australian red meat sales as the trusted source of the highest quality protein by identifying and understanding consumer segments and preferences and capturing high value opportunities through new product concepts and innovations.

By evolving from commodity meat trading to more value-adding, this program also contributes to changing the diversity of people in our industry with subject matter experts from adjacent sectors to the meat industry innovating and making it a more inclusive place to work.

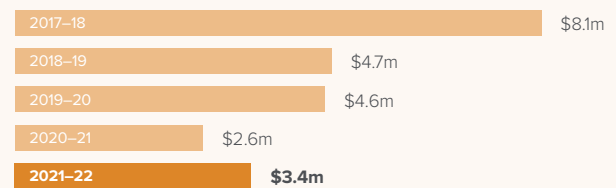
Red Meat 2030 priorities



MLA Strategic Plan 2025 strategic focus areas



Investment over time



Highlights

Expanding into new markets with low value red meat products

Gaining a better understanding of the value-adding opportunities within the “low value” areas of the red meat value chain continued to be a key investment focus for MLA in 2021–22.

Previous research with businesses like NXGEN Wholefoods has identified the significant value-adding opportunity that exists in harvesting certain red meat organs, glands and glandules. By understanding and exploring different market opportunities for typically low value products, value multipliers of up to eight times can be realised when compared with existing pathways. MLA's Market Insights team is now working to identify the breadth and depth of these “nutraceutical” products in international markets.

Significant work is also underway with multiple technology providers that are investigating new ways to more sustainably harvest collagen from bovine hides and ovine skins. While there's an existing market for premium hides and skins, there has not been a significantly profitable pathway for damaged or inferior quality hides and skins. The next 12 months will see Australian bovine and ovine collagen products being made available in international markets and consumer evaluations will be made in order to assess the demand for Australian collagen products in these markets.

Sharing the learnings and insights from these investments can create new markets for Australian red meat products that had not previously been considered.

New shelf life calculator

When chilled meat is transported by road, sea or air, it has a limited shelf life which is greatly affected by temperature. Often, we have no knowledge of the temperature once the product has left the cold store. This means a product can arrive at its destination unable to be sold due to spoiling, or customers complain about poor quality due to temperature

abuse. In these cases, the industry cannot defend itself or correct the problem because we have limited visibility of storage conditions during shipment or handling after arrival.

MLA has funded a University of Tasmania (UTAS) project to develop a shelf life calculator, which can interpret data from real-time temperature trackers (which also record the product's location) to provide an immediate report on the effect of the temperature on product shelf life. This system provides visibility of the whole cold chain never seen before.

In 2021–22, the Australian Food Cold Chain Council estimated that waste in red meat supply chains caused by poor temperature management costs industry \$160m/year. In MLA's work with supply chains, some exporters have reduced temperature abuse claims by 95%; a whole container could potentially be discarded valued at over \$150,000. Export customers who use the calculator and improved their temperature control have reported two to three weeks increase in shelf life.

Thanks to the shelf life calculator, more high quality red meat products are now available for sale and customers are having a better experience when purchasing Australian products.



IXON Food Technologies ASAP packaging technology can preserve meat for up to two years. (Credit IXON Food Technologies)



2021–22 investment by funding source



- Producer levies **\$0.3m**
- Government funding **\$1.6m**
- Processor contributions **\$0.1m**
- Other sources **\$1.4m**

Key performance indicators



- 3** achieved
 - 1** not achieved
- See Appendix A for a full list of KPIs.

Technologies that could improve market access and reduce freight costs

Maintaining a stringent chilled supply chain has always been essential in preserving red meat quality and maintaining market share, particularly for export markets.

Emerging technology in ‘ambient supply chain solutions’ has the potential to help the Australian red meat industry expand into markets currently challenged due to lack of access to chilled supply networks.

Engaging with companies pioneering this game-changing technology will increase the value of Australian red meat and dramatically widen its market reach. Chilled supply chains would be replaced by supply chain solutions that are easier to access, cheaper to serve, and deliver a powerful sustainability message with important energy savings.

In five years, over \$20 million has been raised by three companies leading this area of development:

1. Farther Farms are applying Supercritical fluids under a patented process to preserve foods and utilises carbon dioxide operating above its critical point. Farther Farms’ high quality, shelf-stable foods reduce the reliance on cold storage infrastructure, expanding food accessibility and improving long-term supply chain sustainability.
2. IXON Technologies developed ASAP, an Advanced Sous-vide Aseptic Packaging processing technology that under lab conditions claims to achieve ambient storage of meat portions for up to two years.
3. 915 Labs developed MATS – Microwave Assisted Thermal Sterilisation. Developed in the USA and FDA approved, the process simultaneously immerses packaged foods in water and heats them with microwave energy at 915 megahertz. This rapidly eliminates pathogens and spoilage bacteria whilst claiming to retain valuable nutrients.

MLA is currently investigating the viability of these exciting technologies that may result in significantly reduced freight costs for Australian red meat distribution, as well as accessing markets with traditionally poor chilled supply chains.

Beef liver capsules boosting health outcomes

The results of a recent MLA project done in partnership with NXGEN Wholefoods have shown the marked health benefits from taking beef liver capsules derived from organic beef produced in central Australia’s Channel Country.



The project involved beef cattle grazing on over 240 native grasses present in the region, with cattle being processed to create organic beef liver, which was then freeze dried to make a desiccated powder to use in the capsules. Capsules were trialled by health store customers with reviews showing positive feedback for the product’s organic origins and nutritious content.

Well-known as being one of the most nutrient-dense superfoods on offer, organic beef liver contains 20 protein amino acids and a host of vitamins and minerals ideal for boosting protein levels and improving skin, blood and eye health. Athletes needing to increase protein levels to improve muscle development and strength have shown particular interest in beef liver capsules for these purposes, as well as those deficient in vitamin A, essential for skin and eye health.

Widespread interest in the organic origins and health benefits of these capsules has resulted in recent increased demand for beef liver capsules in Australia, with sales of capsules exceeding \$500,000/year.

However, most beef liver products currently being sold are imported into Australia from countries such as the US, due to a lack of Australian-made products in the market. According to the project findings, production of organic beef liver capsules sourced from Australian cattle would not only meet emerging demand for these nutraceuticals but also boost the value of beef liver by 10 times or more. These profits would flow down the red meat supply chain right to producers, ensuring their healthy, nutritious red meat products attract ever-increasing value.

According to the project findings, production of organic beef liver capsules sourced from Australian cattle would not only meet emerging demand for these nutraceuticals but also boost the value of beef liver by 10 times or more.

Value chain information and efficiency

MLA's value chain information and efficiency program assists MLA to foster the prosperity of the Australian red meat and livestock industry by capturing and appropriately managing data for increased productivity, integrity, market access and consumer trust in the red meat value chain.

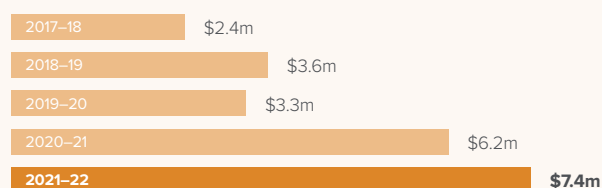
Red Meat 2030 priorities



MLA Strategic Plan 2025 strategic focus areas



Investment over time



Highlights

Discovery and planning into new feedback system commences

In alignment with the *Integrity System 2025 and Beyond Strategic Plan*, Integrity Systems Company (ISC) aims to revolutionise the way industry accesses combined data sources to provide valuable insights and enable better decision making.

Ten years ago, Livestock Data Link (LDL) was developed as a pilot web application to enable producers to make management decisions, informed by carcass compliance, to market specifications. Later expanded to capture animal disease and defect data, the system now assists producers to improve the quality and health of their livestock and decrease processor costs caused by carcass downgrades and meat and offal condemnations. LDL aims to add value through improved returns for higher quality products as well as productivity gains resulting from a reduction in disease incidence.

However, to provide even more effective data and insights to enhance decision making across the value chain, it's become necessary to transform LDL into a new system that will leverage improved technologies and ensure a seamless customer experience. A new system has the potential to revolutionise the way data is linked, accessed and analysed – a core priority for the meat and livestock industry.

This new system – 'Future Feedback' – is informed by research conducted to estimate the value of an enhanced feedback system. Through a recent survey, respondents from across the industry provided their insights on price grids and the benefits of aggregated data and information sharing. Results of the survey suggest between \$120–190 million/year net benefit could be realised by 2040, providing a total net benefit of approximately \$1 billion between 2020 and 2040, should the new system be successful.

With the insights obtained through research and discovery with industry and data owners, the 10 years of experience gained through LDL, and a comprehensive adoption plan in development, there is high confidence that a

new system, on updated infrastructure, will revolutionise the way producers and processors have access to data in one location from multiple sources. This combined data will help quantify lost opportunity costs and identify areas for improvement. It will include new sheepmeat fields and extended beef reporting sourced from:

- National Livestock Identification System (NLIS)
- Meat Standards Australia (MSA)
- animal disease and defect – including data supplied by Animal Health Australia (AHA)
- objective measurement
- Livestock Data Link (LDL) databases.

Enhancing animal disease reporting

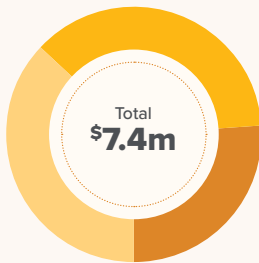
Managing livestock disease is part of running a sustainable grazing enterprise. However, the majority of the Australian red meat supply chain may not be aware of how much profit might be impacted by disease due to lost productivity, offal condemnations and reduced carcass quality.

Enhancing supply chain feedback is a key objective of Integrity Systems Company's (ISC) *Strategic Plan*. In line with the new Future Feedback system build, ISC is embarking on a journey to offer disease and defect data to more of the supply chain in a clear and concise manner. Improving the analytic reporting of animal disease and defect data collected by processors at ante- and post- mortem collection is an important component.

Disease and defect data that is linked to carcass quality provides an opportunity to communicate the impact of disease to producers, beyond trim and condemnations. Multiple research projects have shown the significant effect of disease and defects on carcass performance, affecting producer profitability. For example, hot carcass weight of animals diagnosed with liver fluke at processing are on average 5.4kg lighter. Information such as this could motivate producers to better control the (endemic) diseases and defects within their herds.



2021–22 investment by funding source



- Producer levies **\$1.9m**
- Government funding **\$2.7m**
- Other sources **\$2.8m**

Key performance indicators



- 2** achieved
- See Appendix A for a full list of KPIs.

Linking carcass quality data to external data sources — such as climatic and weather data — has potential to provide insights into the drivers of performance. Weather data (especially annual regional rainfall) has been demonstrated to influence carcass quality. The impact of weather can be direct (e.g. reduced rainfall resulting in reduced pasture growth and therefore slower growth) and indirect (e.g. a change to animal movements and sale) and can even extend to farming system (e.g. changing from finishing to breeding). The cause-and-effect relationship between weather and animal performance operates across multiple time scales and is linked to other drivers (such as economic conditions).



Improving animal disease and defect data reporting

In 2021–22, veterinary epidemiologist Dr Richard Shephard, Herd Health Pty Ltd, led research into improving the analytical reporting of animal disease and defect data collected by processors at ante- and post-mortem inspection.

The outcomes have directly informed the requirements for industry’s Future Feedback system development (page 32) and are an important component of enhancing feedback to producers. This information will enable producers to better understand the health of their herd and quantify costs associated with lost opportunities.

Here, Richard explains how these new insights can assist producers on-farm.

“For example, the negative effects of liver fluke on carcass weight, composition and MSA grade have been quantified and producers can now estimate the extra value they can obtain from their animals from improved investments,” Richard said.

The pilot study demonstrated the value of benchmarking carcasses in a simple way; one farm identified a problem with vaccination site reactions (resulting in trim).

“Once the vaccination issue was identified by the consistent moderate elevation in trim rates for the property, staff training was able to eliminate the problem.

“This shows the power of analytical reporting in directly improving outcomes for producers and livestock on-farm,” Richard said.

Enhancing animal disease reporting within Future Feedback will further inform supply chains and allow better business decisions by participants. It also informs investment in animal health, focusing on issues with greatest impact across research, development and adoption.

The project will enhance and expand current animal disease reporting capability by providing benchmarking, seasonal trends and identifying hot spots in the Australian red meat supply chain. Linkages between animal disease and defect data and other databases (such as weather) will now be expanded to explore associations and trends between external factors, eating quality and/or carcass compliance.

The linking of external data, such as meat inspection findings to carcass data within feedback reporting, will also bring demonstrable benefit for producers. It will do this by providing meaningful comparison of individual carcass and lot performance against peers.

Producers and processors can use this information to their advantage to optimise the control of disease within their herd. The relative performance of a consignment is, by nature, always new information.

“Relative performance measures are great motivators, as the desire to demonstrate best practice motivates many producers,” Richard said.

Productivity (off-farm)

The productivity (off-farm) program focuses on the development and adoption of supply chain technologies that deliver productivity benefits to the red meat value chain by reducing costs, improving yield, optimising production, improving feedback and transparency.

Improving supply chain productivity enhances Australia's global competitiveness and contributes towards the industry's *Red Meat 2030* goal of doubling the value of Australian red meat sales as the trusted source of the highest quality protein from these improved systems.

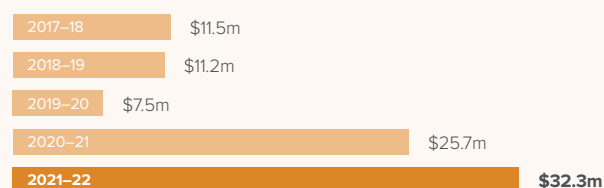
Red Meat 2030 priorities



MLA Strategic Plan 2025 strategic focus areas



Investment over time



Highlights

Lamb automation

This year, in partnership with MLA, Scott Automation & Robotics (Scott) made several significant upgrades to the LEAP III, IV and V automated primal, middle and forequarter boning systems for lamb processing. These upgrades included:

- upgrading LEAP V's forequarter integration arm to improve reliability and uptime
- upgrading LEAP V's forequarter lifter to improve clamping reliability and accuracy
- improving the stability and reliability of the DEXA carcass scanning stabilisation
- upgrading LEAP's automated lubrication system upgrade to boost reliability and uptime
- enhancing LEAP IV's eye of loin flap cut path identification and specification tolerance.

Collectively, these upgrades will boost the accuracy, throughput and mechanical reliability of lamb processing systems, while enabling processors to make improvements in carcass value that exceed \$7.70/head.

As well as these system upgrades, MLA and Scott are continuing work to roll out the LEAP III, IV and V systems in processing plants across Australasia, with the system now in operation in 14 plants across Australia and New Zealand.

Beef automation

Alongside industry partners Teys Australia, Scott and Greenleaf, MLA is working to develop the world's first automated beef boning plant, set to deliver more than \$20/head additional value to industry.

The Leap4Beef program aims to automate the more challenging tasks of beef boning by adapting models from the successful lamb boning automation process created through the LEAP system.

This work is being undertaken at a purpose-built



beef boning R&D facility at Teys Processing Plant in Rockhampton, Queensland, and includes developing automation modules for tasks such as:

- x-ray and CT scanning for bone cutting line features
- automated precise scribing of the carcass side
- bone-in primal breakup
- removal of the chine bone from striploins and cube rolls.

At the Teys Research and Development Room, two in-plant trials of beef automation advanced imaging vision system prototypes have now been completed as part of the project, alongside testing of automated processes for hindquarter boning, forequarter boning and cutting and scribing.

Once fully developed, the system will facilitate the processing of the beef carcass in three sections – hindquarter, middle and forequarter – via automated means, improving the yield, accuracy and overall efficiency of beef boning by significant margins.

With the cost per head of beef processing in Australia currently sitting more than 75% higher than that of Argentina's and 24% higher than that of the US, Leap4Beef systems are set to ensure the Australian beef supply chain can remain globally competitive in its productivity and efficiency.



Suiting up the supply chain

Reducing the risk of injury and improving productivity when completing manual tasks was the aim of a series of trials conducted by MLA to assess the benefits of manual assistance devices – also known as exoskeletons or cobotics – within the red meat supply chain.

Known as ‘SuitX’, the exoskeleton technology trialled was developed by BioSymm and provides the wearer with back and shoulder suits that support them in lifting and bending to reduce the risk of injury when completing these tasks.

As part of the trials, many manual tasks typically undertaken in processing plants and retail ready operations have been completed with the use of the manual assistance devices in seven processing plants and one retail-ready outlet. Some of these tasks included:

- loading trucks and containers
- palletising boxes and pallet wrapping
- reject packing
- stacking sheep skins
- boning room tasks such as blade boning
- slaughter floor tasks such as flanking
- de-bagging
- chiller hand work.

According to MLA’s Manager for Supply Chain Technology Innovation, Darryl Heidke, the trials revealed the potential benefits of the technology if adopted in the supply chain.

“Employees across the eight businesses involved in the trials reported the devices provided significant body support and reduced fatigue when completing tasks such as palletising, loading, chiller hand work and reject packing, as well as a range of boning room tasks,” Darryl said.

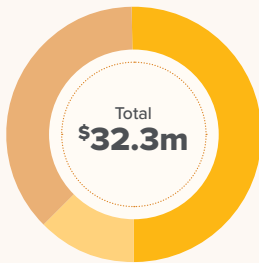
“Fatigue scores for employees when completing many of these tasks were also reduced when wearing the exosuits, further revealing the potential of the device to improve health and safety in the red meat supply chain.

“With significant costs associated with workers compensation claims, the cost benefit of the technology is clear.”

📍 The ‘SuitX’ exoskeleton, manual assistance device.



2021–22 investment by funding source



- Government funding **\$16.2m**
- Processor contributions **\$12m**
- Other sources **\$4.1m**

Key performance indicators



- **2** achieved
 - **1** partially achieved
- See Appendix A for a full list of KPIs.

In addition to this, the introduction of the system is set to boost labour efficiency and reduce workplace health and safety risks while also minimising the amount of defective or out of specification product entering the supply chain.

A dedicated industry steering group will map out future research and development to be conducted as part of the project, as well as assist with plans to roll out the automation technology developed for beef boning once complete.

Assistive technologies

Alongside work to automate beef and lamb processing systems, MLA is investing in a range of research and technology to improve the safety and efficiency of more difficult manual tasks undertaken as part of day-to-day operations in the red meat industry.

This includes an extensive assessment of manual assistance devices – also known as exoskeletons or cobotics – to reduce risks and improve productivity of certain manual tasks within processing facilities and retail ready outlets.

In 2022, trials of the technology were conducted across seven processing plants and one retail-ready outlet, with participants reporting the exoskeletons provided significant body support and reduced fatigue when completing manual tasks. That may reduce injury and aid productivity.

In addition to this, MLA has continued to support Scott in rolling out the BladeStop™ band saw to industry to provide a safer solution to the traditional band saws used in meat processing facilities.

Developed in 2015 with the support of MLA, BladeStop™ is uniquely designed to reduce the risk of serious injury by mechanically stopping the band saw blade when the unit senses that the operator has come into contact.

This year saw the installation of the technology in a further 500 processing plants across 25 countries, bringing the total amount of units in market to improve safety to 1,500.

Productivity (on-farm)

MLA's productivity (on-farm) program assists MLA to foster the prosperity of the Australian red meat and livestock industry by supporting new research which leads to increased productivity and profitability across the beef, sheepmeat and goat production sectors.

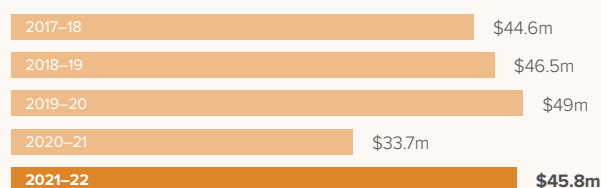
Red Meat 2030 priorities



MLA Strategic Plan 2025 strategic focus areas



Investment over time



Highlights

Analysis and database enhancements for Sheep Genetics

MLA launched a redeveloped Sheep Genetics database this year which combined the MERINOSELECT, LAMBPLAN and Resource Flock databases into one central data warehouse to reduce business risk and provide producers with direct access to an expanded range of data.

In addition to this, several enhancements were made to the analysis and calculation of Australian Sheep Breeding Values (ASBVs) and selection indexes to enable producers to make more accurate genetic decisions. These enhancements include the:

- replacement of the Number of Lambs Weaned (NLW) trait with the Weaning Rate (WR) breeding value in indexes for maternal and Merino analyses
- update of terminal indexes to include lambing ease
- inclusion of Corriedales in maternal analysis.

Increasing rates of genetic progress have been made across all indexes in all analyses offered, and in 2022, Sheep Genetics membership increased by 10% to reach 1,200 member flocks. The rate of genotyping continues to grow with the MERINOSELECT analysis now including 200,000 genotypes in every fortnightly evaluation.

Strategic partnerships

MLA invests in a number of strategic partnerships designed to drive productivity and profitability in the Australian red meat industry, including:

BeefLinks

This partnership with the University of Western Australia aims to assist WA beef producers to understand opportunities to enhance productivity and value along the red meat supply chain, driving profitable, consistent and sustainable beef yields from the state. Current projects underway as part

of the initiative are trialling best practices and strategies for cattle movement and management, including virtual fencing and rangeland self-herding management.

With the four-year partnership now halfway through, the program aims to deliver \$72 million in net benefits to more than 750 producers by 2024.

The Livestock Productivity Partnership (LPP)

Increasing the productivity of Australian livestock from 1% to 2.5% a year is the aim of this collaborative R&D partnership that has been in operation since 2017.

Currently, the partnership encompasses 14 projects which focus on the development of regional and system-specific feedbase options as well as new animal phenotyping and farm management tools.

Collectively the programs within LPP aim to decrease cost of production by at least 5%/kg liveweight, with estimated net benefits from the adoption of practice changes recommended in LPP projects reaching up to \$230/ha for grassfed beef enterprises and \$117/ha for first cross lamb breeding enterprises.

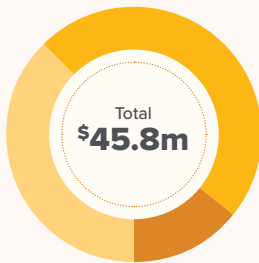
Northern Breeding Business (NB2)

The NB2 partnership is an MLA initiative which seeks to address calf loss, improve profitability and address low adoption of proven management practices and technologies in northern beef herds. The NB2 program aims to deliver at least \$20 million a year in net benefits by 2027 to at least 250 northern beef enterprises.

As of 30 June 2022, 51 producers from seven producer groups running a total of 500,000 breeders across 12 million hectares are involved in various projects underway as part of the partnership. Through these projects, significant progress has already been made towards achieving the three key objectives of the partnership, which include:

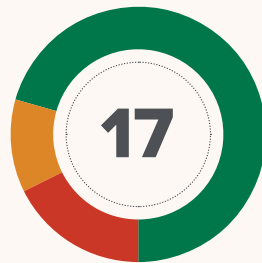


2021–22 investment by funding source



- Producer levies **\$6.4m**
- Government funding **\$22.1m**
- Other sources **\$17.3m**

Key performance indicators



- 12** achieved
- 2** partially achieved
- 3** not achieved

See Appendix A for a full list of KPIs.

1. Boosting reproductive rates by 5%
2. Increasing sale weight by 10kg per animal
3. Increasing herd survival by 1%.
4. Sheep Reproduction Strategic Partnership (SRSP).

A sheep industry initiative managed by MLA, the SRSP seeks to profitably and sustainably increase lamb production by increasing weaning rates and decreasing mortality.

This partnership will provide producers with practical solutions for their businesses to enable improvements in flock reproductive performance at each stage of the reproductive cycle. One of the key projects underway as part of the initiative is the T90 project, which uses 10 purpose-built learning modules to aid producers to adopt sheep reproductive best-practices with the aim of achieving 90%+ lamb survival across single and twin-bearing ewes in their flock.

A quarterly webinar series and monthly newsletter are also being made available to sheep producers through the initiative to share the latest research and development in sheep reproduction.

Legumes hub launches

To help producers harness legumes to boost productivity, drought resilience and sustainability, MLA launched a new legumes information hub in March.

The legumes hub features a suite of resources for both northern and southern producers to access, including practical tools, factsheets, case studies and videos on legume establishment and management for:

- boosting available feed and reducing the need for fertiliser
- enabling faster weight gains and healthier animals
- building a more resilient feedbase
- fighting back against pasture dieback
- improved carbon storage and reduced emission production.

The hub has been viewed 14,845 times by 6,846 users as of 30 June 2022.

Virtually improving labour, costs and welfare



Time and expense spent maintaining fences on Rio Tinto's 'Hamersley Station' could soon be cut dramatically with a promising on-property trial of virtual fencing technology (VFT) through the BeefLinks program.

"Fencing infrastructure is expensive to install and takes a lot of ongoing maintenance," Rio Tinto's Manager of Pastoral Stations, Sim Mathwin, said.

Rio Tinto is also keen to explore the potential benefits of virtual fencing for livestock and grazing management.

"Controlled grazing of cattle is a key driver for pasture health, and virtual fencing has the potential to deliver very targeted outcomes, particularly when used in parallel with satellite data," Sim said.

"Where the satellite imagery shows strong pasture from a rainfall event, it's technically possible to program the collars to move the cattle into that area."

Protected livestock

Being able to move livestock without staff on the ground is another potential benefit of VFT.

"Instead of getting people on motorbikes and horses to muster cattle, programming the virtual fencing collars to move the cattle towards the yards would be a much lower stress style of handling livestock," Sim said.

"Even better, during flooding events like what happened in Queensland in 2019, if you had virtual fencing collars on cattle, you could move them to higher ground or to areas where you've put hay.

"Similarly, if a fire's coming through and you're relying on virtual fences, then cattle could move freely away from the fire, whereas with physical fences, there is a risk of cattle becoming trapped."

A strong start

With the trial's third phase now well underway at Hamersley, the results so far are promising.

"In the future, producers might put collars on all their best breeders so they know exactly where they are and can manage the breeding of their cattle," Sim said.

Capability building

MLA's capability building program fosters the prosperity of the Australian red meat and livestock industry by investing in current and emerging industry leaders, innovators, scientists, value chain partners and representative organisations. It aims to enhance professional leadership and business skills, support industry advocates, accelerate adoption and build a culture of innovation and cross-sectoral performance.

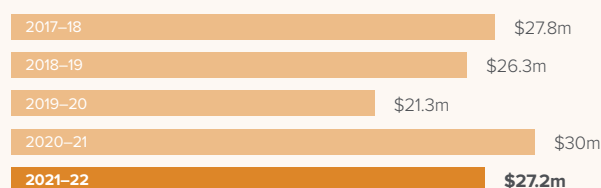
Red Meat 2030 priorities



MLA Strategic Plan 2025 strategic focus areas



Investment over time



Highlights

Sponsoring industry's future leaders

MLA sponsors a range of scholarships to support industry's up-and-coming leaders to drive the future success of the red meat industry.

This investment includes MLA's academic scholarship program, which is currently supporting 10 postgraduate students to complete research that has practical benefits for the red meat industry and aligns with MLA's strategic plan.

As part of this program, students receive an annual top-up stipend, a Research Training Program Scholarship awarded by their university and support costs for their project. Over 70% of students supported by this scheme continue to work within the red meat industry and a significant proportion move on to key leadership roles, with their research helping producers boost productivity and profitability within beef, sheep and goat enterprises.

In addition to this, MLA is sponsoring Queensland beef producer and scholar, Robyn Bryant, to participate in the Australian Rural Leadership Program (ARLP) during 2022 to develop leadership skills and drive positive change within the industry.

Meanwhile, NSW producer and president/chair of the Australian Wagyu Association, Charlie Perry, is being supported to access opportunities for professional development through MLA's sponsorship of the Zanda McDonald Award.

MLA's also supporting scholars through the Nuffield program to research an innovative global concept, technique or system relevant to the Australian red meat industry. Consolidated Pastoral Company (CPC)'s Commercial and R&D Manager, Jasmine Boxsell, is the MLA-funded Nuffield Scholar for 2022 and will use the scholarship to determine opportunities for carbon reduction and sequestration in Australia's northern pastoral industry.

Additional support is being provided to the next generation of industry through MLA's sponsorship of two AgriFutures Horizon Scholarships, awarded to students studying an

agriculture-related undergraduate degree. In 2022, Charlotte Nugent and Sarah Hamblin were awarded the MLA-funded scholarships as part of the program to expand their networks, build leadership skills and foster their careers in the industry.

Red meat ambassadors

MLA's Ambassadors for the Red Meat Industry program aims to develop a national network of industry champions who can engage and communicate with the broader community on behalf of the red meat industry.

Through a series of workshops, the program provides passionate red meat industry supporters with professional training in community engagement, communication through media and social media, and building trust with consumers. Participants also have the chance to build networks across industry, with ambassadors working across a broad range of areas within the red meat industry, from livestock production to transportation and meat science.

In 2021–22, 83 ambassadors took part in the program, with a total of 225 ambassadors participating in the program in the two years since its inception.

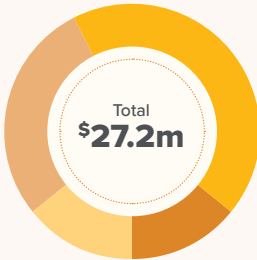
This year, participants also gave an average rating of over 9 out of 10 for their overall satisfaction with the learning and development opportunities provided through the workshop. Into 2022, program alumni have taken an increasingly active role as ambassadors for the red meat industry at community-facing events such as the Sydney Royal Easter Show, as well as on social media channels including Twitter, Facebook, Instagram and LinkedIn.

Co-Innovation to fast-track carbon neutrality

MLA's Co-Innovation program partners with leading supply chains to fast-track innovation development and commercialisation to solve key challenges facing both the company and broader industry.



2021–22 investment by funding source



- Producer levies **\$3.8m**
- Government funding **\$11.8m**
- Processor contributions **\$7.7m**
- Other sources **\$3.9m**

Key performance indicators



- 6** achieved
 - 1** not achieved
- See Appendix A for a full list of KPIs.

Through the Co-Innovation program, MLA is supporting businesses within the red meat supply chain to explore, pilot and commercially scale carbon management interventions, with the aim of demonstrating practical ways for industry to achieve its carbon neutral by 2030 (CN30) goal.

This year, Australian Country Choice (ACC), Paraway Pastoral, Casino Food Co Op and Argyle Foods Group have commenced strategic three-year-long programs with MLA to trial different technologies and activities focused around:

- emissions avoidance
- carbon storage
- integrated management systems, including finding and building market segments that will pay for carbon and sustainability claims
- leadership building.

Argyle Foods Group has already commenced trials of emissions avoidances and carbon storage activities such as beef herd management methods for reducing greenhouse gas emissions. Registration of these activities with the Emissions Reduction Fund is now underway to enable Argyle’s sustainability credentials to be verified and recognised by consumers into the future, as ACC also finalises a beef herd management plan to reduce emissions.

Meanwhile, work continues with other businesses involved in the program to develop Co-Innovation strategies that will successfully evaluate other greenhouse gas management techniques for use within the red meat industry over the next three years and beyond.

In 2021–22, 83 ambassadors took part in the program, with a total of 225 ambassadors participating in the program in the two years since its inception.

Measuring milk quality for more lambs

Boosting weaning rates is no easy feat – but according to University of Adelaide researcher, Bianca Agenbag, understanding more about sheep colostrum could be the key to improving lamb survival and flock reproductivity.

One of 10 students sponsored by MLA to undertake postgraduate studies to benefit the red meat industry, Bianca has spent the past four years studying colostrum quality in Merino ewes as part of her PhD project.

Measuring milk quality

By using a handheld measuring tool known as a Brix refractometer to analyse colostrum samples taken from Merino ewes, Bianca is furthering current research to help determine an ideal cut-off value of colostrum quality producers can aim for to maximise flock survival and reproductivity.

“By putting drops of colostrum on the Brix refractometer and pushing a button, it gives you a reading of the composition of the total solids in the colostrum that appears as a percentage,” Bianca said.

“Currently, it looks like 27% is an appropriate cut-off level of colostrum quality for Merino ewes to ensure lamb survival and reproductive health, and this has been supported by previous research as well.”

“In the future, we can potentially make a call as to whether colostrum is good quality or bad quality just using that one measurement.”

Ram research

With the research results already showing great promise, Bianca plans to further her research after being awarded the 2021 Australian Wool Innovation Award at the Science and Innovation Awards for Young People in Agriculture, Fisheries and Forestry.

“This award is allowing me to look at ram lambs and compare what their mum’s colostrum contains with how they’ve gone reproductively from weaning to about a year old,” Bianca said.

“Once we understand what good colostrum quality is, the elements within colostrum, and how this affects ram reproduction, we can start creating selection criteria that we can use to select ewes with traits or qualities that are correlated with good quality colostrum.”

“This selection criteria will potentially help us to select breeding stock from even younger ages.”



Bianca Agenbag with the lambs studied as part of her research.

Communication

MLA's communication program assists MLA to foster the prosperity of the Australian red meat and livestock industry by ensuring that MLA's marketing, research, development and adoption products and services are known and accessible to levy payers and stakeholders. It also seeks to build confidence in the industry, ensuring the community support and have increasing trust in the Australian red meat and livestock industry.

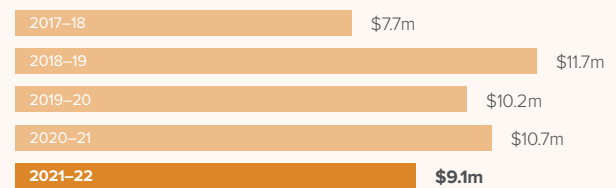
Red Meat 2030 priorities



MLA Strategic Plan 2025 strategic focus areas



Investment over time



Highlights

A new approach for *Feedback* magazine

Feedback, MLA's flagship publication, was refreshed in 2021–22 to be more impactful for readers. The three main changes were:

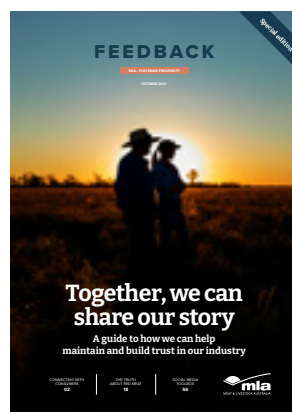
Seasonal focus

Feedback's publication schedule was streamlined to four seasonal editions – beginning with *Feedback* Summer 2021 – to reflect how red meat production is aligned to the seasons. This was supported by design elements such as seasonal action plans to map out practical on-farm management strategies.

Special edition

A special edition of *Feedback* was published in October 2021 to reflect emerging issues in the industry and act as a lasting resource for stakeholders.

This special edition, *Together, we can share our story*, aims to spread the good news about Australia's red meat industry by empowering producers to tell their own stories to the wider community and put a stop to misinformation about beef, lamb and goatmeat production.



Interactive editions

To achieve the balance between annual member satisfaction survey responses requesting *Feedback* to remain a print publication and MLA's commitment to innovative communication, the online version of the magazine is now interactive and includes embedded videos and hyperlinks, while the printed version contains QR codes linking readers to further information and resources.

News, advice and market information all in one e-newsletter

After receiving producer feedback about the need to streamline essential market information, the latest industry news and on-farm tips and tools, MLA combined our *Prices & Markets* and *Friday Feedback* e-newsletters into one – *The Weekly*.

Each Friday, this informative e-newsletter is delivered to more than 30,000 subscribers' inboxes, providing them with a one-stop-shop for the latest news and advice from the red meat industry.

Since it was launched in September 2021, *The Weekly* open rates have averaged 29.5% (6.19% above the Agriculture and Food Services industry benchmark of 23.31%) and click-throughs to the e-news articles on the MLA website have averaged 5.7% (2.76% above the industry benchmark of 2.94%).

Streamlining our e-news content has made accessing all the tools, resources, research and industry highlights much easier for readers and is just one of the ways MLA aims to ensure we're meeting our members' needs.

Subscribe to *The Weekly* at: mla.com.au/enews

IMPACT series webinars boost engagement

In 2020, MLA introduced its annual MLA Updates webinar program hosted to inform industry stakeholders of our strategic focus areas, as well as the investments supporting a prosperous and progressive red meat industry.

The 2021 MLA Updates program delivered a free, five-part webinar series from 18 October to 15 November 2021 with a simple theme: IMPACT.

Over 1,900 viewers gained insights about MLA's major initiatives positioned to create the greatest impact in supporting industry's goal to double the value of red meat sales by 2030.

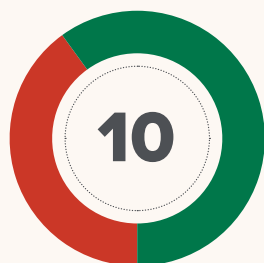


2021–22 investment by funding source



- Producer levies **\$8.2m**
- Government funding **\$0.8m**
- Other sources **\$0.1m**

Key performance indicators



- 6** achieved
- 4** not achieved

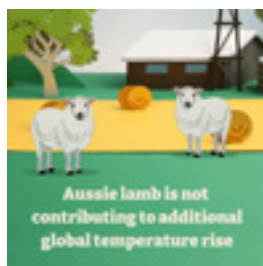
See Appendix A for a full list of KPIs.

The 2021 program attracted an increase of 76% viewership from the 2020 event, with attendee survey results indicating 95% of attendees were 'very to extremely satisfied' with the program and the range of projects showcased across the series.

The following webinars can be viewed at: mla.com.au/impact-series.

Animated videos increase reach of Australian Good Meat's sustainability messages

Created to build and maintain community trust, MLA's Australian Good Meat program communicates how Australian red meat is produced sustainably in high welfare systems, as well as how it's an important part of a healthy, balanced diet, through its website and social media channels.



Australian Good Meat features a range of content, videos, educational materials and virtual classroom resources and has recently created a series of engaging, papercut animated videos.

With over 4.1 million impressions, a reach of over 1.2 million and over 400,000 video views, the animations are making considerable progress in spreading the news about the sustainability story of Australia's red meat industry.

Designed to leverage the power of social media in reaching wider audiences, these short animations address topics such as sustainable eating and how Australian beef and lamb producers are working towards becoming carbon neutral by 2030. Slightly longer animated videos debunk myths about red meat production in Australia and take the viewer through step-by-step explanations of the natural carbon cycle and how plant-based fake meat is made.

The Australian Good Meat website clearly communicates complex and frequently misunderstood issues, serving as an impactful marketing tool for the red meat industry.

Watch the animations at: goodmeat.com.au/resources

Shared values key to building trust



South Australian sheep and grain producer Deanna Lush.

Shared values are what bind us – to our friends, those we live with and who we work with. This is the foundation of Deanna Lush's push to boost trust in the red meat industry – that the values underlying our guardianship of livestock and the environment match those of the general public.

Sheep and grain producer Deanna Lush is in a strong position to promote this exercise in trust-building. She heads up communication company AgCommunicators and has studied how Australian agriculture can better build trust as a Churchill Fellow.

"We need to go beyond the facts to really connect with our community and ensure they understand that what's important to them, is important to us," Deanna said.

Research by the US Center for Food Integrity found there are three drivers of consumer trust: influential others, competence and confidence. Of these, consumer confidence that there are shared values between industry and customer is paramount.

"The ability to demonstrate shared values is three to five times more important in building trust than sharing facts or demonstrating technical skills or expertise," Deanna said.

Any reluctance producers may feel about attempting to change negative attitudes towards the industry may be alleviated by the knowledge that two-thirds of Australians feel good about the red meat industry¹ and 65% of consumers just have genuine questions about farming and food processing². Deanna explains to the MLA Red Meat Ambassadors she trains through AgCommunicators that this 65% is 'the moveable middle'.

"This is a large group of the community who are open to knowing more about who we are and what we do," Deanna said.

Staying calm, listening to their concerns, identifying mutual values through open-ended questions about the basis of their beliefs and being open to opportunities to connect are key to achieving positive influence.

¹MLA consumer sentiment research, 2020. ² US Center for Food Integrity, Rural Sociology, 2009.

Corporate services

MLA's corporate services program assists MLA to foster the prosperity of the Australian red meat and livestock industry by:

- effectively managing levy and government matching investments through accounting, contracting, project management, foreign exchange management, advice, IP transfer, evaluation and reporting
- ensuring MLA meets its statutory and legislative requirements through a robust corporate governance framework including audit, risk and legal services
- providing the frameworks to attract and retain a diverse and talented workforce.

MLA Strategic Plan 2025 strategic focus areas



Investment over time



Highlights

Levy outlook

As a levy-funded organisation, MLA is primarily funded on our industry's livestock sales which are used to support marketing, research and development activities to aid in the growth of the red meat sector.

Grassfed cattle levy income was subdued this year but is expected to recover strongly during the next financial year, as predicted improved weather conditions in key production regions underpin a national herd rebuild.

Despite the impact of COVID-19 restrictions on processor capacity and supply chain disruptions, sheepmeat levies recovered during the year and are expected to stabilise in the short to medium term as flock levels improve.

Goat levies were replenished during the year after a significant fall in production in FY21, but the outlook is currently less predictable than other species.

Overall, levy income is expected to gradually increase over the next three years, particularly from further recovery from COVID-19 and other supply-chain setbacks.



Yass Saleyards, NSW.

Hybrid working as COVID-19 restrictions lift

As COVID-19 restrictions are lifted in MLA's various office locations across the globe, employees are transitioning to a new hybrid way of working.

MLA has adopted a hybrid working model that balances in-office and remote work, with the aim to provide flexibility and support for different modes of working and optimise productivity that was maintained throughout the pandemic.

The *Hybrid Working Guideline and Principles* have been developed in the context of our organisation objectives while leveraging both best practice and employee feedback from focus groups held in December 2021.

Our offices continue to be our primary work location and a central place for us to connect and collaborate – with all necessary office services continuing to be provided. Employees can establish core days to work from the office, with importance placed on continued collaboration and support through face-to-face working. This creates an environment in which flexibility and productivity can be matched to every individual.

These new working arrangements have proved to be a positive step towards more optimal working conditions, with our staff now better equipped to manage and balance the various aspects of their lives, while still upholding the values, needs and considerations of our organisation and stakeholders.

2021–22 investment by funding source



■ Producer levies **\$15.3m**
■ Government funding **\$2.8m**

Key performance indicators



■ 9 achieved
■ 2 partially achieved
■ 1 not achieved

See Appendix A for a full list of KPIs.

Positive results for cyber security

Cyber security is a growing concern in this digital age – particularly for organisations that house critical data for thousands of key workers.

MLA has continued to focus on cyber security; specifically in the form of enhancing device endpoint protection and engaging an external Detect and Response service, fully managed at all times.

Regular end user training and phishing simulations have resulted in a positive increase in staff security awareness, with information on numerous strands of fraud, malware and cyber-attacks available to our staff at any time.

Periodic penetration testing and threat hunting exercises are conducted to further ensure that the internal and external attack vectors are secure, ensuring our data is safe in our systems.



MLA's strategic focus areas

MLA's *Strategic Plan 2025* has six focus areas to help producers and their supply chains:



Decisions informed through data and insights

Transitioning to a culture which captures and shares data across every point in the supply chain to enable the highest value opportunities to be identified and a shared understanding of challenges to be addressed.



Developing new, high value products which maximise the whole carcass

Diversifying products to drive growth through new usages and occasions for red meat.



Beyond today's farm gate

Balancing the known challenges and opportunities and anticipating the future issues industry will face, by fostering a culture which looks both to the future and to other industries to inform today's decision making.



Targeted investment to address the industry's big, complex challenges

Prioritising the challenges to address by the impact they could deliver for the industry. MLA will explore ways to optimise resources and address seasonal and climate variability. It will also continue to focus on meeting community expectations of animal health, animal welfare and environmental stewardship.



Strengthening our core

Continuing to invest in the essential services which underpin the competitiveness of our industry, specifically integrity systems, market access, nutrition and domestic and international marketing and promotion activities.



Enabling new sources of revenue

Identifying new sources of revenue to capture value and increase profitability alongside red meat production, including providing environmental and ecosystem services.

About MLA

What we do

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

Research, development and adoption

MLA invested \$205.9 million in a range of research, development and adoption programs during 2021–22.

This included \$101.5 million invested through MLA Donor Company (MDC). This investment includes matching funds from the Australian Government and grants.

In 2021–22, MLA completed or terminated 331 research contracts, worth \$159.0 million. These include 72 MDC contracts, contributing a total value of \$86.9 million.

MLA commenced 244 new research and development contracts totalling \$181.9 million in 2021–22. This included 96 contracts through MDC that were worth \$139.9 million, with milestones across multiple years. This has resulted in 586 current contracts as at 30 June 2022, worth \$655.8 million.

For a list of all third parties that MLA entered into research and development and marketing agreements with, please visit mla.com.au/mla-agreements

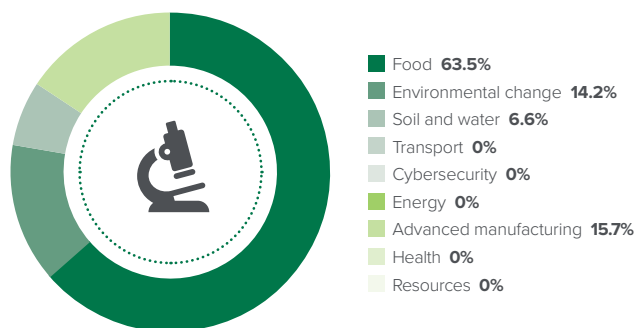
Marketing, market access and insights

During the year MLA invested \$104.8 million in marketing, market access and insights to grow demand for Australian red meat and livestock domestically and abroad. The majority of this investment was ineligible to be matched with funds from the Australian Government.

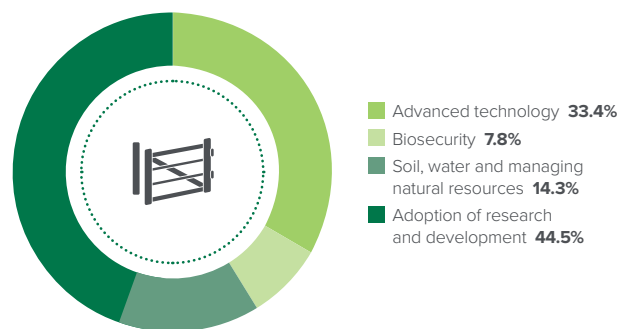


Alignment with government priorities

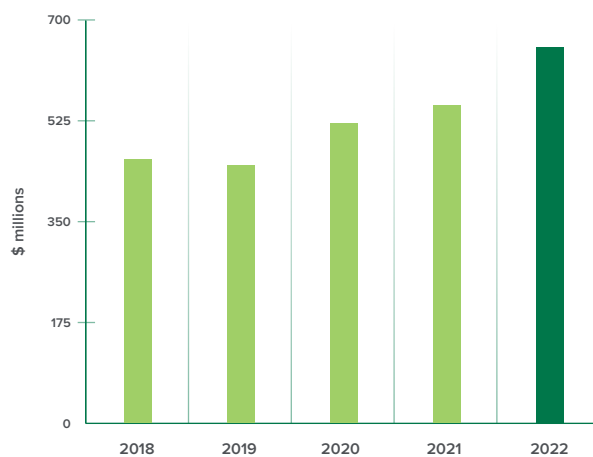
Graph 1: Science and research priorities



Graph 2: Rural research, development and extension priorities



Graph 3: Value of research contracts at 30 June each financial year



How we work



Strategic alignment

MLA's *Annual Investment Plan 2021–22* has guided the company's investment over the past year, outlining the company's programs, budgets and key performance measures.

The strategic direction of this plan was informed by the Australian Government's science and research priorities and rural research, development and extensions priorities, *Red Meat 2030* and MLA's *Strategic Plan 2025*.

MLA's *Strategic Plan 2025* is aligned closely with *Red Meat 2030*, giving focus and direction to MLA's work to build demand, productivity and trust for the Australian red meat and livestock industry. The figure adjacent provides an overview of MLA's strategic and operational planning process.

Stakeholders

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

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

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

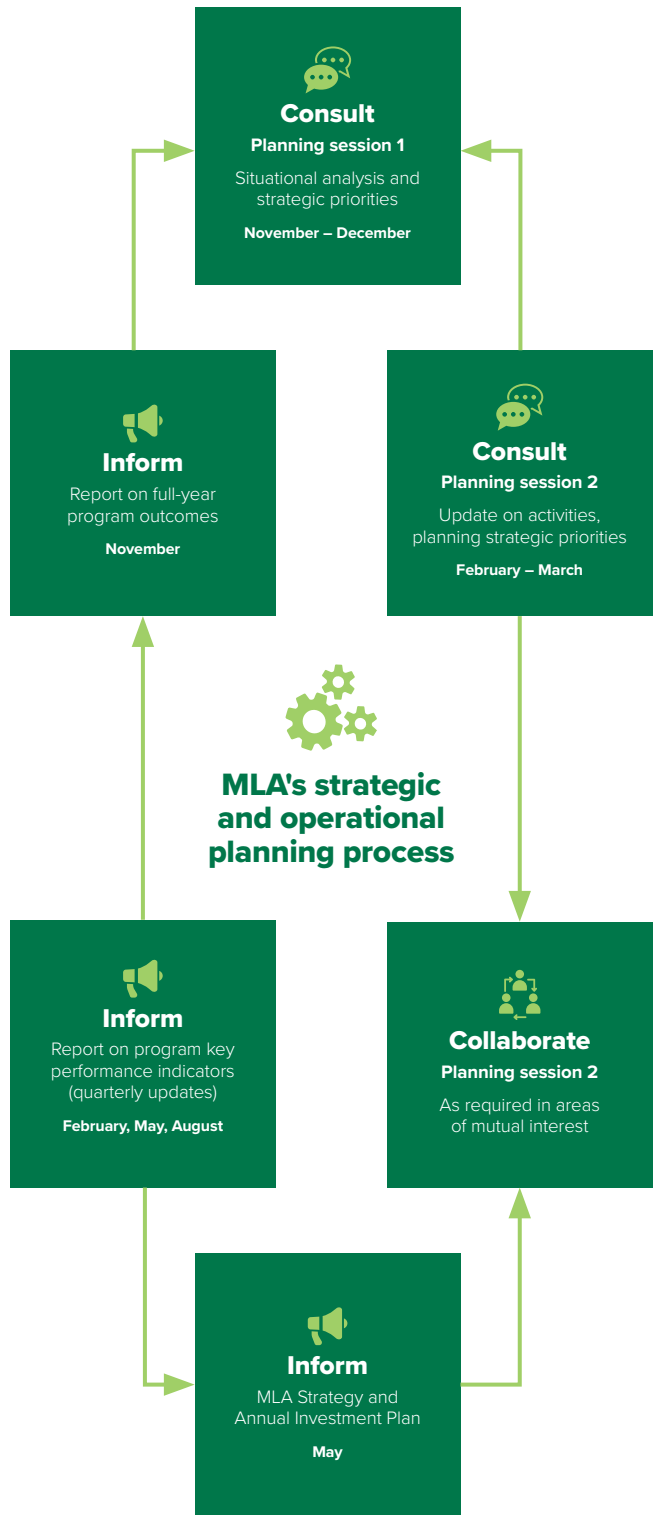
- report on program performance against approved plans
- respond to direct requests for information that supports their policy processes.

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



Peak industry councils assist MLA in consulting with levy payers on industry needs and priorities and provide guidance to ensure MLA strategy reflects these.

Figure 1: Overview of MLA's strategic and operational planning process



Industry consultation arrangements

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

Decisions on levy investments, across all levy streams, are never made in isolation and MLA consults regularly with the peak industry councils on strategy, budget allocations and key performance indicators. The red meat industry provides MLA with advice on strategic direction for a wide range of programs including marketing, research and development.

Regular consultation is a priority for MLA. The red meat industry Memorandum of Understanding specifies MLA's responsibility to develop a five-year business plan and an Annual Operating Plan in consultation with the Peak Industry Councils (PICs).

Livestock producers influence the investment of their levies through a number of industry consultation mechanisms and can do so through their State Farm Organisation or Peak Industry Council. The Peak Industry Council Engagement Framework and Quarterly Consultation Updates with Peak Industry Councils, LiveCorp and Australian Meat Processor Corporation are both mechanisms where industry informs MLA on the priorities of each sector.

Examples of areas where consultation occurs include:

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

- *Red Meat 2030*
- *MLA Strategic Plan*
- *MLA Annual Investment Plan*
- *Australian Beef Industry Sustainability Framework and Sheep Sustainability Framework.*

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

On research and development:

- Red Meat Panel
- Regional consultation model that sits under the Red Meat Panel through the Southern Australia Meat Research Council, the Western Australian Livestock Research Council and the North Australia Beef Research Council
- Sheep and beef forecasting committees
- Sheep Genetics Advisory Committee
- BREEDPLAN owners
- MSA Taskforce
- Sheepmeat Industry Taskforce
- Resource Flock Steering Committee
- Genetics Steering Committee
- MSA Beef and Sheepmeat R&D Pathways Committee

- Integrity Systems Taskforce
- Producer Adoption Reference Group
- Live Export Research & Development Advisory Committee
- Objective Measurement Advisory Committee
- National Livestock Genetics Consortium Taskforce.

On marketing:

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

MLA runs and participates in numerous industry engagement activities each year which are largely face-to-face (though with recent travel restrictions many of these have been delivered virtually). Recent examples include MLA hosted stakeholder events at BeefUp and MeatUp forums, MLA's AGM, Beef Industry Breakfasts, cattle projections and sheep projections meetings, meeting with the Northern Pastoral Group, Northern Territory Cattleman's Association Conference, and senior MLA staff attending a range of industry-led events through the course of the year to speak and engage with producers and industry.

MLA strives to ensure all members have the opportunity to participate in the Annual General Meeting (AGM) by rotating its location around the nation. Due to COVID-19 restrictions, the 2020 and 2021 Annual General Meetings were held online alongside a series of webinars. The 2019 AGM was held in Tamworth, NSW and was preceded by Canberra, ACT (2018), Alice Springs, NT (2017), Hahndorf, SA (2016), Brisbane, Queensland (2015), Sydney, NSW (2014), Wodonga, Victoria (2013), Fremantle, WA (2012), Longreach, Queensland (2011), and Launceston, Tasmania (2010).



How we work *continued*



Collaboration

MLA continues its long history of collaborating with the Australian Government, research organisations, value chain partners, cooperative research centres and other research and development corporations by co-investing in projects and consortiums with mutual benefits.

As part of the Department of Agriculture, Water and the Environment Rural R&D for Profit program, MLA leads five projects and is a partner organisation in a further three projects. Refer to Appendix C for an overview of all Rural R&D for Profit projects involving MLA.

During 2021–2022 MLA also partnered with various consortiums:

- Northern Breeding Business (NB2)
- Sheep Reproduction Strategic Partnership
- National Livestock Genetics Consortium
- Producer Adoption Reference Group
- National Sheep Health Monitoring project
- Animal Welfare Strategic Partnership
- Livestock Productivity Partnership
- Australian Pastures Genebank
- Rural Safety and Health Alliance
- Australian Agrifood Data Exchange
- Climate Research Strategy for Primary Industries.

Some partnerships, such as the Managing Climate Variability Program, ended – making way for new initiatives such as the RDC's Climate Initiative. Using producer-led design principles, the Climate Initiative identified areas for cross-sectoral RDC investment.

In international markets, MLA collaborated with the the Victorian Government, the Federal Government's Agribusiness Expansion Initiative, and the Australian Food and Wine Collaboration Group (comprising of MLA, Dairy Australia, Hort Innovation Australia and Seafood Industry Australia) on key global marketing activities.

MLA also continued its participation in the National RD&E framework strategies such as animal biosecurity, animal welfare, climate research, water use and soil. Collaboration with relevant CRCs included SmartSat CRC, Food Agility CRC and the CRC for North Australia.



Agricultural Innovation Australia Ltd (AIA)

AIA is a not-for-profit company established by Australia's 15 Rural Research and Development Corporations (RDCs) to facilitate joint investment and collaboration in cross-sectoral agricultural issues of national importance. The company leverages public and private sector investment to target transformational innovation for Australian agriculture, fisheries and forestry value chains.

As a single point of contact for cross-sectoral strategies of scale, AIA make it easier for investors to navigate and partner with the Australian agricultural system.

RDCs contribute subscription fees, with their levy payers and industries benefiting from increased collaboration and more effective leveraging of knowledge, tools and resources.

Current AIA initiatives include solutions to help farmers, fishers and foresters better understand and respond to short-term climate risks, as well as build long-term resilience through adaptation.

More information: aginnovationaustralia.com.au.

Membership

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

MLA had 49,755 members at 30 June 2022, an increase of 473 members from 2021. The table below shows the composition of MLA's members.

Table 1: Composition of MLA's members

Members	2017–18	2018–19	2019–20	2020–21	2021–22
Grassfed cattle	42,266	41,910	41,774	41,629	42,097
Grainfed cattle	5,478	5,456	5,497	5,482	5,491
Sheep/prime lamb	18,963	18,820	18,710	18,586	18,660
Sheep only	9,363	9,135	8,988	8,865	8,919
Goats	2,426	2,402	2,380	2,364	2,414
Total members	50,128	49,692	49,590	49,302	49,775



“If you look after your livestock, make sure they’re not in pain, feed them the optimum amount of nutrition, then it’s a win-win situation, for our animals and the business.”

Tim Leeming – Paradoo Prime, Pigeon Ponds Victoria.

How we're funded

Transaction levies

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

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

Transaction levies are collected, administered and disbursed by the Department of Agriculture, Fisheries and Forestry (formerly Department of Agriculture, Water and the Environment) on a cost-recovery basis and invested back into the industry to assist in research and development, marketing and market access services. Total levies charged in 2021–22 were \$5/head of grassfed and grainfed cattle transacted, \$1.50/head for lambs*, 20¢/head for sheep+ and 37.7¢/head for goats transacted (see figures adjacent).

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

Government-matched contributions

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

Government-matched voluntary contributions

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

Unmatched grants and partner contributions

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

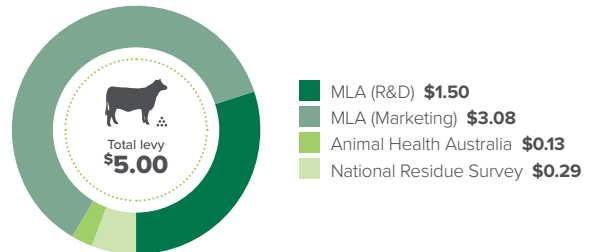
CoMarketing funding

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

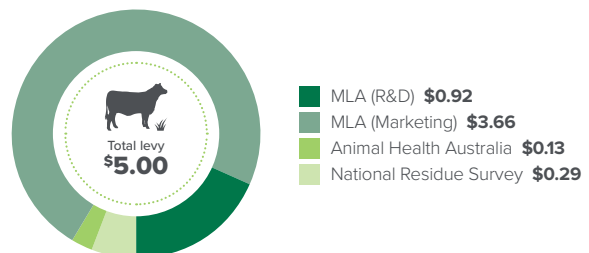
Other levies

Processors and livestock exporters also co-invest levies into MLA programs through their service companies: Australian Meat Processor Corporation and LiveCorp. See page 71 for a summary of MLA's income and expenditure by funding source in 2021–22.

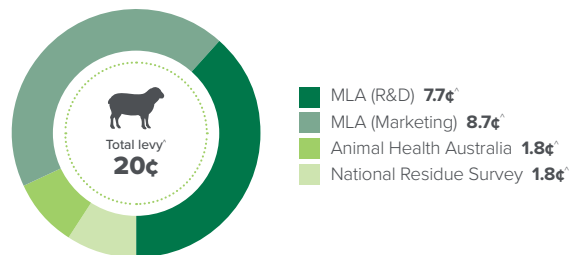
Graph 4: Grainfed cattle levy allocation



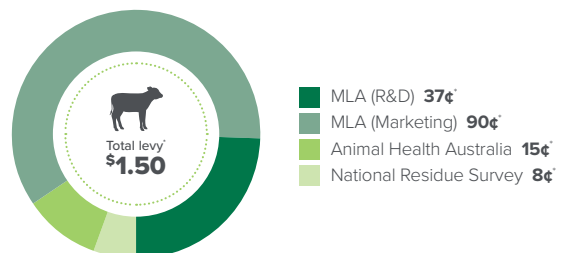
Graph 5: Grassfed cattle levy allocation



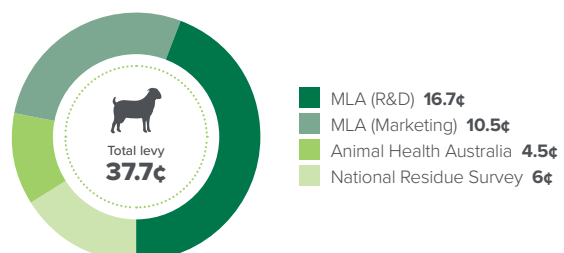
Graph 6: Sheep levy allocation



Graph 7: Lamb levy allocation



Graph 8: Goat levy allocation



* Per head, where defined sale price is greater than or equal to \$10. Where defined sale price is less than or equal to \$10, levy is 2% of the sale price. Where there is no defined sale price, levy is set at 20 cents per head. * Per head, where defined sale price is greater than \$75. Where defined sale price is less than or equal to \$75, levy is 2% of the sale price. Where there is no defined sale price, levy is set at 80 cents per head.

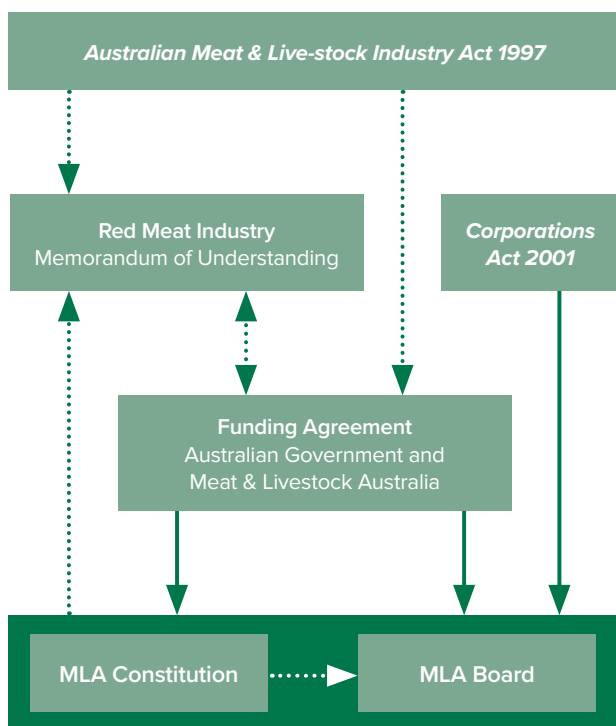
How we're governed

Corporate governance

MLA's corporate governance framework is set by the Board having regard to the best interests of our members, the values of our organisation, MLA's obligations set out under our Funding Agreement with the Commonwealth of Australia dated 8 October 2020, and in accordance with the *ASX Corporate Governance Council's Corporate Governance Principles and Recommendations (4th edition)*.

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

Figure 2: MLA's governance framework



The Board

The MLA Board's nine directors combine a broad range of skills, experience and expertise to work with industry to set strategic priorities for the company and to approve and monitor progress against MLA's *Strategic Plan 2025*. It evaluates performance and budgets, oversees risk management and compliance, and ensures the company abides by its obligations under the Red Meat Industry Memorandum of Understanding, the Funding Agreement, and under corporations law. Many directors are also producers and members of the company.

See pages 60–63 for the Board member biographies.

Board selection

The Managing Director is the only executive director and is appointed by the Board. Otherwise, directors are nominated through the Selection Committee and appointed by members at MLA AGMs for a three-year term. After such term, a director may reapply for a position on the Board in the same way as other candidates. Further information about the Selection Committee is on page 52.

Board committees

Three Board committees met during the year:

- Audit, Finance and Risk Committee
- Remuneration, People & Culture Committee
- Research & Development Investment Committee.

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

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

Audit, Finance and Risk Committee

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

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

As at 30 June 2022, the Audit Finance and Risk Committee consisted of Rob Fitzpatrick (Chair), Russell Lethbridge, John Lloyd and Jacqueline Wilson-Smith. Details of each members' attendance at meetings is set out in the 'Directors' report' on page 74.

Internal auditor

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

To assist its function, the Audit, Finance and Risk Committee, with management and a dedicated Risk and Compliance team, worked with internal auditor KPMG. During 2021–2022, KPMG conducted reviews of Cybersecurity, Industry Sustainability

How we're governed *continued*

Framework Metrics, Tax Governance, Digital Identity and Content Management and a follow up of a previous Stakeholder Management internal audit report. In addition, MLA's Risk and Compliance team also conducted key business process controls reviews of the Greater China, Middle East & North Africa (MENA) and North America offices, as well as reviews of Project Governance and Payroll controls of all MLA international offices.

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

External auditor

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

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

Remuneration, People and Culture Committee

The Remuneration, People and Culture Committee consisted of Erin Gorter (Chair), Alan Beckett and Andrew Michael as at 30 June 2022.

The responsibilities of the Remuneration, People and Culture Committee include the review and oversight of:

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

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

Research & Development Investment Committee

The Research & Development Investment Committee assists the Board to ensure MLA achieves its research, development and adoption (RD&A) strategies and priorities within the framework of RD&A investments.

The Research & Development Investment Committee consisted of John Lloyd (Chair), Andrew Michael, Erin Gorter and Manny Noakes as at 30 June 2022.

The responsibilities of the Research & Development Investment Committee include monitoring/advising on the following aspects of the RD&A portfolio:

- income sources
- innovation strategy
- portfolio, planning and budgeting process
- industry consultation
- RD&A governance
- monitoring, evaluation, and reporting activities, including return on investment at a portfolio level.

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

Selection Committee

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

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

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

Board meetings

The Board had six scheduled meetings during 2021–22. The agendas for each of the MLA Group of companies are formulated in preparation for each meeting. They incorporate items from an annual work plan to ensure regular review of key aspects of the business of the MLA Group including performance, compliance and governance.

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

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

Independence

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

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

Conflicts of interest

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

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

Reporting framework

On 8 October 2020, MLA and the Commonwealth of Australia (through its Department of Agriculture, Fisheries and Forestry) agreed to a Funding Agreement for the period 2020–2030. The Funding Agreement sets out the requirements for the company's expenditure of levy funds and matching funds and provides a framework under which the company must report to the Department.

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

Funding agreements

MLA's 2020-2030 Funding Agreement takes a principles-based approach to accountability and reporting. The five principles are:

1. Stakeholder engagement

Engage stakeholders to identify research, development and extension (RD&E) priorities and activities that provide benefits to portfolio industries.

Intended outcomes:

- facilitate opportunities for stakeholders to contribute to setting RD&E priorities and activities.

2. Research, development & extension (RD&E) activities

Ensure RD&E (and marketing) priorities and activities are strategic, collaborative and targeted to improve profitability, productivity, competitiveness and preparedness for future opportunities and challenges through a balanced portfolio.

Intended outcomes:

- balancing long-term, short-term, high and low risk, and strategic and adaptive research
- RD&E activities address levy payer and government priorities.

3. Collaboration

Undertake strategic and sustained cross-industry and cross-sectoral collaboration that addresses shared challenges and draws on experience from other sectors.

Intended outcomes:

- collaborate across the agricultural innovation system to address common challenges and opportunities
- enable broader consideration of innovations and technology and present a united approach in promoting Australia's agriculture.

4. Governance

Governance arrangements and practices to fulfil legislative requirements and align with contemporary Australian best practice for open, transparent, and proper use and management of funds.

Intended outcomes:

- good governance ensures stakeholders are well informed and have visibility of the RDC's investments, priorities and achievements
- committee structures and corporate policies enable the RDC to manage day-to-day business activities and fulfil reporting obligations.

5. Monitoring and evaluation

Demonstrate positive outcomes and delivery of RD&E (and marketing) benefits to levy payers and the Australian community in general, and continuous improvement in governance and administrative efficiency.

Intended outcomes:

- suitable mechanisms and processes in place that enable regular impartial reviews of performance, and identify improvement opportunities
- demonstrate that investments are effective and achieving desired RD&E outcomes and priorities
- communicate the results of the impact and benefits of RD&E activities and investments to stakeholders and the government.

How we're governed *continued*

Financial management

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

Risk management

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

In 2022, the Risk Management Plan was reviewed by the MLA Board, during which time the Board reviewed its risk appetite. The Plan continues to reflect continuous improvement mechanisms through a range of risk management training provided through the induction program, business unit workshops and online training modules, to raise the awareness of risk management and risk culture within the organisation. The risk register was also reviewed in line with the current industry and operating environment.

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

A full summary of the drivers affecting MLA's operating environment can be found in MLA's *Annual Investment Plan 2022–23* which outlines the risk outlook for the year ahead: mla.com.au/aip.

Code of business conduct and ethics

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

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

In 2021–22, MLA reviewed its supply chain using a risk-based assessment of potential modern slavery risks. In compliance with the Modern Slavery Act 2018, MLA submitted an annual modern slavery statement to the Australian Border Force, which is available on the Australian Government's Online Register for Modern Slavery Statements and on MLA's website - mla.com.au/general/modern-slavery-statement.

As part of an annual program of training and capability building within MLA, staff received training in contract fundamentals, modern slavery risk management and procedures and cyber security awareness training. Leaders from across the organisation also participated in a leadership development program to enhance leadership capability and support our drive for results now and into the future. Additionally, an external training platform operates and is available to all staff on-demand for a wide range of courses.

Diversity

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

As at 30 June 2022, 55% of MLA's staff were women. On the Leadership Team, two of seven (29%) executives are female. On the MLA Board, three of the eight non-executive directors are female (38%).

Remuneration and performance arrangements

MLA aims to reward our people fairly and equitably for the roles they perform and continues to benchmark director and employee remuneration with like organisations in the market. MLA uses Aon Hewitt remuneration data to benchmark and confirm market movements.

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 total per annum cost for non-executive directors is \$649,377. The remuneration arrangements for each member of the Leadership Team, including the Managing Director, comprise both fixed and performance-based remuneration.

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

Table 2: Comparison of MLA's corporate governance principles to ASX corporate governance principles and recommendations

Principle/recommendation	Description/reference of disclosure/compliance
Principle 1. Lay solid foundations for management and oversight	
Recommendation 1.1	
A listed entity should have and disclose a board charter setting out: (a) the respective roles and responsibilities of its board and management; and (b) those matters expressly reserved to the board and those delegated to management.	This is outlined in the Board Charter and a detailed Delegations of Authority policy.
Recommendation 1.2	
A listed entity should: (a) undertake appropriate checks before appointing a director or senior executive, or putting forward for election as a director; and (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.	As part of the Selection Committee process in relation to annual director selection, appropriate background checks are undertaken each year. 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 MLA Notice of Meeting, are prepared from the material submitted through the Selection Committee process.
Recommendation 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 Leadership Team.
Recommendation 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.
Recommendation 1.5	
A listed entity should: (a) have and disclose a diversity policy (b) through its board or committee of the board set measurable objectives for achieving gender diversity in the composition of its board, senior executives and workforce generally; and (c) disclose in relation to each reporting period: <ul style="list-style-type: none"> ■ the measurable objectives set for that period to achieve gender diversity ■ the entity's progress towards achieving those objectives either: <ul style="list-style-type: none"> - the respective proportions of men and women on the board, in senior executive positions and across the whole workforce (including how the entity has defined 'senior executive' for these purposes) - if the entity is a 'relevant employer' under the <i>Workplace Gender Equality Act</i>, the entity's most recent 'Gender Equality Indicators, as defined in and published under that Act. <p>If the entity was in the S&P/ASX 300 Index at the commencement of the reporting period, the measurable objective for achieving gender diversity in the composition of its board should be to have not less than 30% of its directors of each gender within a specified period.</p>	The Diversity Policy is available on MLA's website: mla.com.au/corporate-governance The Board recognises and fosters a culture that encourages divergent views and robust discussion. In assessing candidates, the Selection Committee considers diversity of education, the nature of the businesses and business functions in which candidates have gained experience and the roles held, as well as the more obvious aspects of diversity such as gender, age, ethnicity and cultural background. In 2018 the Board also set a goal of 30% of females on the Board by 2019, which was actually realised in 2018. MLA also enunciates its commitment to diversity in other policies such as EEO and Anti-discrimination policy and Misconduct and Discipline policy which are regularly reported to, monitored by and adjusted with approval by the Board. The proportion of women as at the date of this report: <ul style="list-style-type: none"> ■ Board members: 38% ■ leadership team: 29% ■ whole organisation: 55%.
Recommendation 1.6	
A listed entity should: (a) have and disclose a process for periodically evaluating the performance of the board, its committees and individual directors; and (b) disclose for each reporting period whether a performance evaluation has been undertaken in accordance with that process during or in respect of that period.	The Board evaluates its performance through an annual performance review, which is facilitated by an external specialist. As part of the Board's review process in 2021–22 it completed the Australian Institute of Company Directors Board Review Tool survey and reviewed this as part of the annual review.
Recommendation 1.7	
A listed entity should: (a) have and disclose a process for evaluating the performance of its senior executives at least once every reporting period; and (b) disclose for each reporting period whether a performance evaluation has been undertaken in accordance with that process during or in respect of that period.	The Remuneration, People & Culture Committee and Board conduct an annual assessment of the performance of the Managing Director and the Leadership Team against agreed KPIs. In accordance with the annual work plan, the performance evaluation process for the Managing Director and the Leadership Team was completed.

How we're governed *continued*

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

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

How we're governed *continued*

Principle/recommendation	Description/reference of disclosure/compliance
Principle 7. Recognise and manage risk	
Recommendation 7.1	
<p>The board of a listed entity should:</p> <p>(a) have a committee or committees to oversee risk, each of which:</p> <ol style="list-style-type: none"> has at least three members, a majority of whom are independent directors; and is chaired by an independent director, and disclose: <ol style="list-style-type: none"> the charter of the committee; the members of the committee; and as at the end of each reporting period, the number of times the committee met throughout the period and the individual attendances of the members at those meetings; or <p>(b) if it does not have a risk committee or committees that satisfy (a) above, disclose that fact and the processes it employs for overseeing the entity's risk management framework.</p>	<p>The Board has established an Audit, Finance and Risk Committee which is structured so that it:</p> <ul style="list-style-type: none"> consists of only non-executive, independent directors; is chaired by an independent chair who is not Chair of the Board; and consists of at least three members of the Board. <p>The charter of the committee is on MLA's website.</p> <p>Refer also to the section about the Audit, Finance and Risk Committee in the 'Corporate Governance Statement'.</p>
Recommendation 7.2	
<p>The board or a committee of the board should:</p> <p>(a) review the entity's risk management framework at least annually to satisfy itself that it continues to be sound and that the entity is operating with due regard to the risk appetite set by the board; and</p> <p>(b) disclose, in relation to each reporting period, whether such a review has taken place.</p>	<p>Refer to the section about the Audit, Finance and Risk Committee and Risk Management sections in the 'Corporate Governance Statement'.</p>
Recommendation 7.3	
<p>A listed entity should disclose:</p> <p>(a) if it has an internal audit function, how the function is structured and what role it performs; or</p> <p>(b) if it does not have an internal audit function, that fact and the processes it employs for evaluating and continually improving the effectiveness of its governance, risk management and internal control processes.</p>	<p>Refer to the section about the Internal Audit program in the 'Corporate Governance Statement'.</p> <p>In addition to the internal audits undertaken by KPMG, MLA's own Group Risk and Compliance Manager works in parallel with KPMG and undertakes a number of reviews of overseas offices to ensure compliance with MLA policy and controls.</p>
Recommendation 7.4	
<p>A listed entity should disclose whether it has any material exposure to environmental and social risks and, if it does, how it manages or intends to manage those risks.</p>	<p>Refer to the section about MLA's Risk Management on page 54 of this Annual Report. A risk register is maintained to outline identified risks and how they are managed and monitored within the Board's risk appetite and is broadly engaged with across the business. Mitigation strategies are regularly monitored by both the Audit, Finance and Risk Committee and the Board.</p>
Principle 8. Remunerate fairly and responsibly	
Recommendation 8.1	
<p>The board of a listed entity should:</p> <p>(a) have a remuneration committee which:</p> <ol style="list-style-type: none"> has at least three members, a majority of whom are independent directors; and is chaired by an independent director, and disclose: <ol style="list-style-type: none"> the charter of the committee; the members of the committee; and as at the end of each reporting period, the number of times the committee met throughout the period and the individual attendances of the members at those meetings; or <p>(b) if it does not have a remuneration committee, disclose that fact and the processes it employs for setting the level and composition of remuneration for directors and senior executives and ensuring that such remuneration is appropriate and not excessive.</p>	<p>The Board has established a Remuneration, People & Culture Committee which is structured so that it:</p> <ul style="list-style-type: none"> consists of three non-executive, independent directors; and is chaired by an independent chair. <p>The charter of the committee is on MLA's website.</p> <p>Refer also to the Remuneration, People & Culture Committee and Remuneration and performance arrangements sections in the 'Corporate Governance Statement'.</p>
Recommendation 8.2	
<p>A listed entity should separately disclose its policies and practices regarding the remuneration of non-executive directors and the remuneration of executive directors and other senior executives.</p>	<p>Refer to the Remuneration and performance arrangements section in the 'Corporate Governance Statement'.</p>
Recommendation 8.3	
<p>A listed entity which has an equity-based remuneration scheme should:</p> <p>(a) have a policy on whether participants are permitted to enter into transactions (whether through the use of derivatives or otherwise) which limit the economic risk of participating in the scheme; and</p> <p>(b) disclose that policy or a summary of it.</p>	<p>Not applicable as MLA does not have an equity-based remuneration scheme.</p>



“By shifting our thinking on grazing management to work in harmony with nature, rather than trying to control and dominate it, the business has become more ecologically and financially resilient.”

Stuart Austin, Wilmot Cattle Co – Ebor NSW.

Who we are



MLA Board as at 30 June 2022



Alan Beckett Chair

BEc, FICA, GAICD Director since November 2014

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

Previous roles

Chairman of ASX listed Basper Limited (formally Berklee Ltd) and Deputy Chairman of the Department of Defence Audit & Risk Committee. He is a former independent member of the Audit & Risk Committee of Reserve Bank of Australia's wholly owned subsidiary, Note Printing Australia Limited.

Chair Director Director Member Member



Jason Strong Managing Director

MAICD Appointed 25 March 2019

Mr Strong has more than 30 years' red meat and livestock experience, knowledge and connections from the farm through to the end consumer in both domestic and international markets. He is a well-recognised and respected senior executive with extensive skills in commercial and industry business management and administration, supply chain development, meat science and grading, genetics and marketing as well as on-farm experience. Mr Strong is a director and investor of Farmgate MSU Pty Ltd and a committee member of NSW Government's Trade and Industry Advisory Committee. Mr Strong is also Managing Director of Meat & Livestock Australia Ltd, Chair of MLA Donor Company Limited and Integrity Systems Company Limited, director of AUS-MEAT Limited and Red Meat Traceability Systems Pty Ltd.

Previous roles

CEO, Smithfield Cattle Company, Managing Director AA Co, MLA's regional manager in Europe and Russia, Pfizer (now Zoetis) and manager at MSA Grading Services.

Managing Director Chair Chair Director Director



Robert Fitzpatrick

BEc, LLB, MBA, GAICD Director since November 2015

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

Previous roles

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

Director Chair



Erin Gorter

BA (education), GAICD Director since November 2015

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

Previous roles

Producer representative on the Board of the WA Meat Industry Authority, Non-Executive Director on Primary Industries Education Foundations Australia and managed all aspects of two WA-based grower production groups.

Director Chair Member



Andrew Michael

GAICD Director since November 2017

Mr Michael is a fourth generation farmer, working his 1,500ha family farm at Snowtown, SA. Over the last 45 years he's built and operated a largescale sheepmeat and wool business including both terminal and maternal sheep. He has extensive experience in the use of breeding technologies in both the sheep and cattle industries, and for over 35 years, has incorporated all the latest leading-edge animal breeding technologies available. Mr Michael is a great supporter and user of all sheep industry groups, including Sheep CRC, Sheep Genetics, Information Nucleus Flock and many more. Using these technologies and working with industry groups has assisted him to develop a highly productive business, breeding top performing sheep for quality red meat production, along with high value skins and wools on animals that do not require mulesing.

Previous roles

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

Director Director Member Member



Russell Lethbridge

Dip Rural Bus Mgt, Cert AH & FarmEng (Hons), GAICD Director since November 2017

Mr Lethbridge, with his family, runs Werrington Cattle Company, a commercial beef cattle, breeding, growing and fattening enterprise. Werrington has been in the Lethbridge family for 125 years with the current branch of the family in ownership since 1980. The Werrington business runs over 13,000 head of cattle and comprises a breeding program on 120,000ha of natural eucalypt forest country, approximately 250km west of Townsville and 200km north of Hughenden in north Queensland. The business also consists of Rainmore Station, a 27,000ha property near Alpha in central Queensland. Mr Lethbridge has a deep understanding of cattle production systems, managing breeder and feeder cattle under extreme environmental conditions and pasture nutrition levels, utilising genetic selection and strategic herd management to achieve production and business success.

Previous roles

Chair of the Hann Highway Action Group, an elected representative of AgForce for seven years, beginning as Regional Vice President for the north region, then as Regional President and Board Member and member of AgForce Finance Audit and Risk and Agribusiness Finance Drought and Climate Policy Committees. Member of the steering committee for the Northern Gulf Resource Management.

Director Director Member Member

Who we are *continued*

MLA Board *continued*



Manny Noakes

BSc, Dip Nut & Diet, PhD, GAICD Director since November 2018

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

Previous roles

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

Director

Member



John Lloyd

BSc, MBA Director since November 2019

Mr Lloyd, with his family runs a small agricultural enterprise at Borenore, near Orange, NSW. He has a deep understanding of red meat industry dynamics, knowledge and connections across the agri-food ecosystem including the RDC sector, government and research providers. Mr Lloyd has led and created new funding models that have catered for longer-term strategic issues such as export markets, biosecurity, health and nutrition, pollination, major pests, intensive farming systems and urban greening as well as accessing broader and non-traditional sources of investment. Mr Lloyd has also completed the Company Directors course with the Australian Institute of Company Directors. He is the former CEO of Horticulture Innovation Australia/HAL, leading both organisations over a nine-year period of significant growth, change and transition. Mr Lloyd is a Council Member of Charles Sturt University, a director of Wine Australia, Grains & Legumes Nutrition Council, Menari Business Solutions Pty Ltd and Meat & Livestock Australia Limited, Chair of the Research & Development Investment Committee and a member of the Audit, Finance and Risk Committee.

Previous roles

Mr Lloyd has broad experience across the Australian agribusiness sector with previous roles in senior leadership positions including Managing Director of Case IH/New Holland ANZ; General Manager of Commercial Incitec Pivot; and General Manager of Merchandise Wesfarmers Dalgety.

Director

Chair

Member



Jacqueline Wilson-Smith

BCom, GAICD Director since November 2021

Ms Wilson-Smith is passionate about creating better food systems to help feed the world well and brings to the table strategic facilitation skills, a collaborative leadership style and an international network of agri-food industry connections. She leverages 25 years of practical experience in design thinking, innovation process, strategic marketing, consumer insight, global trends, sustainability frameworks, translating research and commercialisation. In 2017, Ms Wilson-Smith was the Queensland recipient of the AgriFutures Rural Women's Award. Ms Wilson-Smith is a non-executive Director for Food Agility CRC, Travellers Choice and Chair of the Agrifutures Ginger Advisory Panel. In addition, Ms Wilson-Smith is CEO of the Sustainable Innovation Company and co-founder of the Food and Agribusiness Network (FAN) and former Chair.

Previous roles

Various corporate & international roles with McCormick, Gourmet Garden, Mondelez, Accolade Wines, Constellation & EY.

Director

Member



Joanne Taylor-Craig
Company secretary

Appointed March 2020

Ms Taylor-Craig joined MLA in 2012 and was appointed as Company Secretary in 2020. She is responsible for all governance matters, ensuring compliance with all corporate and ethical standards and monitoring that board policy and procedures are followed.

Previous roles

PricewaterhouseCoopers (PwC).

Director

Key

MLA Subsidiary Companies and Committees

- Meat & Livestock Australia
- MLA Donor Company Limited
- Integrity Systems Company Limited
- Red Meat Traceability Systems Pty Ltd
- AUS-MEAT Limited
- Remuneration, People and Culture Committee
- Selection Committee
- Audit, Finance and Risk Committee
- Research & Development Investment Committee

MLA Leadership Team as at 30 June 2022

Jason Strong Managing Director

MAICD 293* employees

See page 60 for Mr Strong's biography.



Andrew Ferguson
Chief Operating Officer

BA, CA 50* employees

Mr Ferguson joined MLA as Chief Financial Officer in 2016 and was recently appointed as Chief Operating Officer. He is responsible for MLA's financial integrity, including reporting, information systems and compliance, as well as the legal, human resources and risk functions. He is a chartered accountant with over 25 years of experience in both the UK and Australia.

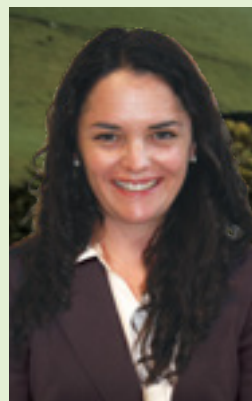
Director Director Director



Nathan Low General Manager –
Marketing and Insights

MCom 45* employees

Mr Low joined MLA in July 2020 and leads the Marketing and Insights team which includes brand marketing, business development, nutrition, consumer insights, industry insights and the National Livestock Reporting Service. Nathan brings extensive global and domestic marketing, brand and consumer insight experience in large fast-moving consumer goods, retail, e-commerce, agribusiness and manufacturing organisations. Nathan has held senior management, business development and marketing leadership roles in organisations such as Unilever, SunRice, Ladbrokes and Pact Group.



Dr Jane Weatherley Chief Executive
Officer, Integrity Systems Company

PhD (Farming sys), GAICD 39* employees

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

Who we are *continued*

MLA Leadership Team *continued*



Lucy Broad General Manager – Communications

🎓 BAgSc, GAICD 👤 29* employees

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



Andrew Cox General Manager – International Markets

🎓 BEc 👤 47* employees

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



Michael Crowley General Manager – Research, Development and Adoption

🎓 B. Rural Science, Grad Cert Business Administration, GAICD
👤 75* employees

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



Dr Sam Bucolo Design Strategy and Leadership Lead

🎓 BA, CA 👤 0* employees

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

*This excludes MLA Leadership team, Executive to MD and Company Secretary


MLA organisational chart as at 30 June 2022



Alan Beckett
MLA Board Chair



Jason Strong
Managing Director



Andrew Ferguson
Chief Operating Officer
Corporate Services



Nathan Low
General Manager Marketing and Insights
Marketing and Insights



Andrew Cox
General Manager International Markets
International Markets



Michael Crowley
General Manager Research, Development and Adoption
Research, Development and Adoption



Lucy Broad
General Manager Communications
Communications



Dr Jane Weatherley
CEO, Integrity Systems Company
Integrity Systems Company



Dr Sam Bucolo
Design Strategy and Leadership Lead

Who we are *continued*



Our subsidiary companies

MLA Donor Company

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

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

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

MDC's strategic investment portfolio is directly aligned to extending the achievement of *Red Meat 2030* and MLA's *Strategic Plan 2025*. Further detail about MDC is available at mla.com.au/mdc

Integrity Systems Company

Integrity Systems Company (formerly NLIS Ltd) is a wholly owned subsidiary of MLA. Its expanded remit began in September 2016, being responsible for delivering the red meat and livestock industry's traceability and quality assurance systems: the Livestock Production Assurance (LPA) program, National Vendor Declarations (NVDs) and the National Livestock Identification System (NLIS) (see figure adjacent).

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

Human resources

At 30 June 2022, MLA had 293 employees, both domestically and internationally.

Voluntary turnover for the reporting year was 23.9% compared to 13.9% in 2020–21. The increase in voluntary turnover corresponds with prevailing labour market trends. Total turnover in 2021–22 was 27.9%, which includes voluntary and involuntary turnover and end of fixed-term contracts.

Figure 3: The role of MDC

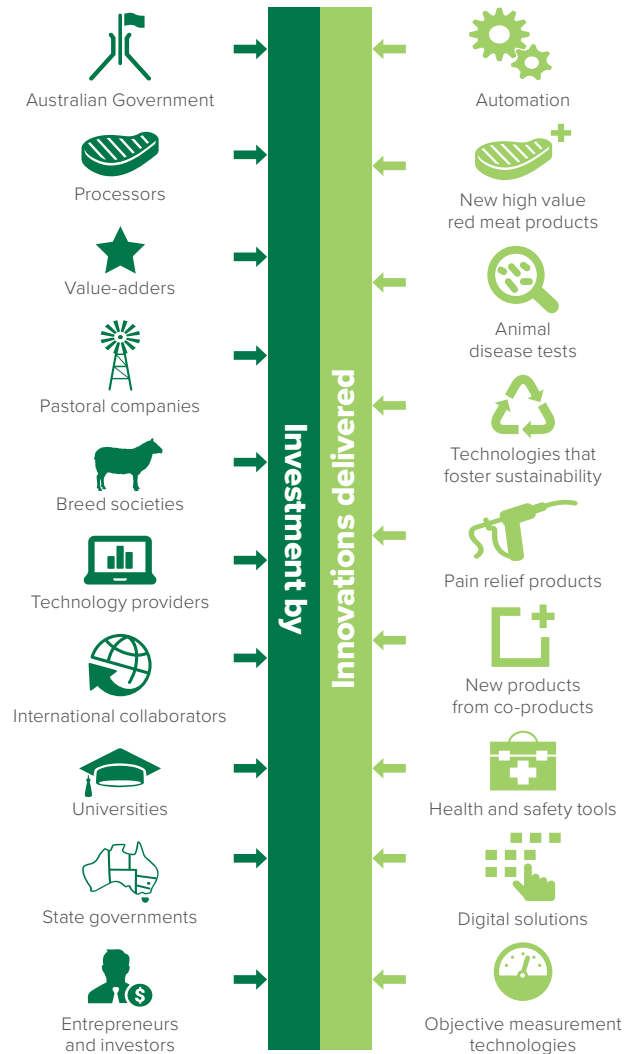


Figure 4: The role and scope of Integrity Systems Company

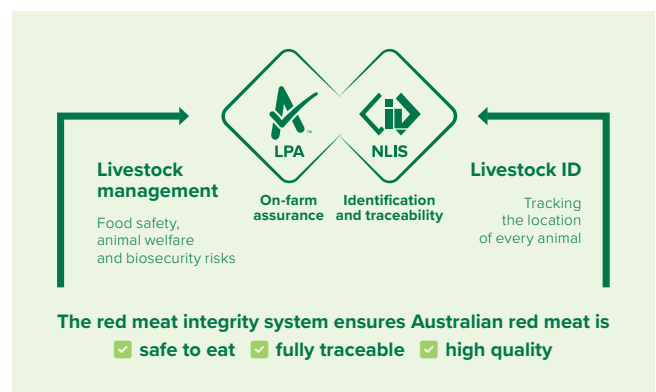


Table 3: MLA employee profile at 30 June 2022

	2017–18	2018–19	2019–20	2020–21	2021–22
Female	140	153	153	152	160
Male	125	118	129	127	133
Full-time	232	231	248	248	264
Part-time	33	40	34	31	29
Australian-based ¹	222	227	239	242	247
Overseas-based ²	43	44	43	37	46
Total staff	265	271	282	279	293

¹Includes MLA Leadership Team but excludes Board of Directors and Company Secretary as well as employees on parental leave or extended leave of absence. ²Part-time includes any casual employees engaged at the time of reporting. ³Overseas-based includes both locally engaged employees and expatriates/international assignees.

Performance and remuneration process

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

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

During 2021–22 MLA continued to benchmark roles against remuneration data from global human resources consulting firm Aon Hewitt to ensure remuneration remains competitive to attract and retain talent.

The total employee benefit expense in 2021–22 was \$40,682,000 (see page 86).

Training and professional development

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

In 2021–22 MLA continued to support employees through training and professional development through its 70/20/10 model approach to learning and development:

- 70% of learning and development is on the job (including workplace tasks and stretch assignments)
- 20% is through others (including managers, peers and coaching arrangements)
- 10% is through formal learning initiatives (such as risk management, performance management and anti-bullying and harassment training, and training courses identified between individual employees and their managers).

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

In 2021–22 assistance was provided to 17 employees studying undergraduate and postgraduate courses ranging from agricultural economics to sustainability, law and business management as well as professional certifications.

Employee engagement

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

Diversity and gender equality

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

At 30 June 2022, MLA's employee profile reflects a balanced gender profile with greater female representation between 20–39 years of age.

Flexible work and support

MLA continues to offer employees flexible work arrangements that support work/life balance, including family or caring responsibilities. Provisions include flexible hours of work, telecommuting, part-time work, paid parental leave, paid family and domestic violence leave and personal/carer's leave. MLA also offers employees access to an employee assistance program and has training and formal policies to educate and protect employees against discrimination, harassment and bullying.

During 2021–22 MLA continued to benchmark roles against remuneration data from global human resources consulting firm Aon Hewitt to ensure remuneration remains competitive to attract and retain talent.



“Producers care for the environment – if we don’t we cannot be sustainable. We put the money back into our properties and as you can see, they have no weeds, the fences are good, and we plant trees – we do all these wonderful things, but if we don’t make money, it all stops.”

Shane Harris – Harris Farms, Dumbalk North Victoria.

Financial report

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Strathdale Wagyu – Sarina Queensland.



Total investment increased by 10.0% in 2021–22 to \$310.7 million. The uplift was primarily attributable to R&D investment, which increased by \$26.4 million or 14.7%.

Financial summary

Revenue and expenditure summary (\$m)

Status	2017–18	2018–19	2019–20	2020–21	2021–22	% change 2021–22 compared with 2020–21
Grassfed cattle levies	55.3	58.9	63	52.8	49.0	-7.2%
Grainfed cattle levies	11.3	11.4	13.9	12.8	11.6	-9.4%
Lamb/mutton levies	39.1	37.3	37	35.2	36.6	4.0%
Goat levies	0.7	0.5	0.5	0.4	0.6	50.0%
Total producer levies	106.4	108.1	114.4	101.2	97.8	-3.4%
Government contributions	80.4	80.9	78.5	85.7	98.8	15.3%
Other	85.7	80.8	76.7	73.1	91.5	25.2%
Total revenue	272.5	269.8	269.6	260	288.2	10.8%
Marketing, market access and insights	90.4	104.1	101.8	103	104.8	1.7%
Research and development	171.8	170.3	171.9	179.5	205.9	14.7%
Total expenditure	262.2	274.4	273.7	282.5	310.7	10.0%

Revenue

MLA's total income of \$288.2 million for 2021–22 was \$28.2 million or 10.8% higher than the previous corresponding period, mainly as a result of an increase in Government contributions to fund research and development investment.

Levy income decreased by \$3.4 million or 3.4% to \$97.8 million in 2021–22. Levies were impacted by COVID-19 processing restrictions in Victoria and the floods in Queensland and northern NSW. The herd rebuild also contributed to the result, which is reflected by the lowest female cattle slaughter rate in over a decade.

Government contributions of \$98.8 million increased by \$13.1 million or 15.3% during the period. The increase was primarily attributable to an increase in the Government matching cap, which is a function of the gross value of production (GVP) of the red meat industry. The cap increase was underpinned by growth in both cattle and sheepmeat GVP.

Expenditure

Total investment increased by 10.0% in 2021–22 to \$310.7 million. The uplift was primarily attributable to R&D investment, which increased by \$26.4 million or 14.7% and was underpinned by an uplift in the red meat industry's Government matching cap.

Marketing, market access and insights investment of \$104.8 million represents an increase of \$1.8 million or 1.7% compared to previous corresponding period. The increase is partially driven by additional grants secured during the year in the International Markets program.

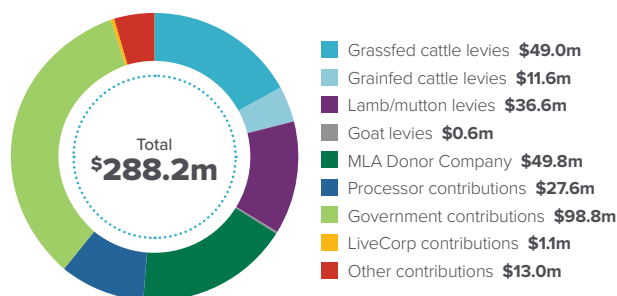
Retained earnings

MLA returned a deficit of \$22.6 million in 2021–22, which reduced the Group's retained surplus as at 30 June 2022 to \$66.5 million. The deficit reflects the deliberate draw-down from excess accumulated levy reserve balances, in accordance with MLA's Levy Reserve Policy. Integrity Systems Company returned a deficit of \$3.6 million, attributable to a change in accounting policy requiring LPA income to be amortised over its three-year accreditation period, while MLA Donor Company returned a surplus of \$5,000.

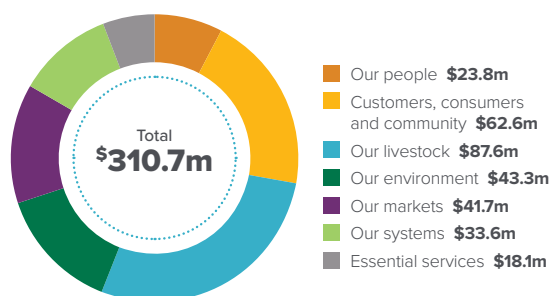
Cash flow

MLA's cash balance decreased in 2021–22 as a result of a decrease in reserve balances inline with application of MLA's levy reserve policy.

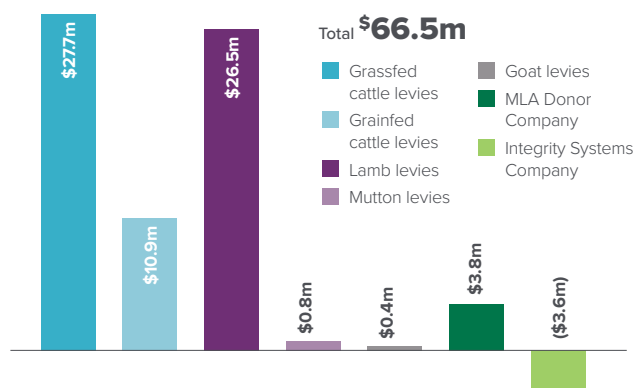
Revenue summary



Expenditure summary



Retained earnings by funding source 2021–22



Financial summary *continued*

Income and expenditure by funding source 2021–22

	Goat		Mutton		Lamb		Total sheep		Grassfed cattle		Grainfed cattle		
	R&D \$000	M \$000	R&D \$000	M \$000	R&D \$000	M \$000	R&D \$000	M \$000	R&D \$000	M \$000	R&D \$000	M \$000	
Animal wellbeing	-	-	69.0	-	601.1	-	670.1	-	296.8	-	-	-	
Domestic market	3.0	19.8	62.2	98.7	337.1	7,320.7	399.3	7,419.4	571.0	8,296.1	208.4	1,333.7	
International markets	0.5	74.6	106.0	399.3	278.8	9,964.0	384.8	10,363.3	309.1	25,489.6	24.2	3,470.9	
Eating quality	-	-	41.9	39.1	529.5	455.5	571.4	494.6	643.0	877.9	202.7	541.4	
Environmental sustainability	2.1	-	40.8	-	421.6	-	462.4	-	396.9	-	27.7	-	
Feedlot	-	-	-	-	-	-	-	-	-	-	1,630.9	452.4	
Integrity systems	14.6	23.5	184.3	138.5	1,004.1	927.4	1,188.4	1,065.9	1,852.3	1,631.2	635.3	815.4	
Objective measurement	-	-	31.6	-	233.6	-	265.2	-	217.4	-	41.4	-	
Producer adoption	22.0	18.6	179.6	138.2	1,626.4	1,712.9	1,806.0	1,851.1	965.8	1,453.5	-	-	
Product and packaging innovation	0.1	1.8	21.4	9.5	131.3	63.2	152.7	72.7	34.2	54.4	1.4	2.0	
Value chain information and efficiency	31.4	-	87.9	-	626.0	-	713.9	-	856.9	-	331.4	-	
Productivity (off-farm)	-	-	-	-	-	-	-	-	-	-	-	-	
Productivity (on-farm)	110.3	-	101.3	15.0	2,426.2	0.8	2,527.5	15.8	3,654.8	8.6	113.1	-	
Capability building	3.6	17.4	11.4	101.7	121.7	1,299.0	133.1	1,400.7	123.4	1,571.7	17.6	510.1	
Communication	4.4	3.7	24.5	86.7	443.3	2,680.3	467.8	2,767.0	286.4	3,844.6	34.4	744.9	
AUS-MEAT	-	1.6	-	9.1	-	198.9	-	208.0	-	376.0	-	67.6	
Total expenditure pre corporate services	192.0	161.0	961.9	1,035.8	8,780.7	24,622.7	9,742.6	25,658.5	10,208.0	43,603.6	3,268.5	7,938.4	
Corporate services	27.0	22.8	60.9	70.7	1,278.8	3,385.8	1,339.7	3,456.5	1,393.8	5,817.9	452.6	1,076.1	
Levy collection costs	-7.4	16.0	-14.9	38.1	-155.7	507.3	-170.6	545.4	-165.1	678.1	-64.2	191.7	
Total expenditure	211.6	199.8	1,007.9	1,144.6	9,903.8	28,515.8	10,911.7	29,660.4	11,436.7	50,099.6	3,656.9	9,206.2	
Income available	Levies	361.9	227.6	901.2	1,018.3	10,069.3	24,607.4	10,970.5	25,625.7	9,854.0	39,161.7	3,806.0	7,815.1
	Government												
	Processors												
	Live export												
	R&D partnerships												
	External												
Total actual income 2021–22	361.9	227.6	901.2	1,018.3	10,069.3	24,607.4	10,970.5	25,625.7	9,854.0	39,161.7	3,806.0	7,815.1	
Surplus/(deficit)	150.3	27.8	-106.7	-126.3	165.5	-3,908.4	58.8	-4,034.7	-1,582.7	-10,937.9	149.1	-1,391.1	

Total cattle		Total levy funds		Processor		LiveCorp		External		Government	MLA
R&D \$000	M \$000	R&D \$000	M \$000	R&D \$000	M \$000	R&D \$000	M \$000	R&D \$000	M \$000	R&D \$000	Total \$000
296.8	-	966.9	-	-	-	-	-	3,164.9	476.8	4,131.8	8,740.5
779.4	9,629.8	1,181.7	17,069.0	374.0	1,719.1	2.8	8.4	-	606.5	1,558.5	22,520.1
333.3	28,960.5	718.6	39,398.4	44.2	2,337.9	578.5	506.9	42.8	2,385.7	1,384.1	47,396.9
845.7	1,419.3	1,417.1	1,913.9	26.6	-	-	-	117.3	302.1	1,561.0	5,338.2
424.6	-	889.1	-	893.2	-	-	-	11,800.0	3,000.3	13,582.3	30,165.2
1,630.9	452.4	1,630.9	452.4	-	-	-	-	1,243.0	-	2,873.9	6,200.2
2,487.6	2,446.6	3,690.6	3,536.0	2,558.0	1,102.7	8.1	20.9	989.4	6,669.6	7,246.1	25,821.4
258.8	-	524.0	-	271.9	-	-	-	2,158.7	1,125.8	2,954.6	7,035.0
965.8	1,453.5	2,793.8	3,323.2	-	-	-	-	2,704.2	-	5,498.0	14,319.2
35.6	56.4	188.4	130.9	113.5	13.5	-	-	1,303.7	-	1,605.6	3,355.9
1,188.3	-	1,933.6	-	25.0	-	-	-	741.9	1,968.4	2,700.5	7,369.6
-	-	-	-	12,008.3	-	-	-	4,137.1	-	16,145.4	32,290.8
3,767.9	8.6	6,405.7	24.4	-	-	-	-	15,749.7	1,503.0	22,155.4	45,838.2
141.0	2,081.8	2,777	3,499.9	7,713.1	39.0	-	0.5	3,860.9	-	11,851.7	27,243.2
320.8	4,589.5	793.0	7,360.2	-	-	-	-	-	104.5	793.0	9,050.9
-	443.6	-	653.2							-	653.2
13,476.5	51,542.0	23,411.1	77,361.5	24,027.8	5,212.2	589.4	536.7	48,013.6	18,142.7	96,041.9	293,338.5
1,846.4	6,894.0	3,213.1	10,373.3	-	-	-	-	-	7.4	3,213.1	16,806.8
-229.3	869.8	-407.3	1,431.2						-	-407.3	616.7
15,093.6	59,305.8	26,216.9	89,166.0	24,027.8	5,212.2	589.4	536.7	48,013.6	18,150.1	98,847.7	310,762.0
13,660.0	46,976.8	24,992.4	72,830.1								97,822.5
										98,847.7	98,847.7
				24,027.8	5,212.2						29,240.0
						589.4	536.7				1,126.1
								48,016.1			48,016.1
									13,129.8		13,129.8
13,660.0	46,976.8	24,992.4	72,830.1	24,027.8	5,212.2	589.4	536.7	48,016.1	13,129.8	98,848.5	288,183.1
-1,433.6	-12,329.0	-1,224.5	-16,335.9	-	-	-	-	2.5	-5,020.3	0	-22,579.0

Directors' report

The Board of Directors of Meat & Livestock Australia Limited ("MLA" or "the Company") has pleasure in submitting its report for the financial year ended 30 June 2022.

Names, qualifications, experience and special responsibilities

Directors

The names of the company's directors in office during the financial year and until the date of this report are as follows:

- Mr Alan Beckett
- Mr Jason Strong
- Mr Robert Fitzpatrick
- Ms Erin Gorter
- Mr Russell Lethbridge
- Mr Andrew Michael
- Dr Manny Noakes
- Mr John Lloyd
- Ms Jacqueline Wilson-Smith (November 2021).

Company secretary

- Joanne Taylor-Craig (joined MLA in April 2012 and was appointed Company Secretary in March 2020).

All directors were in office for the entire year unless otherwise stated. See pages 60–63 for director biographies.

Retiring directors

- Jo Pye (November 2018 – November 2021)

Subsidiaries

MLA Donor Company Limited

At 30 June 2022, the members of the board were Mr Jason Strong, Mr Alan Beckett and Mr Andrew Ferguson.

Integrity Systems Company Limited

At 30 June 2022, the members of the board were Mr Jason Strong, Mr Alan Beckett, Mr Russell Lethbridge and Mr Andrew Michael.

Directors' meetings

During the period 1 July 2021 to 30 June 2022 the MLA Group Board and its Committees held 6 meetings of directors. The attendances of the directors at meetings of the Board and of its committees were:

Board member	Scheduled meetings	Committees of the Board of Directors		
		Audit, Finance & Risk	Remuneration	Research & Development Investment
A Beckett	6 (6)	-	3 (3)	-
R Fitzpatrick	5 (6)	4 (4)	-	-
E Gorter	6 (6)	-	3 (3)	4 (4)
R Lethbridge	6 (6)	4 (4)	-	-
J Lloyd	6 (6)	4 (4)	-	4 (4)
A Michael	6 (6)	-	2 (2)	4 (4)
M Noakes	6 (6)	-	-	4 (4)
J Pye	3 (3)	-	1 (1)	-
J Wilson-Smith	3 (3)	2 (2)	-	-

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

Selection Committee

During the year, the Selection Committee held 3 meetings. The current members of the Selection Committee and their attendance at meetings are listed below. The number of meetings for which the selection committee member was eligible to attend is shown in brackets.

	Scheduled meetings
MLA director	
Alan Beckett	3 (3)
Robert Fitzpatrick [*]	3 (3)
Russell Lethbridge	2 (2)
Peak council representative	
Bryce Camm [*]	3 (3)
Jamie Heinrich	5 (5)
Markus Rathsmann [*]	4 (4)
Lloyd Hick	1 (1)
Barb Madden [#]	2 (2)
MLA member elected representative	
Mick Hewitt [*]	3 (3)
Tony Fitzgerald	5 (5)
Dan Radel	4 (5)
Mark Wootton	5 (5)
Julie McDonald [#]	1 (2)

^{*}Retired from the Committee December 2021/June 2022. [#]Commenced with the Committee December 2021.

Principal activities

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

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

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

Review and results of operations

Operating result for the period

The result of the Group for the financial year was a net deficit from continuing operations of \$22,578,000 (2021: net deficit of \$22,490,000). The deficit predominantly reflects the application of the MLA's Levy Reserve Policy, which required an increase in levy investment.

Group overview

The Group earned total revenue of \$288,183,000 (2021: \$259,961,000) which is comprised of the following:

- transaction levies \$97,824,000 (2021: \$101,131,000)
- research and development matching grants \$98,848,000 (2021: \$85,736,000)
- research and development contributions (unmatched) \$4,790,000 (2021: \$6,194,000)
- other income and revenues \$86,721,000 (2021: \$66,900,000).

Total income received/receivable was less than total expenditure, which resulted in a net deficit from continuing operations of \$22,578,000 for the year.

Significant changes in the state of affairs

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

Significant events after the balance date

No significant events after balance date.

Environmental regulation and performance

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

Indemnification and insurance of directors and officers

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

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

Indemnification of auditors

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

Rounding of amounts

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

Registered office and principal place of business

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

Auditor independence

The auditor's independence declaration which forms part of the Directors' report for the financial year ended 30 June 2022 has been received and can be found following this report.

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



Alan Beckett
Chair



Jason Strong
Managing director

14 September 2022

Auditor's independence declaration



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

In relation to our audit of the financial report of Meat & Livestock Australia Limited for the financial year ended 30 June 2022, and in accordance with the requirements of Subdivision 60 C of the *Australian Charities and Not for profits Commission Act 2012*, to the best of my knowledge and belief, there have:

- (a) No contraventions of the auditor independence requirements of any applicable code of professional conduct; and
- (b) No non audit services provided that contravene any applicable code of professional conduct.

Ernst & Young

A handwritten signature in black ink, appearing to read 'Daniel Cunningham', written in a cursive style.

Daniel Cunningham
Partner

14 September 2022

Income statement

For the year ended 30 June 2022	Notes	Consolidated \$ '000	
		2022	2021
Continuing operations			
Revenues from continuing operations	3	288,183	259,961
Expenditure from continuing operations			
Animal wellbeing		8,740	9,130
Feedlot		6,200	6,121
Capability building		27,243	29,957
Communication		9,051	10,653
Environmental sustainability		30,165	20,518
Integrity systems		25,821	25,093
International markets		47,397	43,209
Objective measurement		7,035	8,183
Producer adoption		14,319	10,645
Product and packaging innovation		3,356	2,626
Productivity (off-farm)		32,291	25,689
Productivity (on-farm)		45,838	33,703
Eating quality		5,338	6,650
Domestic market		22,520	25,609
Value chain information & efficiency		7,370	6,224
AUS-MEAT		550	550
Corporate Services		17,527	17,891
Total expenditure		310,761	282,451
Net (deficit) from continuing operations		(22,578)	(22,490)
Total change in members' funds		(22,578)	(22,490)

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

Statement of comprehensive income

For the year ended 30 June 2022	Consolidated \$ '000	
	2022	2021
Net deficit from continuing operations	(22,578)	(22,490)
Other comprehensive income		
Items that may be subsequently reclassified to the income statement		
Cash flow hedges:		
(Loss) taken to equity	(6)	(32)
Transferred to Statement of comprehensive income	32	30
Other comprehensive (loss) for the year	26	(2)
Total comprehensive (deficit) for the year	(22,552)	(22,492)

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

Statement of financial position

As at 30 June 2022	Notes	Consolidated \$ '000	
		2022	2021
Current assets			
Cash and cash equivalents		39,538	64,107
Trade and other receivables	7	59,296	66,411
Prepayments and deposits	8	1,729	1,949
Total current assets		100,563	132,467
Non-current assets			
Property, plant and equipment	12	1,573	2,180
Intangible assets	13	5,395	5,494
Right of use assets	14	14,179	16,145
Other financial assets	15	56,936	58,799
Total non-current assets		78,083	82,618
Total assets		178,646	215,085
Current liabilities			
Trade and other payables	16	61,074	73,506
Provisions	17	2,686	2,216
Lease liabilities	14	11,769	3,367
Other liabilities	18	19,350	22,286
Total current liabilities		94,879	101,375
Non-current liabilities			
Provisions	19	1,620	1,290
Lease liabilities	14	5,532	15,855
Other liabilities	20	2,602	-
Total non-current liabilities		9,754	17,145
Total liabilities		104,633	118,520
Net assets		74,013	96,565
Equity - members' funds			
Contributed equity	27	9,031	9,031
Retained surplus		64,988	87,566
Cash flow hedge reserve	21	(6)	(32)
Total equity - members' funds		74,013	96,565

The accompanying notes form an integral part of this Statement of financial position.

Statement of changes in equity

For the year ended 30 June 2022	Consolidated \$ '000			
	Contributed equity	Retained earnings	Cash flow hedge reserve	Total
As at 1 July 2020	9,031	110,056	(30)	119,057
Deficit for the year	-	(22,490)	-	(22,490)
Other comprehensive (loss)	-	-	(2)	(2)
Total comprehensive (loss)	-	(22,490)	(2)	(22,492)
As at 30 June 2021	9,031	87,566	(32)	96,565
Deficit for the year	-	(22,578)	-	(22,578)
Other comprehensive gain	-	-	26	26
Total comprehensive (loss)	-	(22,578)	26	(22,552)
As at 30 June 2022	9,031	64,988	(6)	74,013

The accompanying notes form an integral part of this Statement of changes in equity.

Statement of cash flows

For the year ended 30 June 2022	Notes	Consolidated \$ '000	
		2022	2021
Cash flows from operating activities			
Net (deficit)		(22,578)	(22,490)
Adjustments for:			
Net (gain) on disposal of property, plant and equipment		(6)	-
Depreciation of property, plant and equipment and right-of-use assets		4,368	4,271
Amortisation of software		2,845	2,275
Interest received		(88)	(805)
Working capital changes:			
Decrease/(increase) in trade and other receivables		7,115	(18,385)
Decrease prepayments and deposits		220	48
Decrease in other financial assets		1,862	1
(Decrease)/increase in trade and other payables		(12,432)	10,896
(Decrease)/increase in other liabilities		(308)	6,125
Increase in provisions		801	217
Net cash flows from operating activities		(18,201)	(17,847)
Cash flows from investing activities			
Proceeds from disposal of property, plant and equipment		6	-
Purchase of property, plant and equipment and right-of-use assets		(1,276)	(1,070)
Purchase of software		(2,746)	(2,951)
Purchase of other financial assets		-	(57,720)
Interest received		88	805
Net cash flows from investing activities		(3,928)	(60,935)
Cash flows from financing activities			
Net repayments of lease liability		(2,439)	(2,357)
Net cash flows from financing activities		(2,439)	(2,357)
Net (decrease) in cash held		(24,569)	(81,139)
Add opening cash brought forward		64,107	145,246
Closing cash carried forward		39,538	64,107

The accompanying notes form an integral part of this Statement of cash flows.

Notes to the financial statements

1. Corporate information

The financial report of Meat & Livestock Australia Limited and its subsidiaries ("the Group") for the year ended 30 June 2022 was authorised for issue in accordance with a resolution of the directors on 14 September 2022.

MLA has prepared a consolidated financial report incorporating the Company and the entities that it controlled during the financial year.

MLA is a company limited by guarantee incorporated in Australia.

The nature of the operations and principal activities of the Group are described in the Directors' report.

2. Summary of significant accounting policies

a. Basis of preparation

The financial report is a general-purpose financial report, which has been prepared in accordance with the requirements of the *Not-for-profits Commission Act 2012*, Australian Accounting Standards and other authoritative pronouncements of the Australian Accounting Standards Board. The financial report has also been prepared on a historical cost basis except for derivative financial instruments and financial assets which have been measured at fair value.

The financial report is presented in Australian dollars and all values are rounded to the nearest thousands (\$000).

(b) Statement of compliance

The principal accounting policies adopted in the preparation of the financial statements are set out below. These policies have been consistently applied to all the years presented, unless otherwise stated.

New, revised or amending Accounting Standards and Interpretations adopted

No new, revised or amending Accounting Standards and Interpretations issued by the Australian Accounting Standards Board (AASB) that are mandatory for the current reporting period have been adopted. Any new or amended Accounting Standards or Interpretations that are not yet mandatory have not been early adopted.

(c) Principles of consolidation

The consolidated financial statements comprise the financial statements of MLA and its subsidiaries (the Group) as at 30 June 2022 (as outlined in Note 10). Controls are achieved where the Group has power over the investee, exposure, or rights to variable returns from its involvement with the investee and the ability to use its power to affect its returns. The results of subsidiaries acquired or disposed during the year are included in the consolidated income statement and statement of comprehensive income from the effective date of acquisition or up to the effective date of disposal, as appropriate.

The financial statements of the subsidiaries are prepared for the same reporting period as the Group, using consistent accounting policies. All intercompany balances and transactions have been eliminated in full.

(d) Cash and short-term deposits

Cash on hand and at banks and short-term deposits are stated at nominal value.

For the purposes of the consolidated Statement of cash flows, cash and cash equivalents includes cash on hand and at banks, and money market investments readily convertible to cash within two working days, net of outstanding bank overdrafts.

(e) Trade and other receivables

Trade receivables are recognised and carried at original invoice amount less a provision for any uncollectible debts. An estimate for doubtful debts is made when there is objective evidence that the Group will not be able to collect the debt. Bad debts are written-off as incurred.

(f) Taxes

Income tax

The Group is exempt from income tax under section 50–40 of the *Income Tax Assessment Act 1997*.

Goods and Services Tax (GST)

Revenue, expenses and assets are recognised net of the amount of GST except:

- where GST incurred on a purchase of goods and services is not recoverable from the taxation authority, in which case the GST is recognised as part of the cost of acquisition of the asset or as part of the expense item as applicable
- receivables and payables (except accrued income and expenditure) are stated with the amount of GST included.

The net amount of GST recoverable from, or payable to, the taxation authority is included as part of receivables or payables in the Statement of financial position.

Cash flows are included in the Statement of cash flows on a gross basis and the GST component of cash flows arising from investing activities, which is recoverable from or payable to the taxation authority are classified as operating cash flows.

Commitments and contingencies are disclosed net of the amount of GST recoverable from, or payable to, the taxation authority.

(g) Revenue recognition

The Group recognises revenue under AASB 1058 or AASB 15 when appropriate. In cases where there is an 'enforceable' contract with a customer with 'sufficiently specific' performance obligations, the transaction is accounted for under AASB 15 where income is recognised when (or as) the performance obligations are satisfied (i.e. when it transfers control of a product or service to a customer). Revenue is measured based on the consideration to which the Group expects to be entitled in a contract with a customer and excludes amounts collected on behalf of third parties. In other cases, AASB 1058 applies when a NFP entity enters into transactions where the consideration to acquire an asset is significantly less than the fair value of the asset principally to enable the entity to further its objectives and the excess of the asset recognised (at fair value) over any 'related amounts' is recognised as income immediately.

Notes to the financial statements *continued*

The Group recognises revenues from the major business activities as follows:

- transaction levies – revenue is recognised in the period to which it relates based on confirmations received from the Levies and Revenue Service who collect and distribute levies to the Group.
- research and development Commonwealth matching payments – revenue is recognised for the matching funding from the Australian Government to the extent that the entity obtains control of the funding, it is probable that the economic benefits comprising the funding will flow to the entity and the funding can be measured reliably. These conditions are considered to be met when approved eligible research and development expenditure has been incurred. Accrued matching payments represent unclaimed funding for the amount incurred on research and development.
- research and development contributions (unmatched) – the company receives funding from various external parties (including the Department of Agriculture and the Australian Government) to conduct collaborative research and development programs. Revenue is recognised when the company obtains control of the contribution or the right to receive the contribution based on conditions around expenditure incurred.
- processor and live exporter contributions are recognised as revenue when the company obtains control of the contribution or the right to receive the contribution when it is probable that the economic benefits comprising the funding will flow to the entity and the funding can be measured reliably. These conditions are considered to be met based on conditions around expenditure incurred.
- interest income are taken up as income on an accrual basis.
- income generated from financial assets is recognised at fair value through profit or loss.
- government grants are recognised when the Group obtains control of the grant or the right to receive the grant, which is considered to occur when all attaching conditions have been met. The grant received or receivable will be recognised as income when it is probable that the economic benefits of the grant will flow to the entity and the amount of the grant can be measured reliably.

(h) Derivative financial instruments and hedging

The Group uses derivative financial instruments such as forward currency contracts and options contracts to hedge against the risks associated with foreign currency fluctuations. These contracts are initially recognised at fair value on the date they are entered into and are subsequently remeasured to fair value. Derivatives are carried as assets when their fair value is positive and as liabilities when their fair value is negative.

Any gains or losses arising from changes in the fair value of derivatives, except for those that qualify as cash flow hedges, are taken directly to net surplus or deficit for the year.

The fair value of forward currency contracts is calculated by reference to current forward exchange rates for contracts with similar maturity profiles.

For the purposes of hedge accounting, hedges are classified as cash flow hedges when they hedge exposure to variability in cash

flows that is attributable either to a particular risk associated with a recognised asset or liability or to a forecast transaction.

A hedge of the foreign currency risk of a firm commitment is accounted for as a cash flow hedge.

At the inception of a hedge relationship, the Group formally designates and documents the hedge relationship to which the Group wishes to apply hedge accounting and the risk management objective and strategy for undertaking the hedge. The documentation includes identification of the hedging instrument, the hedged item, the nature of the risk being hedged and how the Group will assess whether the hedging relationship meets the hedge effectiveness requirements (including the analysis of sources of hedge ineffectiveness and how the hedge ratio is determined). A hedging relationship qualifies for hedge accounting if it meets all of the following effectiveness requirements:

- There is 'an economic relationship' between the hedged item and the hedging instrument.
- The effect of credit risk does not 'dominate the value changes' that result from that economic relationship.
- The hedge ratio of the hedging relationship is the same as that resulting from the quantity of the hedged item that the Group actually hedges and the quantity of the hedging instrument that the Group actually uses to hedge that quantity of hedged item.

Hedges that meet the strict criteria for hedge accounting are accounted for as follows:

Cash flow hedges

Cash flow hedges are hedges of the Group's exposure to variability in cash flows that is attributable to a particular risk associated with a recognised asset or liability or a highly probable forecast transaction and that could affect the surplus or deficit. The effective portion of the gain or loss on the hedging instrument is recognised directly in equity while the ineffective portion is recognised in the Statement of comprehensive income.

Amounts taken to equity are transferred to the Statement of comprehensive income when the hedged transaction affects the surplus or deficit, such as when hedged income or expenses are recognised or when a forecast sale or purchase occurs. When the hedged item is the cost of a non-financial asset or liability, the amounts taken to equity are transferred to the initial carrying amount of the non-financial asset or liability.

If the forecast transaction is no longer expected to occur, amounts previously recognised in equity are transferred to the Statement of comprehensive income. If the hedging instrument expires or is sold, terminated or exercised without replacement or rollover, or if its designation as a hedge is revoked, amounts previously recognised in equity remain in equity until the forecast transaction occurs. If the related transaction is not expected to occur, the amount is taken to the Statement of comprehensive income.

Financial assets and financial liabilities are offset and the net amount is reported in the consolidated statement of financial position if there is a currently enforceable legal right to offset the recognised amounts and there is an intention to settle on a net basis, to realise the assets and settle the liabilities simultaneously.

(i) Foreign currency translation

Both the functional and presentation currency of the Company and its subsidiaries is Australian dollars (\$). For each entity, the Group determines its own functional currency and items included in the financial statements of each entity are measured using that functional currency.

Transactions in foreign currencies are initially recorded in the functional currency by applying the budget exchange rate and subsequently revaluing it to the average exchange rate of the month. Monetary assets and liabilities denominated in foreign currencies are retranslated at the rate of exchange ruling at the balance sheet date.

All exchange differences in the consolidated financial report are taken to the Income statement. Non-monetary items that are measured in terms of historical cost in a foreign currency are translated using the exchange rates at the dates of the initial transactions. Non-monetary items measured at fair value in a foreign currency are translated using the exchange rates at the date when the fair value is determined. The gain or loss arising on translation of non-monetary items measured at fair value is treated in line with the recognition of the gain or loss on the change in fair value of the item.

(j) Impairment of assets

The Group assesses at each reporting date whether there is an indication that an asset may be impaired. If any such indication exists, or when annual impairment testing for an asset is required, the Group makes an estimate of the asset's recoverable amount. When the carrying amount of an asset exceeds its recoverable amount, the asset is considered impaired and is written down to its recoverable amount.

(k) Intangible assets

Intangible assets acquired are initially measured at cost. Following initial recognition, intangible assets are carried at cost less any accumulated amortisation and any accumulated impairment losses.

The useful lives of intangible assets are assessed to be either finite or indefinite. Intangible assets with finite lives are amortised over the useful economic life and assessed for impairment whenever there is an indication that the intangible asset may be impaired. The amortisation period and the amortisation method for an intangible asset with a finite useful life are reviewed at least at each financial year-end. Changes in the expected useful life or the expected pattern of consumption of future economic benefits embodied in the asset are accounted for by changing the amortisation period or method, as appropriate, which is a change in accounting estimate. The amortisation expense on intangible assets with finite lives is recognised in the Income statement in the expense category consistent with the function of the intangible asset.

Intangibles are amortised as follows:

- Computer software - 1–5 years

(l) Leases

Except for short-term leases and leases of low-value assets, right-of-use assets and corresponding lease liabilities are recognised in the statement of financial position. Right-of-use assets are depreciated over the term of the lease (included in operating costs) and interest expenses recognized in lease liabilities (included in finance costs). For classification within the statement of cash flows, the interests and principal portion of the lease payments are disclosed in financing activities. For lessor accounting, the standard does not substantially change how a lessor accounts for leases.

Right-of-use assets and lease liabilities

The Group applied a single recognition and measurement approach for all leases except for short-term leases and leases of low-value assets.

The right-of-use assets for most leases were recognised based on the amount equal to the lease liabilities, adjusted for any related prepaid and accrued lease payments previously recognised. Lease liabilities were recognised based on the present value of the remaining lease payments, discounted using the incremental borrowing rate at the date of initial application.

Depreciation

Depreciation is provided on a straight-line basis on all right of use assets.

	Term of lease
Leasehold properties	1–10 years
Motor vehicles	1–5 years

Leasehold improvements

The cost of improvements to or on leasehold property is capitalised, disclosed as leasehold improvements, and amortised over the unexpired period of the lease or the estimated useful lives of the improvements, whichever is the shorter, if there is no certainty the Group will obtain ownership by the end of the lease.

(m) Property, plant and equipment

Cost

All classes of property, plant and equipment are measured at cost, net of accumulated depreciation and accumulated impairment losses if any.

Depreciation

Depreciation is provided on a straight-line basis on all property, plant and equipment.

	Life
Leasehold improvements	Remaining term of lease
Plant and equipment	2–5 years
Furniture and fittings	3–5 years

The assets' residual values, useful lives and amortisation methods are reviewed and adjusted, if appropriate at each financial year end.

Notes to the financial statements *continued*

Derecognition and disposal

An item of property, plant and equipment is derecognised upon disposal or when no further future economic benefits are expected from its use or disposal.

Any gain or loss arising on derecognition of the asset (calculated as the difference between the net disposal proceeds and the carrying amount of the asset) is included in the income statement in the year the asset is derecognised. The residual values, useful lives and methods of depreciation of property, plant and equipment are reviewed at each financial year end and adjusted prospectively, if appropriate.

(n) Trade and other payables

Liabilities for trade and other payables are carried at amortised cost, which is the fair value of consideration to be paid in the future for goods and services received prior to the end of the financial year and which are unpaid. These amounts are unsecured and will be paid when due.

(o) Financial assets

Financial assets are classified, at initial recognition, as subsequently measured at fair value through profit or loss.

Financial assets at fair value through profit or loss are carried in the statement of financial position at fair value with net changes in fair value recognised in the statement of profit or loss, and includes derivative instruments and listed equity investments. Fair values of these equity shares are determined by reference to published price quotations in an active market.

The classification of the financial asset is dependent on the financial asset's contractual cash flow characteristics and the Group's business model for managing them.

The Group holds financial assets with the objective to collect contractual cash flows and not in the business model of both collecting contractual cash flows and selling. The Group therefore measures financial assets at its fair value plus, in the case of a financial asset not at fair value through profit or loss, transaction costs. The financial assets are subsequently measured at fair value through profit and loss.

Financial Assets at fair value through profit or loss

Financial assets at fair value through profit or loss are carried in the statement of financial position at fair value with net changes in fair value recognised in the statement of profit or loss. This category includes derivative instruments and listed equity investments. Dividends on listed equity investments are recognised as income in the statement of profit or loss when the right of payment has been established. A derivative embedded in a hybrid contract, with a financial liability or non-financial host, is separated from the host and accounted for as a separate derivative if the economic characteristics and risks are not closely related to the host; a separate instrument with the same terms as the embedded derivative would meet the definition of a derivative; and the hybrid contract is not measured at fair value through profit or loss. Embedded derivatives are measured at fair value with changes in fair value recognised in profit or loss. Reassessment only occurs if there is either a change in the terms of the contract that significantly modifies the cash flows that would otherwise be required or a reclassification of a financial asset out of the fair value through profit or loss category.

(p) Financial liabilities

Financial liabilities are classified, at initial recognition, as financial liabilities at fair value through profit or loss, loans and borrowings, payables, or as derivatives designated as hedging instruments in an effective hedge, as appropriate.

(q) Provisions

Provisions are recognised when the Group has a present obligation (legal or constructive) as a result of a past event, it is probable that an outflow of resources embodying economic benefits will be required to settle the obligation and a reliable estimate can be made of the amount of the obligation. The expense relating to a provision is presented in the statement of profit or loss net of any reimbursement.

(r) Unearned income

Unearned income consists of funds which have been received or invoiced but income recognition has been deferred to future years because the project milestones have not been met or the expenditure to which they relate has not been incurred.

(s) Employee benefits

Provision is made for employee benefits accumulated as a result of employees rendering services up to the reporting date. These benefits include wages and salaries, annual leave, long service leave and other employee benefits.

Short-term employee benefits

Liabilities for wages and salaries, including non-monetary benefits, annual leave and long service leave expected to be settled wholly within 12 months of the reporting date are measured at the amounts expected to be paid when the liabilities are settled.

Other long-term employee benefits

The liability for annual leave and long service leave not expected to be settled within 12 months of the reporting date are measured as the present value of expected future payments to be made in respect of services provided by employees up to the reporting date using the projected unit credit method. Consideration is given to expected future wage and salary levels, experience of employee departures and periods of service. Expected future payments are discounted using market yields at the reporting date on corporate bonds with terms to maturity and currency that match, as closely as possible, the estimated future cash outflows.

(t) Fit-out contribution and rent-free period

The Company negotiated the lease of new premises in North Sydney in April 2013 which included incentives that involved a combination of a fit-out contribution and rent-free period. These incentives are treated as per AASB 16 lease standard.

(u) Investment in associate

The Group's investment in its associate is accounted for using the equity method of accounting in the consolidated financial statements. The associate is an entity over which the Group has significant influence and that are neither subsidiaries nor joint ventures.

Under the equity method, investment in the associate is carried in the consolidated statement of financial position at cost plus post-acquisition changes in the Group's share of net assets of the associates. After application of the equity method, the Group determines whether it is necessary to recognise any impairment loss with respect to the Group's net investment in associates.

Pursuant to the constitution of the associate (AUS-MEAT), the Group has no entitlement to a share of the associate's net results. The Group is also not entitled to the net assets of the associate except in the event of a winding up of the associate.

The reporting dates of the associate and the Group are identical and the associate's accounting policies conform to those used by the Group for like transactions and events in similar circumstances.

Interests in associated entities are included in non-current assets at the recoverable amount. Detailed equity accounting information concerning the Group's material interests in its associate is provided in Note 9.

(v) Leasehold make good provision

The Company has entered into a number of office premises lease agreements which include make good clauses. A make good clause requires the Company to restore the premises to its original condition at the conclusion of the lease. The provision has been calculated as the present value of the expected cost, which has been based on management's best estimate.

(w) Current versus non-current classification

The Group presents assets and liabilities in the statement of financial position based on current/non-current classification. An asset is current when it is:

- expected to be realised or intended to be sold or consumed in the normal operating cycle
- held primarily for the purpose of trading
- expected to be realised within twelve months after the reporting period.

A liability is current when:

- It is expected to be settled in the normal operating cycle
- It is held primarily for the purpose of trading
- It is due to be settled within twelve months after the reporting period or
- there is no unconditional right to defer the settlement of the liability for at least twelve months after the reporting period.

The Group classifies all other liabilities as non-current.

3. Revenue from continuing operations

	Notes	Consolidated \$ '000	
		2022	2021
Revenues from contracts with customers			
Transaction levies	4	97,824	101,131
R&D Commonwealth matching payments		98,848	85,736
R&D contributions (unmatched)		4,790	6,194
Other income	5	88,649	64,237
Total revenues from operating activities		290,111	257,298
Revenues from non-operating activities			
Bank interest		38	553
Unrealised (loss)/income from financial asset at fair value through profit or loss		(1,966)	2,110
Total revenues from non-operating activities		(1,928)	2,663
Total revenues from continuing operations		288,183	259,961

Notes to the financial statements *continued*

4. Transaction levies

	Consolidated \$ '000	
	2022	2021
Transaction levies:		
▪ Grainfed cattle	11,621	12,769
▪ Grassfed cattle	49,016	52,784
▪ Lambs	34,677	33,305
▪ Sheep	1,920	1,862
▪ Goats	590	411
Total transaction levies	97,824	101,131

5. Other income

	Consolidated \$ '000	
	2022	2021
Processor contributions	27,569	26,540
Live exporter contributions	1,126	899
Co-operative funding	4,952	1,697
R&D partnership income	45,215	29,725
Sale of products or services	4,571	1,248
Other	5,216	4,128
Total other income	88,649	64,237

6. Expenses and losses

	Consolidated \$ '000	
	2022	2021
Depreciation and amortisation of non-current assets included in the Income statement:		
▪ Leasehold improvements	660	602
▪ Plant and equipment	426	489
▪ Furniture and fittings	46	41
▪ Intangible assets	2,845	2,275
▪ Right of use assets	3,237	3,139
Total depreciation and amortisation of non-current assets	7,214	6,546
(Gain) on sale of assets	(6)	-
Operating lease rentals included in the Income statement (note 14)	907	1,327
Employee benefit expense:		
▪ Wages and salaries	33,991	32,837
▪ Workers compensation costs	149	113
▪ Annual leave provision	2,444	2,386
▪ Long service leave provision	1,056	576
▪ Superannuation expense	3,042	2,874
Total employee benefit expense	40,682	38,787

7. Trade and other receivables (current)

	Consolidated \$ '000	
	2022	2021
Trade receivables, net	12,758	5,900
Accrued revenue		
▪ Levies	7,543	11,206
▪ R&D Commonwealth matching payments	28,385	33,654
▪ Other	9,742	13,197
Total accrued revenue	45,670	58,057
Other receivables	868	2,454
Total current receivables, net	59,296	66,411

There has been an increase in the provision for impairment loss by \$4,000 (2021: \$0).

The ageing analysis of trade receivables (net of impairment) is as follows:

Trade receivables (net of impairment)	Total	Current	Past due but not impaired \$ '000				
			1-30 days	31-60 days	61-90 days	91-120 days	>120 days
30 June 2022	12,758	11,632	995	131	-	-	-
30 June 2021	5,900	5,870	30	-	-	-	-

a. Allowance for impairment of receivables

A provision for impairment loss is recognised when there is objective evidence that a trade receivable is individually impaired (refer Note 2(e)). Financial difficulties of the debtor or defaulting in payments are considered objective evidence of impairment.

Receivables past due but not impaired are: \$1,126,000 (2021: \$30,000). Each business unit has been in contact with the relevant debtor and is satisfied that payment will be received in full. Other balances within trade and other receivables do not contain impaired assets and are not past due. It is expected these balances will be received when due.

b. Interest rate risk

Trade debtors, R&D matching grants, levies and other accrued revenue are non-interest bearing and generally on 14 to 30 day terms.

c. Security

The Group does not hold any collateral or security on trade receivables.

d. Credit risk

The carrying value at the reporting date approximate the fair value for each class of receivable. Details regarding credit risk exposure are disclosed in Note 28 (iii).

8. Prepayments and deposits

	Consolidated \$ '000	
	2022	2021
Prepayments	1,150	1,440
Deposits	579	509
Total prepayments and deposits	1,729	1,949

Notes to the financial statements *continued*

9. Investment in associate

	Consolidated \$ '000	
	2022	2021
Unlisted:		
■ AUS-MEAT Limited	-	-

AUS-MEAT Limited became an associated entity in 1998/99 and is jointly owned (50% each) by MLA and Australian Meat Processor Corporation Limited.

AUS-MEAT Limited is an independent company limited by guarantee with operations split into two principal areas, the Standards division and the Services division. It is incorporated in Australia.

MLA has a continuing commitment to support AUS-MEAT Limited. The contribution for the financial year ended 30 June 2022 was \$550,000 (2020: \$550,000).

Summary results of the associate entity	AUS-MEAT Limited \$ '000	
	2022	2021
Revenue	21,193	21,197
Accumulated surplus at beginning of the year	5,140	4,754
Net surplus/(deficit) for the year	(1,677)	386
Accumulated surplus at end of the year	3,463	5,140
Financial summary of associated entity		
Total current assets	9,468	10,501
Total non-current assets	3,736	4,498
Total current liabilities	4,085	4,236
Total non-current liabilities	806	773
Net assets	8,313	9,990

The investment in AUS-MEAT Limited has been taken up at nil value (2021: \$nil). There is no entitlement to a share of the net results or net assets except in the event of a winding up of the entity.

10. Investments in subsidiaries

The consolidated financial statements include the financial statements of MLA and the subsidiaries listed in the following table.

Name	% Equity Interest		Investment \$ '000	
	2022	2021	2022	2021
a) MLA Donor Company Limited	100	100	-	-
b) Integrity Systems Company Limited	100	100	-	-
			-	-

a) MLA Donor Company Limited was incorporated in Australia on 6 August 1998 and is limited by guarantee. If the company is wound up, its Constitution states that MLA is required to contribute a maximum of \$5 towards meeting any outstanding obligations of the company.

b) Integrity Systems Company Limited was incorporated in Australia on 24 December 2008 and is limited by guarantee. If the company is wound up, its Constitution states that MLA is required to contribute a maximum of \$5 towards meeting any outstanding obligations of the company.

11. Parent entity information

Information relating to Meat & Livestock Australia Ltd	\$ '000	
	2022	2021
Current assets	99,925	131,439
Total assets	174,060	210,485
Current liabilities	82,334	94,172
Total liabilities	89,383	111,212
Contributed equity	9,031	9,031
Reserves	3,641	(32)
Retained surplus	61,216	83,800
Total equity – Members' funds	73,888	92,799
Deficits for the year	(18,936)	(21,540)
Other comprehensive (loss) for the year	(6)	(32)

As at balance date, the parent entity has not entered into any material contractual commitments for the acquisition of property, plant or equipment other than as noted in the financial statements.

12. Property, plant and equipment

	Consolidated \$ '000	
	2022	2021
Plant and equipment		
<i>At cost</i>	5,277	5,697
<i>Accumulated depreciation</i>	(4,662)	(5,010)
Total plant and equipment	615	687
Furniture and fittings		
<i>At cost</i>	299	303
<i>Accumulated depreciation</i>	(172)	(138)
Total furniture and fittings	127	165
Leasehold improvements		
<i>At cost</i>	6,537	6,388
<i>Accumulated depreciation</i>	(5,706)	(5,060)
Total leasehold improvements	831	1,328
Total property, plant and equipment		
<i>At cost</i>	12,113	12,388
<i>Accumulated depreciation</i>	(10,540)	(10,208)
Total written down value	1,573	2,180

Notes to the financial statements *continued*

12. Property, plant and equipment *continued*

Reconciliations of the carrying amounts of property, plant and equipment at the beginning and end of the current financial year.

	Consolidated \$ '000	
	2022	2021
Plant and equipment		
Carrying amount at beginning	687	870
Additions	377	306
Disposals	(23)	-
Depreciation expense	(426)	(489)
	615	687
Furniture and fittings		
Carrying amount at beginning	165	44
Additions	8	162
Disposals	-	-
Depreciation expense	(46)	(41)
	127	165
Leasehold improvements		
Carrying amount at beginning	1,328	1,880
Additions	163	51
Disposals	-	-
Depreciation expense	(660)	(603)
	831	1,328

13. Intangible assets

	Consolidated \$ '000	
	2022	2021
Software		
<i>At cost</i>	20,193	17,476
<i>Accumulated amortisation</i>	(14,798)	(11,982)
Total software	5,395	5,494
Reconciliation		
Carrying amount at beginning	5,494	4,818
Additions	2,871	2,951
Disposals	(125)	-
Amortisation expense	(2,845)	(2,275)
	5,395	5,494

14. Right of use assets

The Group leases motor vehicles, office and residential premises. Information about leases for which the Group is a lessee is presented below:

	Consolidated \$ '000	
	2022	2021
Property – right of use		
<i>At cost</i>	20,718	20,619
<i>Accumulated depreciation</i>	(6,678)	(4,621)
Total written down value	14,040	15,998
Reconciliations		
<i>At cost</i>		
Carrying amount at beginning	20,619	16,744
Additions	1,188	4,586
Disposals	(1,055)	(541)
Foreign exchange translation difference	(34)	(171)
	20,718	20,619
<i>Accumulated depreciation</i>		
Carrying amount at beginning	4,621	2,205
Additions	3,133	3,003
Disposals	(1,066)	(546)
Foreign exchange translation difference	(10)	(41)
	6,678	4,621
Total written down value	14,040	15,998
Motor vehicle – right of use		
<i>At cost</i>	433	329
<i>Accumulated depreciation</i>	(294)	(182)
Total written down value	139	147
Reconciliations		
<i>At cost</i>		
Carrying amount at beginning	329	315
Additions	106	151
Disposals	-	(136)
Foreign exchange translation difference	(2)	(1)
	433	329
<i>Accumulated depreciation</i>		
Carrying amount at beginning	182	82
Additions	115	135
Disposals	(2)	(34)
Foreign exchange translation difference	(1)	-
	294	182
Total written down value	139	147
Total right of use asset, net	14,179	16,145

Notes to the financial statements *continued*

14. Right of use assets *continued*

	Consolidated \$ '000	
	2022	2021
Lease Liabilities		
Less than one year	11,769	3,367
More than one year	5,532	15,855
Amounts recognised in Profit and Loss		
Lease interest on lease liabilities	845	943
Rent expenses relating to short term and low value leases	907	1,327

The Group leases motor vehicles and properties under agreements between 1 to 5 years in Australia and overseas. There are options to extend under the property lease agreements.

15. Other financial assets

	Consolidated \$ '000	
	2022	2021
Financial assets at fair value through profit or loss	55,315	57,720
Other	1,621	1,079
	56,936	58,799

Financial assets at fair value through profit or loss include investments in a portfolio of listed equity shares and fixed income financial assets. Fair values of these assets are determined by reference to published price quotations in an active market.

Other financial assets consist of restricted cash which relates to cash held as rental bonds in bank account which is pledged as collateral to landlords for risks retained by the group.

16. Trade and other payables (current)

	Consolidated \$ '000	
	2022	2021
Trade payables (a)	15,874	30,105
Accrued R&D and other creditors (a)	41,754	40,029
Derivative financial instruments (b)	6	32
Employee entitlements		
▪ Annual leave	2,836	2,793
▪ Other	605	547
	61,074	73,506

a) Trade payables, accrued R&D and other creditors are non-interest bearing and are normally settled on 30-day terms. In the case of accrued R&D, any payments are further subject to milestones being satisfactorily completed.

b) Pursuant to Note 2(h), the Group remeasured to fair value its outstanding forward currency and option contracts as at year end.

17. Provisions (current)

	Consolidated \$ '000	
	2022	2021
Long service leave	2,671	2,216
Leasehold make good	15	-
Total current other liabilities	2,686	2,216

Movements in provisions	\$ '000		
	Long service leave	Leasehold make good	Total
Carrying amount at the beginning of the financial year	2,216	-	2,216
Additional provisions	423	-	423
Utilised	(212)	-	(212)
Amounts transferred from/(to) non-current during the year	244	15	259
Write back in provisions	-	-	-
Carrying amount at the end of the financial year	2,671	15	2,686

18. Other liabilities (current)

	Consolidated \$ '000	
	2022	2021
Unearned income	18,563	21,607
Other	787	679
Total current other liabilities	19,350	22,286

19. Provisions (non-current)

	Consolidated \$ '000	
	2022	2021
Long service leave	920	647
Leasehold make good	700	643
Total non-current provisions	1,620	1,290

Movements in provisions	\$ '000		
	Long service leave	Leasehold make good	Total
Carrying amount at the beginning of the financial year	647	643	1,290
Additional provisions	605	80	685
Utilised	-	-	-
Amounts transferred (to)/from current during the year	(244)	(15)	(259)
Write back in provisions	(88)	(8)	(96)
Carrying amount at the end of the financial year	920	700	1,620

Notes to the financial statements *continued*

20. Other liabilities (non-current)

	Consolidated \$ '000	
	2022	2021
Unearned income	2,602	-
Total current other liabilities	2,602	-

21. Cash flow hedge reserve

	Consolidated \$ '000	
	2022	2021
At the beginning of the financial year	(32)	(30)
Net surplus on cash flow hedges	(6)	(32)
Transfer of cash flow hedge reserve to Statement of comprehensive income	32	30
Total cash flow hedge reserve (a)	(6)	(32)

a) The full amount of hedged cash flows as at 30 June 2022 are expected to affect the Statement of comprehensive income within one year.

As at 30 June 2022, the Company did not have any portion of cash flow hedges deemed ineffective.

22. Employee entitlements

	Consolidated \$ '000	
	2022	2021
The aggregate employee benefit liability is comprised of:		
▪ Provisions - current (refer note 17)	2,671	2,216
▪ Provisions - non-current (refer note 19)	920	647
▪ Payables - current (refer note 16)	3,441	3,339
	7,032	6,202

23. Remuneration of auditors

	Consolidated \$	
	2022	2021
Amounts received or due and receivable by Ernst & Young for:		
▪ auditing or reviewing of the financial report of the entity and any other entity in the consolidated entity	230,568	222,924
▪ other services in relation to the entity and any other entity in the consolidated entity:		
– other non-audit services	-	48,012
	230,568	270,936

24. Director and executive disclosures

a. Details of key management personnel (KMP)

(i) Directors		(ii) Executives	
Alan Beckett	Chair	Lucy Broad	General Manager – Communications
Robert Fitzpatrick		Andrew Cox	General Manager - International Markets
Erin Gorter		Michael Crowley	General Manager – Research, Development and Adoption
Russell Lethbridge		Andrew Ferguson	Chief Operating Officer
John Lloyd		Nathan Low	General Manager – Marketing and Insights
Andrew Michael		Jane Weatherley	Chief Executive Officer - ISC
Manny Noakes			
Jo Pye	Retired November 2021		
Jacqueline Wilson-Smith	Director since November 2021		
Jason Strong	Managing Director		

(iii) Compensation of key management personnel by categories	Notes	Consolidated \$	
		2022	2021
Directors (a)			
Short-term benefits		1,332,415	1,315,219
Post-employment benefits		82,576	76,397
Other long-term benefits		4,869	4,345
	(a)	1,419,860	1,395,961
Executives (b)			
Short-term benefits		2,276,663	2,341,659
Post-employment benefits		141,408	132,364
Other long-term benefits		44,755	34,197
	(b)	2,462,826	2,508,220

- a) Compensation includes all benefits paid, payable or provided by the entity, or on behalf of the entity, in exchange for services rendered to the entity. Compensation includes wages, salaries, superannuation and other employees' provisions.
- b) Executive compensation refers to all compensation earned by the General Managers of the Company with the exception of the Managing Director whose compensation has been included under Directors' compensation.

b. Related party transactions

Directors of the Group and directors of its related parties, or their director-related entities, conduct transactions with entities within the Group that occur within a normal employee, customer or supplier relationship on terms and conditions no more favourable than those which it is reasonable to expect the entity would have adopted if dealing with the director or director-related entity at arm's length in similar circumstances. These transactions include the following and have been quantified below where the transactions are considered likely to be of interest to users of these financial statements:

- Mr Russell Lethbridge is a Member of Agforce Queensland which invoiced the company 2021-22 \$80,453 (2020-21 \$39,126) mainly for the Pasture Dieback project. The company invoiced 2021-22 \$0 (2020-21 \$9,240).
- Mr John Lloyd is a Member of Council of Charles Sturt University which invoiced the company 2021-22 \$1,000,014 (2020-21: \$3,680,692) for various R&D projects including 'Monitoring Health and Welfare Using Emerging Diagnostic Technologies in the Beef Feedlot Sector' and 'Reconditioning and Eating Quality Potential of Older Female Cattle'. The company has invoiced Charles Sturt University 2020-21: \$1,977,051 (2020-21: \$809,514) for 'Dung Beetle Ecosystem Engineers' Rural R&D for Profit programs, Australian AgriFood Data Exchange project as well as various MDC projects including 'Diagnostic Technologies in the Beef Feedlot Sector' and 'Creating a Dairy Beef Supply Chain to Increase the Value and Volume of Beef and Veal Products'. Mr John Lloyd is a Director of Fisheries Research and Development Corporation which invoiced the company 2021-22 \$0 (2020-21 \$0). The company invoiced 2021-22 \$330,000 (2020-21 \$0) for Australian AgriFood Data Exchange Phase 2 and 3 (Project A). Mr John Lloyd was a Director of Wine Australia which invoiced the company 2021-22 \$0 (2020-21 \$0). The company invoiced 2021-22 \$55,000 (2020-21 \$0) for contribution to 'Forewarned is Forearmed' Rural R&D for Profit program. Mr John Lloyd was a Director of Agribusiness Australia which invoiced the company 2021-22 \$2200 (2020-21 \$0) for Memberships.

Notes to the financial statements *continued*

- Mr Rob Fitzpatrick is an Advisory Board Member of ExoFlare which invoiced the company 2021-22 \$52,500 (2020-21 \$220,000) for "Real-time and data-driven approach to assessing networked biosecurity risk" project.
- Ms Erin Gorter is:
 - a Member of Southern DIRT which invoiced the company 2021-22 \$48,775.93 (2020-21 \$43,276) mainly for "Alternative Fodder Crops for Turning Off Weaner Lambs" project and "Increasing profit with dual purpose crops" project as well as Industry event sponsorship FY22
 - a Scholarship recipient of the Australian Rural Leadership Program which invoiced the company 2021-22 \$123,200 (2020-21 \$0) for multiple Industry and Rural Leadership programs. The company invoiced 2021-22 \$28,600 (2020-21 \$0) for Rural Leadership Foundation Program.
- Ms Jo Pye is a Member of Australian Institute Food Science & Technology which invoiced the company 2021-22 \$992 (2020-21: \$320) for Membership renewal.
- Mrs Jacqueline Wilson-Smith is:
 - a Director of Food Agility CRC which invoiced the company 2021-22 \$168,667 (2020-21 \$56,833) for "Opportunities for utilising DNA-based technologies to enhance traceability and profitability" and "Trakka - Making Data Flow" projects. The company invoiced 2021-22 \$0 (2020-21 \$0)
 - Chair of Agrifutures Ginger Advisory Panel which invoiced the company 2021-22 \$66,000 (2020-21 \$132,000) for "Horizon Scholarships" and "Rural Safety and Health Alliance" projects. The company invoiced 2021-22 \$374,000 (2020-21 \$55,000) for Australian AgriFood Data Exchange phase 2 & 3 (Project A) and contributions to "Forewarned is Forearmed" Rural R&D program
 - a Consultant to Queensland Department of Agriculture and Fisheries which invoiced the company 2021-22 \$3,573,116 (2020-21 \$2,644,945) mainly for "Northern Breeding Business (NB2)" program and "Steak 'n wood: demonstrating livestock productivity and environmental service benefits of trees on farm in northern systems" project. The company invoiced 2021-22 \$1,949,135 (2020-21 \$561,409) for various MDC projects.

25. Expenditure commitments

	Consolidated \$ '000	
	2022	2021
Expenditure (primarily research and development) contracted for is payable as follows:		
■ Not later than one year	187,673	191,972
■ Later than one year but not later than five years	84,025	123,524
■ Later than five years	930	2,571
Aggregate R&D expenditure contracted for at balance date	272,628	318,067
Operation expenditure contracted for is payable as follows:		
■ Not later than one year	1,958	1,910
■ Later than one year but not later than five years	732	1,542
■ Later than five years	-	-
Aggregate operation expenditure contracted for at balance date (a)	2,690	3,452

a) The operation commitments include maintenance contracts and existing leases for properties with terms less than one year.

26. Members' funds

The Company is incorporated in Australia and is a company limited by guarantee. If the Company is wound up, its Constitution states that each member is required to contribute a maximum of \$5 each towards meeting any outstanding obligations of the Company. At 30 June 2022, the number of members was 49,775 (2021: 49,302).

27. Contributed equity

	Consolidated \$ '000	
	2022	2021
Capital contribution	9,031	9,031

This amount represents contributions from the Commonwealth Government as initial working capital and property, plant and equipment at written down value transferred from the Australian Meat and Live-stock Corporation and the Meat Research Corporation at nil consideration.

28. Financial risk management objectives and policies

MLA's principal financial instruments include derivatives, cash and cash equivalents. The Group has various other financial assets and liabilities such as trade receivables and trade payables which arise directly from its operations.

MLA enters into derivative transactions, including forward currency contracts and currency option contracts. The currency option contracts are limited to vanilla options and collar options. The purpose is to manage the currency risks arising from the Group's overseas operations. The main risks arising from the Group's financial instruments are interest rate risk, foreign currency risk, credit risk and liquidity risk.

The Board reviews and agrees policies for managing each of these risks and they are summarised below.

Oversight responsibility for identification and control of financial risks rests with the Audit and Risk Committee under the authority of the Board.

Details of the significant accounting policies and methods adopted, including the criteria for recognition, the basis of measurement and the basis on which income and expenses are recognised, in respect of each class of financial instrument are disclosed in note 2 to the financial statements.

Risk exposures and responses

(i) Interest rate risk

The Group's exposure to the risk of changes in market interest rates relates primarily to the Group's cash and short-term deposit holding with a floating interest rate. Cash at bank earns interest at floating rates based on daily bank deposit rates. On call deposits are made for varying periods of between one day and twelve months, depending on the immediate cash requirements of the Group, and earn interest at the respective short-term deposit rates.

Cash deposits and short-term cash assets are held at floating interest rates. Some of these assets are held in foreign currency accounts.

Sensitivity analysis:

At 30 June 2022, if interest rates moved, as illustrated in the table below, with all other variables held constant, the effect on the Group's net surplus would have been as follows:

Judgements of reasonable possible movements:	Consolidated surplus \$ '000	
	2022	2021
+1.50% (2021: +0.50%)	548	286
- 0.50% (2021: -0.50%)	(183)	(286)

There is no direct impact on other comprehensive income.

Notes to the financial statements *continued*

(ii) Foreign currency risk

The Group has a policy of hedging the offshore component of its annual expenditure. In doing so, it works within Board-approved risk management bands which establish the upper and lower limits of hedge cover for each period out on a rolling twelve month basis. The objective is to ensure that the annual budget allocation for offshore expenditure for the next financial year is fully hedged by 30 June.

The Group is primarily exposed to the risk of adverse movements in the Australian dollar relative to certain foreign currencies and uses derivative financial instruments to manage these specifically identified foreign currency exposures.

Forward exchange contracts and options are purchased to hedge a majority of the Australian dollar value of United States dollar, Japanese yen, Chinese RMB and Korean won payments arising from the activities of overseas branches.

These contracts hedge highly probable forecasted future cash outflows and they are timed to mature when the payments are scheduled to be made.

Foreign exchange contracts commit the Group to purchase specific amounts of foreign currency at an agreed rate of exchange maturing at specific times up to 12 months from balance date.

Option contracts give the Group the right to purchase specific amounts of foreign currency at an agreed rate of exchange maturing at specific times up to 12 months from balance date.

At 30 June 2022, the Group held forward exchange contracts designated as hedges of forecasted future cash outflows to its overseas offices. The cash flows are expected to occur within 12 months from 30 June 2022.

Sensitivity analysis:

There is minimal sensitivity to foreign currency risk exposures on the Group's net surplus/deficit for the year and on equity as overseas spending is subject to a fixed budget which is determined in Australian dollars. As there is no material impact on the net surplus/deficit or equity in local currency, a sensitivity analysis has not been prepared.

(iii) Credit risk

Credit risk arises from the financial assets of the Group, which comprise cash and cash equivalents, trade and other receivables and derivative instruments. The Group's exposure to credit risk arises from the potential default of the counter party, with a maximum exposure equal to the carrying amount of these instruments. Exposure at balance date is addressed in each applicable note.

The Group's objectives in relation to credit risk are to ensure minimum impairment of its financial assets and minimise the possibility of loss.

The Group's financial assets are largely due from government related bodies, recognised creditworthy third parties and highly credit-rated financial institutions that have minimal risk of default. No collateral is held as security.

All receivable balances are monitored on an ongoing basis with the result that the Group's experience of bad debts has not been significant.

There are no significant concentrations of credit risk and financial instruments are spread amongst a number of financial institutions to minimise the risk of default of counterparties.

The Group's maximum exposure to credit risk at reporting date in relation to each class of recognised financial assets is the carrying amount of these assets.

(iv) Liquidity risk

Liquidity risk arises from the financial liabilities of the Group and the Group's subsequent ability to meet its obligations to repay its financial liabilities as and when they fall due.

Pursuant to its reserving policy, the Group maintains minimum levels of reserves by specie. The Group's objective is to invest the surplus funds represented by these reserves in financial instruments with maturities that match its forecast payment obligations. The surplus funds are invested primarily in term deposits with differing maturity terms that can be easily liquidated in the event of an unforeseen interruption of cash flow.

The Group manages its liquidity risk by monitoring the cash inflows and outflows expected on a weekly basis.

Non-derivative financial liabilities

The table below summarises the maturity profile of the Group's financial liabilities as at the reporting date based on contractual undiscounted repayment obligations. The Group ensures that sufficient liquid assets are available to meet all the short-term cash payments.

Financial liabilities	Consolidated \$ '000	
	Less than 6 months	6 to 12 months
Trade and other payables	57,628	-

(v) Fair value

The carrying values of all financial assets and liabilities approximate their fair value at the balance date. The net fair value of a financial asset is the amount at which the asset could be exchanged in a current transaction between knowledgeable and willing parties after allowing for transaction costs.

The Group uses various methods in estimating the fair value of a financial instrument. The methods comprise:

Level 1 – the fair value is calculated using quoted prices in active markets.

Level 2 – the fair value is estimated using inputs other than quoted prices included in Level 1 that are observable for the asset or liability, either directly or indirectly.

Level 3 – the fair value is estimated using inputs for the asset or liability that are not based on observable market data.

The fair value of the financial instruments as well as the methods used to estimate the fair value are summarised in the table below.

Financial assets	Consolidated \$ '000 – year ended 30 June 2022		
	Level 1	Level 2	Total
Financial assets at fair value through profit or loss	55,315	-	55,315
Derivative instruments - forward currency contracts	-	(176)	(176)
	55,315	(176)	55,139

Financial instruments that use valuation techniques with only observable market inputs include forward currency contracts. The fair value of forward currency contracts is calculated by reference to current forward exchange rates for contracts with similar maturity profiles.

MLA presents derivative assets and derivative liabilities on a gross basis. Certain derivative assets and liabilities are subject to enforceable master netting arrangements with individual counterparties if they were subject to default. As at 30 June 2022, if these netting arrangements were to be applied to the derivative portfolio, derivative assets are reduced by \$176,080 (30 June 2021: \$118,589) and derivative liabilities are reduced by \$176,080 (30 June 2021: \$118,589).

29. Financing arrangements

MLA has access to two funding facilities which are available under special circumstances in response to industry crisis from the Red Meat Advisory Council Limited (RMAC).

- A \$500,000 (2021: \$500,000) emergency fund can be accessed by MLA for scoping purposes following consultation with the affected species sector/sectors.
- In addition, a \$5 million (2021: \$5 million) contingency fund for the management of industry crisis may be accessible. Use of this facility requires a two-thirds majority decision of RMAC directors with terms and conditions as agreed by RMAC and the Commonwealth Government.
- No amount has been withdrawn from these funding facilities.

Directors' declaration

In accordance with a resolution of the directors of Meat & Livestock Australia Limited, we state that:

In the opinion of the directors:

- (a) the financial statements and notes of Meat & Livestock Australia Limited for the financial year ended 30 June 2022 in accordance with the *Not-for-profits Commission Act 2012*, including:
 - (i) giving a true and fair view of the consolidated entity's financial position as at 30 June 2022 and of its performance for the year ended on that date; and
 - (ii) complying with *Australian Accounting Standards* (including *Australian Accounting Interpretations*) and *Australian Charities and Not-for-profits Commission Regulation 2013*; and
- (b) there are reasonable grounds to believe that the Company will be able to pay its debts as and when they become due and payable.

This declaration has been made after receiving the declarations required to be made to the directors by the managing director and chief financial officer in accordance with section 286 of the *Corporations Act 2001* and section 55-5 of the *Australian Charities and Not-for-profits Commission Act 2012* for the financial year ended 30 June 2022.

On behalf of the Board



Alan Beckett
Chair



Jason Strong
Managing director

14 September 2022

Independent auditor's report



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Independent Auditor's Report to the Members of Meat & Livestock Australia Limited

Opinion

We have audited the financial report of Meat & Livestock Australia Limited (the Company) and its subsidiaries (collectively the Group), which comprises the consolidated statement of financial position as at 30 June 2022, the consolidated income statement, the consolidated statement of comprehensive income, consolidated statement of changes in equity and consolidated statement of cash flows for the year then ended, notes to the financial statements, including a summary of significant accounting policies, and the directors' declaration.

In our opinion, the accompanying financial report of the Group is in accordance with the *Australian Charities and Not for profits Commission Act 2012*, including:

- (a) giving a true and fair view of the Company's financial position as at 30 June 2022 and of its financial performance for the year ended on that date; and
- (b) complying with Australian Accounting Standards and the *Corporations Regulations 2001*.

Basis for opinion

We conducted our audit in accordance with Australian Auditing Standards. Our responsibilities under those standards are further described in the Auditor's responsibilities for the audit of the financial report section of our report. We are independent of the Company in accordance with the auditor independence requirements of the Corporations Act 2001 and the ethical requirements of the Accounting Professional and Ethical Standards Board's APES 110 *Code of Ethics for Professional Accountants (including Independence Standards)* (the Code) that are relevant to our audit of the financial report in Australia. We have also fulfilled our other ethical responsibilities in accordance with the Code.

We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion.

Information other than the financial report and auditor's report thereon

The directors are responsible for the other information. The other information is the directors' report accompanying the financial report.

Our opinion on the financial report does not cover the other information and accordingly we do not express any form of assurance conclusion thereon.

In connection with our audit of the financial report, our responsibility is to read the other information and, in doing so, consider whether the other information is materially inconsistent with the financial report or our knowledge obtained in the audit or otherwise appears to be materially misstated.

If, based on the work we have performed, we conclude that there is a material misstatement of this other information, we are required to report that fact. We have nothing to report in this regard.

Responsibilities of the directors for the financial report

The directors of the Company are responsible for the preparation of the financial report that gives a true and fair view in accordance with Australian Accounting Standards and the *Corporations Act 2001* and for such internal control as the directors determine is necessary to enable the preparation of the financial report that gives a true and fair view and is free from material misstatement, whether due to fraud or error.

In preparing the financial report, the directors are responsible for assessing the Company's ability to continue as a going concern, disclosing, as applicable, matters relating to going concern and using the going concern basis of accounting unless the directors either intend to liquidate the Company or to cease operations, or have no realistic alternative but to do so.

Independent auditor's report *continued*



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Auditor's responsibilities for the audit of the financial report

Our objectives are to obtain reasonable assurance about whether the financial report as a whole is free from material misstatement, whether due to fraud or error, and to issue an auditor's report that includes our opinion. Reasonable assurance is a high level of assurance, but is not a guarantee that an audit conducted in accordance with the Australian Auditing Standards will always detect a material misstatement when it exists. Misstatements can arise from fraud or error and are considered material if, individually or in the aggregate, they could reasonably be expected to influence the economic decisions of users taken on the basis of this financial report.

As part of an audit in accordance with the Australian Auditing Standards, we exercise professional judgment and maintain professional scepticism throughout the audit. We also:

- identify and assess the risks of material misstatement of the financial report, whether due to fraud or error, design and perform audit procedures responsive to those risks, and obtain audit evidence that is sufficient and appropriate to provide a basis for our opinion. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control
- obtain an understanding of internal control relevant to the audit in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the Company's internal control
- evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by the directors
- conclude on the appropriateness of the directors' use of the going concern basis of accounting and, based on the audit evidence obtained, whether a material uncertainty exists related to events or conditions that may cast significant doubt on the Company's ability to continue as a going concern. If we conclude that a material uncertainty exists, we are required to draw attention in our auditor's report to the related disclosures in the financial report or, if such disclosures are inadequate, to modify our opinion. Our conclusions are based on the audit evidence obtained up to the date of our auditor's report. However, future events or conditions may cause the Company to cease to continue as a going concern
- evaluate the overall presentation, structure and content of the financial report, including the disclosures, and whether the financial report represents the underlying.

We communicate with the directors regarding, among other matters, the planned scope and timing of the audit and significant audit findings, including any significant deficiencies in internal control that we identify during our audit.

Ernst & Young

Daniel Cunningham
Partner

13 September 2022

Supporting information



Josh Brody – Jigsaw Farms, Melville Forest, Victoria.

Appendix A

Status of MLA's 2021–22 key performance indicators

as at 30 June 2022

Status	Achieved	Partly achieved	Not achieved	On track	Not on track
KPIs in <i>Annual Investment Plan 2021–22</i>	85	7	19	-	-
Strategic focus KPIs in <i>MLA's Strategic Plan 2025</i>	-	-	-	16	4
Total result/percentage	85 76.58%	7 6.31%	19 17.11%	16 80%	4 20%


Programs

Key performance indicator	Status	Commentary
Animal wellbeing		
Animal health		
Pathway for an Animal Wellbeing Lifetime Index established.	Achieved	CSIRO have delivered an impact pathway mapping workshop, completed a global review, and have hosted an R&D stakeholder workshop in May alongside a large stakeholder interview program.
Two commercialisation partners engaged in order to commercialise single shot cattle tick and immuno-contraceptive vaccine.	Achieved	Three commercial partners have been engaged to accelerate the adoption of an immunocontraceptive vaccine once a product is available, while two research partners are being consulted with respect to opportunities to develop a tick vaccine.
60% of Australians surveyed agree/strongly agree with the statement 'Australian cattle and lamb are farmed and raised in a humane manner'.	Not achieved	Although this year's result (56%) was an improvement on 2020–21, the 60% was not reached in 2021–22.
Domestic market		
Market knowledge (domestic)		
High levels of satisfaction (above 85%) by industry stakeholders with MLA's market information services.	Achieved	91% of MLA Information subscribers were 'satisfied' or 'very satisfied'. Saleyard market reports remain the most popular market information resource, followed by all dynamic indicators and over-the-hook indicators.
Saleyard transaction database complete, allowing for automation of data transfer from saleyards.	Achieved	New technology and accreditation standards to accurately capture saleyard data in place. Structures for automated data capture completed.
Deliver automated cattle projections data model.	Achieved	Automated cattle projections data model delivered in June 2022.
At least two case studies demonstrate impact via domestic growth drivers.	Achieved	Adoption of growth drivers delivered positive outcomes in both case studies through identifying new opportunities in health and wellness space and executing in market to grow sales revenue.
Nutrition		
At least 60% of general practitioners and dietitians believe MLA's nutrition information and practical resources are credible and relevant.	Achieved	Biannual attitudinal tracking of general practitioners and dietitians remained well above target at 64.5%, with their endorsement of MLA nutritional resources being both credible and relevant.
Marketing and promotion (domestic)		
Year-on-year increase in main grocery buyer endorsement of the statement 'willing to pay more for beef/lamb' to 27% (beef) and 27% (lamb).	Partly achieved	Tracking of consumer willingness to pay more shows that beef increased to 28% while lamb remained flat at 26%.
Maintain mean number of serves per week at 1.7 for beef and at 0.7 for lamb.	Achieved	Both beef (1.77) and lamb (0.79) exceeded targets for mean number of weekly serves.
Decrease the percentage of main grocery buyers who claim to be limiting red meat for health reasons below 20% for beef and 18% for lamb.	Not achieved	The number of consumers reducing consumption for health reasons stabilised in 2021–22; however, it remains higher than the target benchmark, with beef at 25% and lamb at 19%.
70% of all CoMarketing participants believe their branded program delivers a higher price over unbranded product and delivers a livestock price premium to producers (as evidenced from CoMarketing participant feedback).	Achieved	76% of participants' responses indicated their branded program delivered a higher price than non-branded and that they paid a premium to livestock producers.

Key performance indicator	Status	Commentary
International markets		
Market access		
Industry positions/submissions on priority trade reform issues (in particular the A–EUFTA and A–UK FTA negotiations) are acknowledged and acted on by government, and support future delivery of import regime reform.	■	Trade reform submissions lodged and advocacy undertaken by MLA on Australia-United Kingdom FTA; Australia-India Economic Cooperation & Trade Agreement and Australia-United Arab Emirates FTA acknowledged by Government. Significant industry gains subsequently secured in the UK (trade liberalisation for beef, sheepmeat and goatmeat in 10 years) and India (immediate elimination of 30% sheepmeat tariff). The UAE is currently a work in progress. Ongoing negotiations continue with the EU, with increased advocacy underway in conjunction with the next negotiating round in mid-October 2022.
MLA makes a significant contribution to the joint industry effort by alleviating \$100m of the impact of non-tariff barriers in FY22.	■	While non-tariff trade barriers alleviated in 2021-22 totalled \$62 million, cumulative alleviation totalled \$380 million, well above the \$100 million annual target. Gains in 2021–22 included product shelf life extensions in Egypt, Saudi Arabia and Kuwait, as well as access for chilled product in Israel.
Market knowledge (international)		
Category growth drivers and stakeholder tools updated for each major market (US, Japan, South Korea, SEA, MENA, China) and for Japan included in the category playbook.	■	New growth drivers for UK and North American markets. Refresh of Japan, Korea, South-East Asia existing growth drivers. Market snapshots researched and compiled for 14 key markets, including separate snapshots for the six South-East Asian markets and the UK market.
At least two case studies demonstrate impact via international growth drivers.	■	Two exporter case studies completed, incorporating insights from sustainability and premium growth drivers.
Market classification model automated for grass and grainfed beef industry level classification and available for levy payers on Global Meat Resources (or equivalent stakeholder portal).	■	Market classification model is now incorporated in the Global Insights online tool.
At least two case studies demonstrate the impact delivered through the driver assessment tool with commercial stakeholders.	■	Two case studies completed and a partnership with exporters and brand owners contributed to an increase in perceived value of consumer/marketing Insights.
Marketing and promotion (international)		
Build or maintain customer awareness and preference of Australia's positive attributes (safe, quality, healthy and sustainable image) within target range.	■	In a survey of 180 global customers, overall preference for Australian red meat was significantly above key competitors (89% vs 73% for US and 43% for NZ). Australian red meat also led on various specific attributes vs key competitor (US beef) as safety (74% vs 45%), quality standards (81% vs 61%), healthy (55% vs 21%) and sustainability (56% vs 40%).
Increase consumer preference for Australian red meat in key international markets to be above 23.4% for beef and 21.4% for lamb.	■	A global consumer survey of 7,800 consumers in key markets showed strong consumer preference for Australian beef (35.6% vs benchmark of 23.4%) and lamb (26.8% vs benchmark of 21.4%). Dominant position for Australian red meat among consumers vs key competitor on key metrics such as quality (75% vs 53%), safety (92% vs 40%) and sustainability (69% vs 26%).
80% of CoMarketing participants rated their overall outcomes (based on their objectives for the year) as 'successful'.	■	90% of CoMarketing participants in 2021–22 rated overall outcomes as 7 or more out of a maximum rating of 10 (i.e. successful).
Livestock export market activities		
Produce one live export program of work case study per region that has provided insights and impacted government/industry policy.	■	Five programs of work across three regions provided insights and impacted government/industry policy.
Produce one program of work case study per region that showcases live export activities that have improved industry's ability to maintain existing market share or have contributed to industry's competitiveness.	■	Eight programs of work across three regions showcased live export activities that have improved industry's ability to maintain existing market share or have contributed to industry's competitiveness.
Successful roll-out of the Livestock Global Assurance Program (LGAP) - assessed by >50% of eligible Tranche 1 facilities signing onto the program.	■	In September 2021, the Australian Livestock Exporters Council (ALEC) announced that due to COVID-19 difficulties and challenges, LGAP has been postponed by exporters for at least 18–24 months.
Livestock export (research and development)		
Complete winter trials for salmonella vaccine.	■	Winter trials for salmonella vaccine have been completed.
Animal Welfare Surveillance framework adopted and refined according to outcomes from the Animal Welfare Indicator and Shipboard Animal Welfare Standards (SAWS) research and in line with the Australian Standards for the Export of Livestock (ASEL) 3.0 reporting requirements.	■	Animal Welfare Surveillance framework completed, based on outcomes from the Animal Welfare Indicator and SAWS research and in line with the ASEL 3.0 reporting requirements.
Complete a whole live export supply chain data audit and present resulting recommendations to live export stakeholders.	■	A whole live export supply chain data audit was completed, with resulting report and recommendations presented to live export stakeholders.
Live Export Animal Welfare Surveillance framework adopted by all exporters.	■	The framework has been delivered to exporters for adoption and is supported through regulation (ASEL).

Appendix A *continued*

Status of MLA's 2021–22 key performance indicators *continued*

Key performance indicator	Status	Commentary
Eating quality 		
Eating quality		
Price differentials for MSA-compliant cattle demonstrate an annual return to farm gate of more than \$145 million.	■	The farm gate returns for MSA compliant cattle are estimated to be \$204 million. This is driven by heavy carcase weights (305kg and 340kg for grassfed and grainfed respectively), continued record compliance (95.52% nationally) and strong MSA price differentials.
The MSA sheepmeat cut x cook model is endorsed by industry and commercially tested in supply chains representing at least 30% of MSA national slaughter.	■	The MSA sheepmeat cuts-based model was endorsed by the Supply Chain Taskforce along with MSA Standard changes to reflect. The model was tested through benchmarking activities in supply chains, representing at least 30% of MSA national sheepmeat slaughter for benchmarking.
Operators representing greater than 56% of MSA beef volume, and 25% of national adult cattle slaughter, describe MSA beef by consumer outcome represented by Eating Quality Graded cipher, as opposed to dentition category.	■	Fourteen businesses are utilising the Eating Quality Graded cipher to market a proportion of their brands based on eating quality outcomes. These processors represent 56% of MSA volume and 31% of national slaughter.
The percentage of adult cattle slaughter that is MSA graded increases by two percentage points versus 2020–21 and contributes \$2.9 million in additional farm gate returns.	■	55% of the national adult cattle slaughter was MSA graded in 2021–22, an increase of two percentage points from 2020–21. This contributed \$3.7 million in additional farm gate returns.
Environmental sustainability 		
Sustainability (off-farm)		
Development of technology for industry to achieve a 25% reduction in waste or increase in efficiency relative to 2015 levels.	■	No AMPC/MLA evaluation data available to support this KPI. New projects relating to this KPI are transitioning to AMPC, noting that some existing MLA funded/managed projects may also contribute to this KPI in 2022–23.
Development of technology for off-farm sector to achieve a 20% reduction in carbon dioxide equivalent (CO2e) emissions relative to 2015 levels.	■	No AMPC/MLA evaluation data is available to support this KPI. New projects relating to this KPI are transitioning to AMPC, the exception being cross-sectoral technologies that can also be applied on-farm.
Development of technology for industry to achieve a 45% reduction in water and fossil fuel-derived energy use intensity relative to 2015 levels.	■	No AMPC/MLA evaluation data available to support this KPI. New projects relating to this KPI are transitioning to AMPC, noting that some existing MLA funded/managed projects may also contribute to this KPI in 2022–23.
Sustainability (on-farm)		
The number of producers deriving revenue from environmental services and/or natural capital trading markets has increased year-on-year based on a producer survey.	■	The April 2020 ABARES national farm income survey showed that 3,561 of 59,350 beef and sheep producers surveyed had received payments for environmental services over the previous three years. This sets the baseline for future progress reporting.
Increased utilisation of data and evidence to inform production-led environmental outcomes. Measured as productivity improvements and utilisation from MLA's Producer Demonstration Site and Profitable Grazing Systems products. Units of measure include number of producers, rates of adoption, number of animals/kg/area of land impact.	■	In vivo trials of feed additives 3-NOP, Biochar and the desmanthus legume are underway in three separate on-farm projects. Desmanthus trial is showing 10% methane suppression and Biochar trial is showing 15% suppression. Carbon storage partnership investment showed that improved pastures with desmanthus resulted in approximately twice the water use efficiency and soil carbon compared with the existing buffel grass control paddock.
Measurable progress towards CN30 attributable to MLA.	■	Two large investment partnerships have formed to develop and accelerate a large number of emissions avoidance and carbon storage technologies and practices. A comprehensive greenhouse gas emissions focused evaluation framework is under development and will measure progress towards CN30 attributable to MLA. The annual emissions report shows that red meat emissions have reduced by over 59% since 2005, a reduction of ~7% between 2018 and 2019.

Key performance indicator	Status	Commentary
Feedlot		
Feedlot productivity		
Cattle performance value proposition trials for automated bunk scanning and management completed with adoption by more than 10 Australian lot feeders resulting in 20% feeding efficiency improvements.	■	Trial results indicate automated bunk management is equivalent to a highly trained bunk caller. Further work is needed to achieve adoption targets and demonstrate time efficiency and/or feed efficiency benefits. Only four sales were achieved as at 30 June 2022.
500,000 grainfed cattle are processed via short duration lairage resulting in demonstrated efficiency and productivity improvements.	■	508,000 cattle processed from an MLA survey of processors.
Increase in shade or shelter adoption by 15% of remaining feedlot capacity from 2019–20 baseline levels.	■	15% of remaining capacity from 2019–20 baseline has been shaded according to ALFA survey results.
First version of the Australian Optimal Carcase Endpoint and Sorting model developed, predicting lean meat yield and supporting value-based marketing.	■	The first version of the model has been developed and will be validated in 2022–23.
Integrity systems		
Integrity systems		
80% of the priorities identified to strengthen the current integrity system are delivered.	■	A range of improvements have been implemented to strengthen the current integrity system programs, underpinning technology applications and support services in line with the 2021–22 Integrity System Business Plan. 86% of the Integrity Systems Business Plan planned outcomes were achieved in 2021–22.
Adoption of digital livestock consignments increases by 20% compared to 2020–21.	■	There has been continued positive growth in the use of the eNVD platform to generate digital livestock consignments in 2021–22. The overall KPI target was not achieved due to unforeseen spikes in eNVD use related to the NVD version change in 2020–21 that skewed comparative uptake in Q3 and Q4.
Integrity system awareness levels increase to 95% or above.	■	Integrity system awareness levels were measured at 97% (NLIS, LPA and NVDs) in May 2022 through the ISC producer awareness survey, consistent with 2020–21 awareness levels.
Producer recognition of the value of the integrity system increases by 10% compared to 2020–21.	■	There has been a 20% uplift in producers who are totally committed to the requirements of the integrity system (increasing from 29% in 2020–21 to 35% in 2021–22). More than 90% of producers indicate that the integrity systems are necessary and that they are actively working to comply.
Mechanisms for more effectively monitoring and managing integrity system compliance are implemented.	■	Several initiatives have been implemented to more effectively monitor and manage integrity system compliance including the ability for farm records to be stored and submitted through the LPA database, improved data capabilities for assessing and targeting areas of non-conformance, strengthening of the LPA audit program and the use of the NLIS compliance dashboard by jurisdictions.
Market access science		
Three-year frozen beef and lamb shelf life is assessed and reported in major markets (MENA, EU) resulting in market access volume and pricing advantages reported.	■	The shelf life of frozen beef and lamb has now been shown to exceed three years, which has had a positive impact on markets (particularly Saudi Arabia), with indications of a future change to regulations in other markets.
Antimicrobial stewardship programs are developed for extensive grazing, with feedback received and up to five future pilots identified for adoption.	■	Stewardship programs for extensive grazing, based on measurement of antimicrobial usage are being developed in current projects, and future pilot stewardship projects have been identified.
At least six national and international supply chains have implemented cold chain data management systems in collaboration with MLA demonstrating improved market access volume and supply chain trust.	■	More than six supply chains have implemented cold chain management. Customer engagement and trust has been gained, with an annual saving of \$5.2 million in these six supply chains due to rejection of spurious claims and helping customers to manage their own cold chain.

Appendix A *continued*

Status of MLA's 2021–22 key performance indicators *continued*

Key performance indicator	Status	Commentary
Objective measurement 		
Objective measurement		
Up to three meat grading cameras are presented to AUS-MEAT accreditation with adoption of at least one unit adopted in six supply chains.	■	One lamb and four beef grading devices have achieved conditional AUS-MEAT accreditation. An adoption-focused MLA Donor Company-funded set of projects has resulted in 24 processing plants adopting nine developing carcass grading technologies.
Intramuscular fat and lean meat yield standards presented to the Australian Meat Industry Language and Standards Committee for approval.	■	Lamb intramuscular fat (IMF) and lean meat yield (LMY) trait definitions and device accreditation standards have been developed by ALMTech and endorsed by Australian Meat Industry Language & Standards Committee (AMILSC). These are now formally recognised in the AUS-MEAT language. A new trait development process has been established by ALMTech and recognised by AMILSC.
Six lamb X-ray systems installed, measuring lean meat yield and enabling producer feedback.	■	Six lamb DEXA systems are installed and have completed calibration for measuring lean meat yield (LMY) to enable feedback to producers and other supply chain participants.
At least one technology calibrated to measure lamb intramuscular fat in-plant to enable cuts-based MSA.	■	A probe to measure intramuscular fat (IMF) in hot uncut lamb carcasses has achieved AUS-MEAT conditional accreditation. Two additional devices have been calibrated to measure IMF on the lamb loin cut surface.
Producer adoption 		
Producer adoption		
Delivers annual productivity benefits and cost savings of \$36 million to producers from practice changes influencing up to 371 million hectares, 1.9 million cattle, 3.2 million sheep and 10,000 goats.	■	In 2021–22, red meat producers received an annual net benefit of \$54.3 million from practice change influenced by the MLA adoption products. It is estimated that producers engaged in adoption activities are managing up to 150 million hectares, 71 million head of cattle, 11.3 million head of sheep and 214,000 head of goats.
Total producer engagement over two years with 9,500 producers, with 7/10 satisfaction achieved.	■	18,967 producers have been engaged in adoption activities over two years with an average satisfaction rating of 8.9/10.
Product and packaging innovation 		
High value food frontiers		
Secure three commercial partnerships to trial opportunities to increase the value of current low value items through new product/process developments where prototypes demonstrate a future opportunity of at least three times value multiplier on input commodity raw meat/by-product.	■	Three commercial partnerships have been secured to trial opportunities to increase the value of current low value items through new product/process developments, demonstrating an opportunity of at least three times value multiplier on input commodity raw meat/by-product.
Three new value chain partners secured to commence contracted product development with combined future incremental annual sales value of \$15 million by June 2022.	■	Five value chain partners have been secured with a combined sale value exceeding \$15 million in 2021–22.
Commercialise freeze-dried meat and co-products, creating \$30 million annual value adding sales in 2021–22.	■	As at June 2022, discussions are underway with potential customers of freeze-dried meat and co-products, but the \$30 million sale target was not achieved.
Complete feasibility of one new food/packaging technology platform that addresses global food trends and/or improves market access for value-added red meat, and that demonstrates a future opportunity of at least three times value multiplier on input commodity raw meat.	■	Two feasibility studies have been completed for shelf stable chain technologies, both of which provide at least a three times multiplier on the input commodity red meat.

Key performance indicator	Status	Commentary
Value chain information and efficiency		
Digital value chain information		
Secure three commercial partnerships to implement a strategy to align current data feedback systems with key objective measurement technologies to maximise adoption and impact across the supply chain.	■	Multiple supply chain projects look at linking data across the supply chain, including objective measurement technology and MSA data. Two of these involve working with processor supply chain groups to link data such as carcass assessment, lean meat yield and disease and defect information into producer feedback systems.
At least eight processing plants have adopted the animal disease data standards and provide this data as feedback to their suppliers/producers.	■	Eleven processing plants are collecting (to the national standard) and sharing animal disease and defect data via Livestock Data Link (LDL) or proprietary systems.

Productivity (off-farm)		
Productivity (off-farm)		
Technologies adopted in 2021–22 and previous years deliver \$70 million of increased productivity for the red meat industry.	■	The annual net benefits of technologies adopted in 2021–22 and previous years has delivered over \$70 million in annual net benefits for industry.
Two in-plant trials of beef automation advanced imaging vision system prototypes underway, along with testing in one R&D boning room site.	■	A trial on a 'scribing and cutting robot cell' for striploin and cube roll is underway in Teys Rockhampton's R&D room, with trials of prototype end effectors such as stroke frequency and knife concepts or cutting saw designs. Another trial at Scotts NZ R&D facility has commenced, looking at hindquarter knife and fork testing, as well as laydown and cutting methods of the rump/strip separation. Prototype visioning and testing of the Rapiscan CT doughnut has also been successfully tested in Melbourne.
Automated load-out logistics and shipment integrity container loading solution prototype completed, with prototype trialling on up to two processor sites underway.	■	Automated load-out logistics and shipment integrity container loading prototype was completed under partnership with technology provider Intelligent Robotics. However, prototype trialling with processing partners for the following phase did not proceed.

Productivity (on-farm)		
Beef productivity		
NB2 program successfully established with minimum 40 producers engaged in benchmarking and practice changes identified to support improved reproductive business performance setting the baselines for reproductive performance for northern beef businesses.	■	The Northern Beef Business (NB2) Pathways to Practice Adoption project has grown from an initial expectation of four producer groups to seven producer groups, now engaging 51 producers.
Business case developed with agreed cross-industry funding support to double the value of dairy calves for meat production.	■	In collaboration with Dairy Australia, an adoption-based dairy calf project has commenced. This includes a detailed business case evaluation.
BeefSpecs live animal assessment is commercialised and used in at least 10 supply chains, creating an additional \$10 million in increased revenue.	■	The original BeefSpecs project was terminated, but further commercialisation may proceed via a future MLA Donor Company project.
Sheep productivity		
Through the sheep reproductive strategic partnership, 125 producer participatory RD&A sites integrated into sheep productivity projects to demonstrate improved reproductive performance by a minimum of 10%.	■	A total of 164 producer participatory R&D sites have been completed or established to date, focusing on a series of management practices to lift lamb and ewe survival by over 10%. Key focal areas include management of triplet-bearing ewes and their lambs, management of ewe lamb joining, optimal supplementary feeding strategies, evaluating melatonin implants and managing the paddock micro-climate to reduce the impact of heat stress and exposure.
Whole (sheep) enterprise greenhouse gas accounting complete at a minimum of two NEXUS project sites and reporting of future climate scenarios (2030, 2050) and prospective enterprise adaptation options.	■	Greenhouse gas accounts have been completed for four sheep enterprises covering midlands Tasmania, northern NSW, northern Victoria and East Gippsland. Future climate scenarios for 2030 and 2050 have been modelled at seven sites across the eastern states of Australia (including Tasmania), with additional sites also being evaluated in WA. In addition, a series of adaptation themes have been evaluated with local reference groups, focusing on areas including feedbase adaptation, enterprise mix, management calendars and emissions reduction.

Appendix A *continued*

Status of MLA's 2021–22 key performance indicators *continued*

Key performance indicator	Status	Commentary
Goat productivity		
Communicate the benefits of supplementary feeding rangeland goats and the least cost supplementary feeding calculator via extension to industry to a minimum of 200 goat producers.	■	This KPI has been achieved through the delivery of a series of online webinars (427 views), field days (75 attendees) and via promotion in the Goats On The Move newsletter.
Engage 200 goat producers in extension activities including but not limited to BredWell FedWell, Feeding Fundamentals, National Goat Roadshow, Going into Goats workshops and the Goat Industry Development day.	■	Over 200 goat producers were engaged in extension activities, via in person events that were also supplemented by (recorded) virtual events through the National Goat Roadshow.
Livestock genetics		
The number of commercial producers using breeding values has increased to 36% of beef producers and 32% of sheep producers.	■	A broadscale survey of 2,000 beef and sheep producers was underway as at June 2022, using 2016 survey data as a baseline. Preliminary survey results indicate that more than 40% of producers are using breeding values to assist with bull and ram purchase decisions.
Implementation of new beef genetics extension and adoption service to support 3,500 BREEDPLAN users and their clients, including establishing baseline data collection and metrics for improvement to be demonstrated in subsequent years.	■	Implementation of a new service has pivoted to the current providers (Tropical Beef Technology Services and Southern Beef Technology Services), continuing to be run by ABRI but without MLA funding support. Development of baseline data collection and related metrics has been deferred, pending development of a new BREEDPLAN service model.
Minimum 2% increase in annual rate of gain for each of the default Sheep Genetics indexes with an increase of 2% to a total of 300,000 animals submitted for the year.	■	MERINOSELECT and LAMBPLAN flocks participating in the service have increased by 7% and 10.7%, respectively, with 204,000 submitted for LAMBPLAN and over 189,000 submitted for MERINOSELECT. The increasing rate of genetic gain shows an improvement of 3.7% for the Maternal LAMBPLAN analysis, 3.3% for the Terminal LAMBPLAN analysis and 4.0% for MERINOSELECT.
At least one new BREEDPLAN delivery service model developed and agreed with breed associations to increase usage of beef genetic delivery services.	■	With input from breed societies, an evaluation of new business models for breed societies has been completed that makes clear recommendations about future requirements of BREEDPLAN delivery models. The BREEDPLAN owners, including MLA, are committed to addressing the recommendations and will review the financial implications of the recommended changes to the BREEDPLAN delivery models in 2022–23.
Feedbase production		
125,000ha of new legume pastures on mixed farms based on estimated seed sales of new cultivars and the increased adoption of existing lines. These new plants will grow twice as much dry matter and double animal productivity.	■	Based on legume seed sales data, at least 135,000ha of legumes were sown in 2022.
Demonstrated improvement in precision of biomass assessment and pasture quality (palatability) by satellite, for property zonal management decisions over 20 million hectares.	■	Precision improvement is available in biomass estimates with 1ha resolution. A prototype National Feedbase Monitoring system is operational and now rolled out over 60 million hectares.
Soil indicators developed to inform management actions to remediate soil deficiencies or improve soil condition, enabling a productive feedbase to deliver the 10% improvement in productivity.	■	The Soil Co-operative Research Centre project has developed a suite of soil indicators that will inform management actions and sustainability measures.
Case studies and sales of newly commercialised Hoggone feral pig bait indicate \$2 million in industry benefits.	■	The \$2 million industry benefit target was exceeded. The case study reports high efficacy of toxin and improved ease of delivery compared to the traditional industry product known as '1080'.
Digital agriculture		
Create an online ag-tech savings and benefit calculator and demonstrate to 10 value chains where at least 60% rated the tool as useful for future decision making.	■	A project is underway to further develop the MLA prototype ag-tech ROI calculator into a full online version. The calculator will also be incorporated into the product suite being developed for MyMLA 2.0 and will go live online as this is rolled out.
Contract four partnership model projects with ag-tech providers and producers that demonstrate via commercial case studies at least 5% improvement in productivity gains or cost savings from the investment achievable within 12 months.	■	Four MLA Donor Company partnership projects were completed in 2021–22 and focused on investigation of digital and Internet of Things enabled productivity use cases with producers in the areas of livestock, pasture and data leveraging. However, no evaluation is yet available around productivity gains or cost savings.

Key performance indicator	Status	Commentary
Capability building		
Innovation capability building		
75% of co-funded resources demonstrate evidence of accelerated innovation adoption aligned with MLA <i>Strategic Plan 2025</i> focus areas.	■	90% of program partners confirmed improved willingness to innovate and achievement of documented innovation KPIs.
Evidence that at least 10 supported early-career professionals are accelerating the adoption and impacts from key MLA strategic programs such as CN30, NB2 and VBM.	■	10 livestock interns placed with employers focused on accelerating adoption and impacts from CN30 and NB2 programs.
Evidence that 10 postgraduate students are contributing to the development of academic expertise aligned to MLA <i>Strategic Plan 2025</i> focus areas.	■	13 postgraduate students currently supported through the innovation capability academic research and leadership product group within research areas that support MLA strategic focus areas.
Industry leadership and capacity building		
80% of trained advocates tell their red meat supply chain story through both MLA and non-MLA channels.	■	103 people trained over seven workshops with 95% of participants intending to actively share using strategies learned in the workshops.
Successful completion of all milestones of the PIC Annual Service Agreements by June 2022.	■	Peak industry councils achieved all milestones set out in the annual agreements. Areas of work include industry leadership, animal health and welfare, consultation and adoption.
A crisis and issues management approach for material whole of supply chain issues in the red meat and livestock sector, agreed by all PICs and documented.	■	As at June 2022, planning is underway to identify opportunities to enhance the industry's existing crisis response framework (CRIMAC).
At least two crisis management simulations complete.	■	Before both simulations could be modelled, an actual industry crisis emerged, requiring all resources to be diverted to managing the crisis response. However, MLA supported one peak industry council with a discussion simulation as part of the development of their crisis preparedness framework.
Communication		
Communication (community)		
60% of Australians surveyed agree/strongly agree with the statement 'Australian cattle and lamb are farmed and raised in a humane manner'.	■	MLA's consumer sentiment survey for 2022 indicates that the percentage is remaining relatively stable around 55%.
60% of Australians surveyed agree/strongly agree with the statement 'the Australian cattle and sheep industry are committed to sustainable production'.	■	MLA's consumer sentiment survey for 2022 indicates that the percentage has declined to 51%.
15% increase in average monthly Good Meat unique visitors, measured from the 2020–21 baseline.	■	Significant (400%) increase in average monthly Good Meat website users (unique visitors) from 1,450 to 7,210 per month. This was achieved through a focused digital community engagement program.
Overall average 10% increase in community engagement – measured by a range of metrics such as followers, likes, views, and shares for all the Good Meat social media channels, measured from the 2020–21 baseline.	■	Significant increase in community engagement across the Australian Good Meat Facebook and Instagram accounts. In comparison to the previous year, reach has increased by 2,438% to 32 million, and engagements by 3,088% to 510,000. The Australian Good Meat social media channel audience grew by 756% to 24,000.
65% of those surveyed at Good Meat events feel positive about the red meat industry's welfare and sustainability credentials, as well as the role of red meat in a healthy balanced diet.	■	95% of those surveyed at the Sydney Royal Easter Show felt positive about the industry's sustainability and animal welfare credentials.
Conduct at least 30 virtual classroom sessions.	■	A total of 28 virtual classroom sessions were held. Due to COVID-19 impacting schools, some of the sessions were consolidated to ensure a better return on the investment.
Communication (stakeholder)		
70% satisfaction with beef sustainability framework approach as measured by the annual member survey.	■	Awareness has increased from 43% in 2020–21 to 46% in 2021–22 and average satisfaction has also increased from 67% in 2020–21 to 70% in 2021–22.
Increase of 0.1/10 points in member satisfaction with printed and digital communications on 2020–21 survey, as measured by the annual member survey.	■	There has been an increase of 0.2/10 points in member satisfaction with printed and digital communications.
87% of MLA's media coverage promotes pre-determined 'key messages' in line with MLA's Strategic Plan.	■	The media coverage strategy has moved away from tracking pre-determined key messages in the media and hence the status of this KPI is not achieved.
Increase MLA membership to at least 49,600 members by June 2022.	■	As at 30 June 2022, MLA had 49,775 members.

Appendix A *continued*

Status of MLA's 2021–22 key performance indicators *continued*

Key performance indicator	Status	Commentary
Corporate services		
Corporate services		
Complete rationalisation of key contract templates.	■	MLA's legal team have rationalised MLA's key templates from 117 templates to two, as well as 10 non-key templates.
Update project and contract approval process.	■	The project and contract approval policy and process has been updated and approved.
Meet SLA's as agreed in projects and contracts approval policy.	■	MLA's legal function SLA is 20 business days with MLA's Legal team now having reduced this to an average turnaround time of 3.9 business days. MLA's contracts function SLA is three business days. For 2021–22 Q3, the turnaround time was an average of 5.5 business days for all types of requests (reduced down from 20 business days).
Maintain the crisis portal and ensure it reflects the latest Crisis Response Plan and risks identified in the organisational risk register.	■	The internal crisis portal is maintained as a crisis management hub in line with the Crisis Response Plan and reflects key MLA risks identified.
Regular identification and assessment of risks to MLA (operational) and industry, as well as implementation of action plans to address risk, and regularly report to the Audit, Finance and Risk Committee (AFRC).	■	The risk management framework and its implementation was reviewed and approved by the Board. MLA and industry risks are reported to the Audit, Finance and Risk Committee (AFRC) on a quarterly basis.
Deliver the 2021–22 internal audit plan to the AFRC.	■	70% of the 2021–22 Internal Audit Plan has been delivered to the AFRC, with the remaining reports to be delivered at the next AFRC meeting in September.
Regularly report on the compliance management program to the AFRC.	■	Biannual compliance management reporting to the AFRC in 2021–22. No reportable breaches were noted.
Clean audit report received.	■	Financial statements were audited by EY and clean audit report was received.
Internal audit program delivered to the satisfaction of the MLA Audit and Risk Committee.	■	Two internal audit reports were delivered in May to the satisfaction of AFRC and all recommendations accepted.
Ensure financial reporting to internal and external stakeholders is timely, accurate and insightful.	■	Quarterly reporting to the stakeholders continues to be delivered on time. Reporting was further adapted during the year based on stakeholder feedback.
Develop standardised pipeline management reporting and review process for the group. Embed the output into rolling forecasts.	■	Pipeline management reporting has been rolled out across two business units. Embedding pipeline reporting into forecasts will occur in 2022–23.
Implement ongoing portfolio performance based reporting of the outcomes and dollar impacts of MLA's investment portfolio for the Australian red meat industry.	■	Oracle Cloud based ROI economic modelling and reporting platform was implemented and tested. Launch of the reporting system has been delayed by staff resourcing issues.





Rangeland goats at the Dubbo saleyard.

Appendix A *continued*


Status of MLA's Strategic Plan 2025 key performance indicators

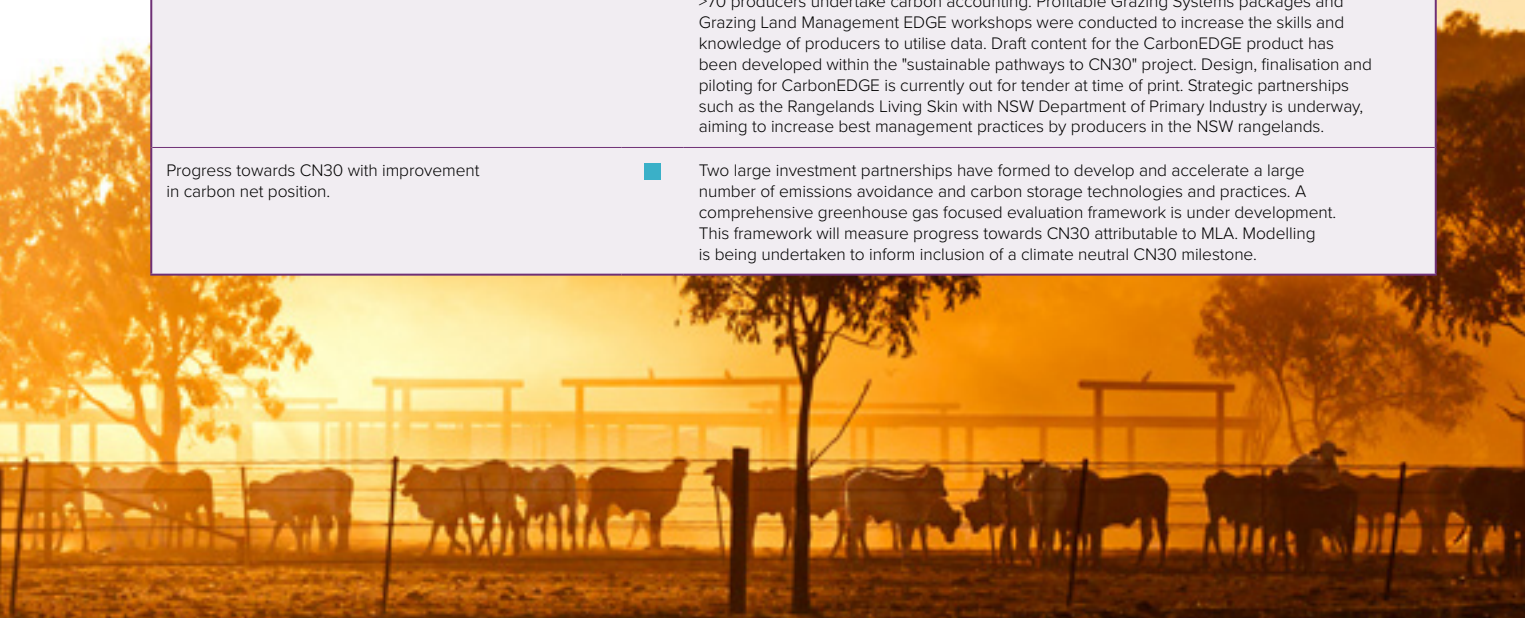
■ On track ■ Not on track

Key performance indicator	Status	Commentary
Decisions informed through data and insights 		
We have established a central data and insights platform with year on year improvement in stakeholder satisfaction scores.	■	Initial development work carried out on the existing Business Dynamics 365 Platform has uncovered that it is not a suitable platform to house the Market Research Library (central data and insights platform). A re-brief was provided to utilise the CANVAS app to sit on top of the standard Business Dynamics platform which has improved user experience, however, there are some technical issues (in progress to solve). The platform will be ready to launch once these technical issues are solved.
There has been an increase in the number of supply chains and % of livestock production utilising value based pricing (MSA/OM/productivity off-farm).	■	<p>"One sheepmeat processor partnering with MLA on objective measurement and MSA sheepmeat has launched a new lamb pricing model that includes a bonus for higher IMF% (eating quality) as a precursor to adopting the MSA sheepmeat cuts-based model. This processor has commenced upgrading business, data management and feedback systems in preparation to adopt the cuts-based lamb MSA model. A second lamb processor has completed installation of DEXA and an IMF measurement device, also with the aim of adopting the MSA sheepmeat cuts-based model. Two additional lamb plants with DEXA installed have commenced negotiations to adopt IMF% measurement.</p> <p>A successful open call to support objective measurement device adoption has resulted in 24 supply chains engaging to trial nine new devices. One beef processor will integrate a device to predict marble score in hot carcasses to explore the value that can be created by early knowledge of marble score. This processor is also collaborating in a desktop study of a preliminary MSA grade on hot carcasses to improve carcass management and allocation to the most profitable market.</p> <p>Work is underway with two sheepmeat plants to upload Lean Meat Yield (DEXA) data in the ISC industry data platform. ISC and MSA have combined animal disease data with MSA index to demonstrate relationships with carcass value. This work shows a significant negative impact on eating quality and carcass value from disease and defects.</p> <p>MSA R&D is investigating new pathways to enable more cattle to be eligible for grading.</p>
Increased compliance to industry quality assurance and integrity systems.	■	Due to changes in the approach for the assessment of non-conformances, it's no longer possible to compare the 2019–20 benchmark with the results seen in 2020–21 and beyond. As such, KPI tracking will be assessed against the 2020–21 outcome of 104%. In 2021–22, the number of non-conformances (major and critical) as a percentage of total audits was 116%. While this is slightly above the 2020–21 outcome, it has remained relatively consistent over the second half of the year with no major increases month-on-month. In addition to monitoring the number of non-conformances raised at audit, the percentage and timeframe for closing out non-conformances has been assessed in 2021–22. Of the 2,653 major or critical non-conformances raised under the random audit program in 2021–22, 90% have been closed out. Of the 10% outstanding as at 30 June 2022, 111 had been sent their first reminder and 145 had been sent their second reminder. Those non-conformances not closed out within the timeframe notified in the reminders will be required to show cause as to why they should not be suspended, and if no action results from the show cause, formal action will be taken to suspend them from the program in 2022–23.




Targeted investment to address the industry's big, complex challenges 		
60% of Australians surveyed agree/strongly agree with the statement 'Australian cattle and lamb are farmed and raised in a humane manner'.	■	MLA's 2022 consumer sentiment survey indicates that the percentage is remaining relatively stable around 55%. The KPI requires an improvement in sentiment increasing to 60% which may not be possible by 2025.
60% of Australians surveyed agree/strongly agree with the statement 'the Australian cattle and sheep industry are committed to sustainable production'.	■	MLA's 2022 consumer sentiment survey indicates that the percentage has declined to 51%. The KPI requires an improvement in sentiment increasing to 60% which may not be possible by 2025.
Improvement in consumer perception of Australian production practices, relative to other beef and sheep producing nations.	■	Australian baseline values in 2019 were 0.36 for beef and 0.46 for lamb (vs US beef 0.16 and NZ beef 0.27/NZ lamb 0.39). This KPI is measured through the annual consumer global tracker survey and is a combined one-number score of the attributes, with a maximum score of 1.0. Both attributes ("The industry is environmentally sustainable" and "The animal is well-cared for") are weighted equally. In 2022, the one-number scores for Australian product were: 0.40 for beef (vs US beef 0.16 and NZ beef 0.32), and 0.50 for lamb (vs NZ lamb 0.45), showing an increase for both products.

Key performance indicator	Status	Commentary
Improved market specification compliance across defined quality, animal health and other value based pricing dimensions.	■	In 2021–22, MSA beef compliance was 95.52% and sheepmeat compliance was 97.36%. Year-on-year, there has been a decrease in non-compliance for both species, in particular a significant decrease for sheepmeat compared to last financial year. This may be attributed to the higher proportion of grain-finished animals, however grassfed compliance also continues to increase year-on-year. Eleven processing plants are collecting (to the national standard) and sharing animal disease and defect data via Livestock Data Link (LDL) or proprietary systems. Work is underway with additional processing sites to adopt and embed the national standard for disease and defect data collection. The sharing of aggregated, de-identified data for industry insights and benchmarking will become a reality with future feedback system functionality. A successful tender has been selected for the rebuild of the future feedback system (previously Livestock Data Link) with the contracting process having already commenced. Development is due to start in early August 2022, with the first system delivery anticipated to be in early 2023. The system is designed to include producer, processors and brand owners and will extend the current LDL system to include more MSA-specific and compliance data as well as provide linkages between disease and defect data to all other data to quantify lost opportunity costs and disease affects on production traits. In the meantime, the ISC strategy and data teams have been developing PowerBI dashboards to include in the adoption phase of the new development, with initial dashboards aiming to be released in late August which should allow LDL producers to see disease incidence in their state (VIC, NSW and SA only).
Objective measures of animal welfare for live export, feedlot and extensive production systems implemented, with year on year increase in practice change.	■	<p>For live export, LIVEX Collect has been mandated for daily and end of voyage reporting under ASEL 3.0, effective 1 Nov 2020. Over the next year, standardised quality welfare indicator data will be available to monitor change.</p> <p>For the feedlot industry, the second phase of industry consultation on welfare benchmarking will be completed on 22 October 2022, with pilots implemented across seven feedlot supply chains for eight months.</p> <p>For extensive production systems, a suite of 10 research projects is underway, establishing the behavioural (e.g. accelerometer-enabled smart tags, with appropriate algorithms) and physiological parameters necessary for an objective assessment of livestock wellbeing.</p> <p>ISC has an animal disease data pilot underway with Oakey Beef Exports (OBEX). OBEX has a deliverable to work closely with their internal NH Foods feedlot (Whyalla Beef) to integrate and use the disease and defect data from a feedlot's point of view. ISC has worked with Oakey, and now Greenham, to support them implementing data standards. The sharing of aggregated, de-identified disease and defect data for industry insights will become a reality with future feedback system functionality and will improve Whyalla's ability to benchmark.</p>

Enabling new sources of revenue 	
The number of producers deriving revenue from environmental services and/or natural capital trading markets has increased year-on-year.	■ The April 2020 ABARES national farm income survey showed that 3,561 of 59,350 beef and sheep producers surveyed had received payments for environmental services over the previous three years. This sets the baseline for future progress reporting. Data is also being collected through relevant levy and MDC investments with producers. Revenue to be derived from sale of carbon credits and/or natural capital credits, or price premiums for environmental branding. Coles Finest, NAPCo's Five Founders and Arcadian Organic Meat Company are some examples of companies that have developed a carbon neutral brand. MLA is working with various other brand owners through the MLA Donor Company (Harvest Road, McDonalds, Cape Grim) to design value chains enabling these value chains to derive additional revenue from low/zero carbon red meat.
Increase in the rate of adoption of data and evidence to inform production led environmental outcomes.	■ KPI to be measured via MLA producer survey in MLA adoption program. Draft technical manual for on-farm carbon accounting developed as part of a pilot program that saw >70 producers undertake carbon accounting. Profitable Grazing Systems packages and Grazing Land Management EDGE workshops were conducted to increase the skills and knowledge of producers to utilise data. Draft content for the CarbonEDGE product has been developed within the "sustainable pathways to CN30" project. Design, finalisation and piloting for CarbonEDGE is currently out for tender at time of print. Strategic partnerships such as the Rangelands Living Skin with NSW Department of Primary Industry is underway, aiming to increase best management practices by producers in the NSW rangelands.
Progress towards CN30 with improvement in carbon net position.	■ Two large investment partnerships have formed to develop and accelerate a large number of emissions avoidance and carbon storage technologies and practices. A comprehensive greenhouse gas focused evaluation framework is under development. This framework will measure progress towards CN30 attributable to MLA. Modelling is being undertaken to inform inclusion of a climate neutral CN30 milestone.



Status of MLA's Strategic Plan 2025 key performance indicators *continued*

Key performance indicator	Status	Commentary
Developing new, high value products that allow us to maximise the whole carcase 		
Increase in value of currently low value items through new uses or new products.	■	"Fifth quarter" terminology has been included within the Product & Packaging program. The fifth quarter refers to offal, organs, glandules and blood that have historically been associated with the low value/waste red meat value chain. The intent is to demonstrate the significant value of products that can be considered for additional value adding opportunities in the nutraceutical and health/wellness categories. Current research indicates that value multipliers of anywhere between 4-10x (of the starting input value) can be achieved. These insights can then be shared with the broader red meat industry and associated technology partners. Functional red meat protein powder research continues. The aim is to deliver a functional fortifying ingredient that will allow red meat protein to be used in a range of alternate food categories.
Improvement in customer endorsement of the quality of Australian Beef and Lamb.	■	Measurement: Biennial trade and annual consumer survey. Benchmark in 2019–20: Australia 83.5 (US 64, NZ, 64, Brazil 50). 2022 results: Australia 84 (US 71, NZ 58, Brazil 53).
Beyond today's farm gate 		
There has been an improvement in the rate of return to total capital for beef and sheep farms.	■	The adoption program has completed its impact assessment of its program and has found that as at 30 June 2022, the total net annual benefit from its investments (2015–2022) is \$54.3 million. Overall, this is delivering a total net present value of benefits of \$899.3 million (based on investments made from 2015–2022).
Cross-sectoral projects account for a growing share of MLA investment portfolio.	■	Investment via RDCs outside of the red meat sector is currently being impacted by the phasing out of the RRnD4P grants. Despite additional budget allocated to Agriculture Innovation Australia to fund cross-sectoral investment in environmental sustainability, this investment vehicle has not delivered material investments to date.
Projects funded by commercial investment account for a growing share of MLA investment portfolio.	■	ABARES has increased their gross value of production projection significantly over the next five years, which is expected to result in continuing growth in the government matching cap. This will provide opportunities to increase commercial investment via MDC and will be further bolstered by exploring alternate funding models that stretch the government matching cap further (e.g. matching commercial investment with less than 'dollar for dollar'). The focus in the short-to-medium-term remains on filling MDC pipeline.
Strengthening our core 		
Improvement in customer and consumer preference for Australian Beef and Australian Lamb.	■	In a survey of 180 global customers, overall preference for Australian red meat was significantly above key competitors (89% vs 73% for US and 43% for NZ). Australian red meat also led on various specific attributes vs key competitors (US beef) such as safety (74% vs 45%), quality standards (81% vs 61%), healthy (55% vs 21%) and sustainability (56% vs 40%). The global consumer survey of 7,800 consumers in key markets shows strong consumer preference for Australian beef (35.6% vs benchmark of 23.4%) and lamb (26.8% vs benchmark of 21.4%). Dominant position for Australian red meat among consumers vs key competitors on key metrics such as quality (75% vs 53%), safety (92% vs 40%) and sustainability (69% vs 26%). 90% of CoMarketing participants in 2021–22 rated overall outcomes as 7 or more out of a maximum rating of 10 (i.e. successful). Domestically, MLA is partnering with the Brisbane Broncos NRL club to help deliver communications aimed at promoting beef's role in a healthy diet. We are also ensuring that we have 'always on' media connected with retailers that promotes beef as a mid-week meal option, talking to the benefits of ease, taste and versatility. For lamb, building on the success of the summer lamb campaign, we are tapping into more sharing occasions throughout the year to ensure people choose lamb at relevant social occasions.
Value sales growth in support of industry 2030 goal.	■	Despite strong demand and high prices, the restrained livestock supply in Australia has restricted total value growth so far. However, supply of beef and sheepmeat is expected to begin increasing from the second half of 2022, indicating that if global demand for Australian red meat remains strong, value sales will increase accordingly. Some headwinds regarding global supply chain/logistics and the state of the global economy will also need to be dealt with.
Significant contribution to improving preferential access to key markets and to a \$1 billion reduction in technical trade barriers.	■	86% of red meat exports are covered by preferential access, with the target being 90%. The A–UK FTA will deliver trade liberalisation (via a phased transition) and Australia–India ECTA will deliver liberalisation of 30% sheepmeat tariff on entry into force. Both agreements will further increase the preferential percentage. A submission lodged with DFAT on Australia–UAE CEPA priorities is in the pipeline, while A–EU FTA negotiations are slowly progressing. NTB reform delivered approximately \$62 million in value in 2021–22, with gains including shelf life extensions in Egypt, Saudi, Kuwait and chilled access into Israel. Cumulative NTB alleviation now totals \$380 million - currently above the \$100m/year 2030 \$1 billion trendline.
Improvement in member satisfaction with MLA products and services (+0.9pt).	■	Results from the 2022 member survey show a 0.2/10 increase from the 2020–21 benchmark. Overall satisfaction has grown over the year to 7/10, the highest level achieved to date. Satisfaction has improved across all producers. Corporates and northern grassfed beef producers were the highest and goats the lowest (although improved from prior year). We are on-track for a +0.9pt improvement by 2025.

Appendix B

CoMarketing program participants 2021–22



Beef and veal

Agrigate Australia
Andrews Meat Industries
Arcadian Organic & Natural Meat Co
Argyle Prestige Meats
Australian Agricultural Company
Australian Meat Emporium
Australian Meat Group
B&H Global Enterprises
Bingil Bay
Busy Beef
Claytons Organics
Dardanup Butchering Co
Elanor Enterprises
FarmGate MSU
Flinders Island Meat
G&K O'Connor
Greenham Gippsland
Greenham Tasmania
Hancock Beef Marketing
Harmony Fine Foods
Harvey Industry Group
Hunter Valley Cattle
Irongate Nominees
JBS Australia
JR Exports Pty Ltd
Ken Hetherington (Coral Coast Beef)
Kilcoy Pastoral Company
Latitude 28
Lotte International Oceania
Mort & Co
MT Foods (Meat Tender)
Mulwarra Export Pty Ltd
NH Foods
Nolan Meats Pty Ltd
Oakdale Meat Company
OBE Beef Pty Ltd
Outback Beef (Aust Natural Beef Trust)
Paradigm Foods
Paradoo Beef Corporation
Penfold Grazing Pty Ltd
Providore Global
S Kidman & Co
Stanbroke Beef
Stockyard Pty Ltd
Stone Axe Pastoral
Tabuan Pty Ltd
Tasmania Feedlot Pty Ltd
Tasmanian Agricultural Company
Teys Australia Pty Ltd
The North Australian Pastoral Co (NAPco)
Thomas Foods International
Warmoll Foods Pty Ltd
Western Meat Packers
White Stripe
Wide Open Agriculture



Lamb

Arcadian Organic & Natural Meat Co
B&H Global
Dardanup Butchering Co
Flinders Island Meat
Hirino Pty Ltd (Gundagai Meat Processors)
JBS Australia
Magra Lamb
MT Foods (Meat Tender)
Mulwarra Export Pty Ltd
Pandurra Premium
Thomas Foods International
WAMMCO
Western Meat Packers Group
White Stripe
Wide Open Agriculture



Goatmeat

BV Farm Fresh
Thomas Food International
Proom Pty Ltd

Carl Duncan and Phil Lambert at Teys Australia's Condamine feedlot.



Appendix C

Rural R&D for Profit projects

The Australian Government's Rural R&D for Profit program boosts funding to the rural Research and Development Corporations (RDCs) – of which MLA is one – for nationally coordinated, strategic research that delivers outcomes for Australian producers. Four rounds of funding have been announced to date. Below are the current projects which have been awarded funding where MLA is either the lead or a partner organisation. For more information go to agriculture.gov.au and search 'R&D for profit'.

Project	Lead organisation	Round	Contributors	Total budget	Expected finish date
Wastes to profits: Technologies and business models for the management of wastes in the animal industries	MLA	3	Australian Meat Processor Corporation; Dairy Australia Limited; Australian Pork Limited; Queensland University of Technology; University of Queensland; University of Southern Queensland; Murdoch University; Pacific Northwest National Laboratory; JBS Australia; Teys Australia; Australian Country Choice; Australian Lamb Company; Harvey Beef; Ridley Corporation Ltd; Aduro Biopolymers; Zeolite Australia Pty Ltd; Barwon Water; Queensland Urban Utilities	\$14,373,729	24/3/23
Forewarned is forearmed: equipping farmers and agricultural value chains to proactively manage the impacts of extreme climate events	MLA	3	Grains Research & Development Corporation; AgriFutures Australia; Cotton Research & Development Corporation; Sugar Research Australia; Wine Australia; Dairy Australia; Australian Pork Limited; Australian Bureau of Meteorology; University of Melbourne; University of Southern Queensland; Queensland Department of Agriculture and Fisheries; Monash University; South Australian Research & Development Institute; Department of Economic Development, Jobs, Transport & Resources Victoria	\$14,662,435	28/4/23
Improved surveillance, preparedness and return to trade for emergency animal disease incursions using FMD as a model.	MLA	2	CSIRO; Animal Health Australia; Charles Sturt University; Bureau of Meteorology; Australian Bureau of Agricultural and Resource Economics and Sciences; Australian Government Department of Agriculture – Animal Health Policy Branch	\$11,739,936	Completed
Soil engineers – community-based realisation and augmentation of soil ecosystem services from Dung beetles	MLA	3	CSIRO; Invetus Pty Ltd; University of Western Australia; Landcare Research New Zealand; Mingenew Irwin Group; University of New England; Charles Sturt University; WA Department of Agriculture and Food; Dung Beetles for Landcare Farming; Dung Beetle Solutions Australia; Warren Catchment Council; Leschenault Catchment Council	\$22,693,536	31/4/23
Developing and commercialising advanced measurement technologies and feedback systems into globally competitive Australian meat value chains	MLA	4	Australian Meat Processor Corporation; Murdoch University; Australian Pork Limited; PorkScan Pty Ltd; University of Adelaide; Woolworths; JBS Australia; Teys Australia; Fletcher International Exports; Gundagai Meat Processors; Stockyard; WAMMCO; Primary Industries and Regions South Australia; Department of Primary Industries NSW; Department of Economic Development, Jobs, Transport & Resources Victoria; Department of Primary Industries and Regional Development WA; University of New England; University of Melbourne; University of Technology Sydney; Frontmatec Group; Angus Australia; Scott Automation and Robotics; Thomas Foods International; Coles	\$19,043,427	5/5/23
Boosting profit and reducing risk of mixed farms in low and medium rainfall areas with newly discovered legume pastures enabled by innovative management methods	Grains Research & Development Corporation	2	Australian Wool Innovation; Meat & Livestock Australia; Murdoch University; South Australian Research & Development Institute; WA Department Agriculture and Food; Charles Sturt University; CSIRO	\$16,558,866	Completed
Enhancing supply chain profitability through reporting and utilisation of peri-mortem information by livestock producers	Australian Pork Limited	2	Meat & Livestock Australia; Australian Meat Processor Association; South Australian Research & Development Institute; Department of Economic Development, Jobs, Transport & Resources Victoria	\$1,725,594	Completed
Underpinning agricultural productivity and biosecurity by weed biological control	AgriFutures Australia	4	Grains Research & Development Corporation; Meat & Livestock Australia; Cotton Research & Development Corporation; CSIRO; Department of Primary Industries NSW; Queensland Department of Agriculture and Fisheries; Department of Economic Development, Jobs, Transport & Resources Victoria; AgForce; Bundaberg Regional Council; Castlereagh Macquarie County Council; Cramond Clan Environmental Consultants; Far North Queensland Regional Organisation of Councils; Gympie Regional Council; Hancock Queensland Plantations Pty Ltd; Hudson Pear Taskforce; Landcare Research; Malanda Beef Plan Group Inc; Mareeba Shire Council; Noosa & District Landcare Group Inc; NSW Environmental Trust; NSW Weed Biocontrol Taskforce; Primary Industries and Regions South Australia; South-East Queensland Water; South-East Local Land Services NSW; SunWater; Tablelands Regional Council; TasWeed Biocontrol; University of Queensland; University of Southern Queensland; US Department of Agriculture	\$15,842,570	14/04/23

Acronyms, glossary and index

Acronyms and glossary

ALMTech	Advanced Livestock Measurement Technologies
ABRI	Agricultural Business Research Institute
AIA	Agricultural Innovation Australia Ltd
AGM	Annual General Meeting
ABC	Anti-Bribery and Corruption Policy
AFRC	Audit, Finance & Risk Committee
AASB	Australian Accounting Standards Board
AACo	Australian Agricultural Company Ltd
AusAgDX	Australian AgriFood Data Exchange
ABSF	Australian Beef Sustainability Framework
ACT	Australian Capital Territory
ACC	Australian Country Choice
A–UK FTA	Australia–United Kingdom Free Trade Agreement
ALEC	Australian Livestock Exporters Council
ALPS	Australian Livestock Production Service
ALFA	Australian Lot Feeders' Association
AMILSC	Australian Meat Industry Language & Standards Committee
APVMA	Australian Pesticides and Veterinary Medicines Authority
ARLP	Australian Rural Leadership Program
ASBV	Australian Sheep Breeding Values
ASEL	Australian Standards for the Export of Livestock
ASX	Australian Stock Exchange
BRD	Bovine respiratory disease
BDM	Business Development Manager
CN30	Carbon Neutral by 2030
CSP	Carbon Storage Partnership
CEO	Chief Executive Officer
CEPA	Comprehensive Economic Partnership Agreement
CSIRO	Commonwealth Scientific and Industrial Research Organisation
CPC	Consolidated Pastoral Company
CRC	Cooperative research centre
DFAT	Department of Foreign Affairs and Trade
DEXA	Dual Energy X-Ray Absorptiometry
EYCI	Eastern Young Cattle Indicator
ECTA	Economic Cooperation and Trade Agreement
eNVD	Electronic National Vendor Declaration
EAP	Emissions Avoidance Partnerships
EEO	Equal Employment Opportunity
EU	Europe
EMA	Eye muscle area
FICA	Food Import Compliance Agreement
FMD	Foot-and-mouth disease
FTA	Free trade agreement
GAICD	Graduate of the Australian Institute of Company Directors
GHG	Greenhouse gas emissions
GVP	Gross value of production
GMP	Gundagai Meat Processors
HGP	Hormonal growth promotants
IT	Information technology
ISC	Integrity Systems Company
IMF	Intramuscular fat
KPI	Key performance indicator
LMY	Lean Meat Yield
LCA	Lifecycle Analysis

LEPI	Live Export Price Indicator
LDL	Livestock Data Link
LGAP	Livestock Global Assurance Program
LPA	Livestock Production Assurance
LPP	Livestock Productivity Partnership
LSD	Lumpy skin disease
MFMG	MacKillop Farm Management Group
MLA	Meat & Livestock Australia
MDC	MLA Donor Company
MEQ	Meat Eating Quality
MSA	Meat Standards Australia
MAICD	Member of the Australian Institute of Company Directors
MENA	Middle East and North Africa
NLIS	National Livestock Identification System
NVD	National Vendor Declaration
NSW	New South Wales
NZ	New Zealand
NTB	Non-tariff barriers
NABRC	North Australia Beef Research Council
NB2	Northern Breeding Business
NT	Northern Territory
NTCA	Northern Territory Cattlemen's Association
NFP	Not for profit
NLW	Number of Lambs Weaned
OBEX	Oakey Beef Exports
PDS	Producer Demonstration Site
PGS	Profitable Grazing Systems
PIC	Peak Industry Council
PIC	Property Identification Code
RMAC	Red Meat Advisory Council
RAC	Research Advisory Council
RDC	Research Development Company
RD&A	Research, development and adoption
RD&E	Research, development and extension
RIRDC	Rural Industries Research and Development Corporation
RRnD4P	Rural R&D for Profit
SLA	Service level agreement
SRSP	Sheep Reproduction Strategic Partnership
SAWS	Shipboard Animal Welfare Standards
SA	South Australia
SEA	South-East Asia
SALRC	Southern Australia Livestock Research Council
SSG	Sustainability Steering Group
TAFE	Technical and Further Education
UK	United Kingdom
USA	United States of America
UTAS	University of Tasmania
VBM	Values-based marketing
VIC	Victoria
VFT	Virtual fencing technology
WR	Weaning Rate
WA	Western Australia
WALRC	Western Australia Livestock Research Council

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