

# STRATEGIC



2016-2020

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# Executive summary

Meat & Livestock Australia's Strategic Plan 2016-2020 sets out MLA's strategic direction and the investment priorities which will contribute to the profitability, sustainability and global competitiveness of the red meat and livestock industry.

- This Strategic Plan has been developed in collaboration with our government and industry stakeholders. It closely aligns with the red meat and livestock industry's Meat Industry Strategic Plan 2020 (MISP 2020) and the Australian Government's Rural Research, Development and Extension Priorities and its Science and Research Priorities. It also draws input from MLA analysis of trend data which may impact on MLA's operating environment over the next four years.
- Six strategic pillars form the foundation of MLA's Strategic Plan. Each pillar is accompanied with an outcome statement, indicating what will be achieved when the pillar is delivered successfully. MLA has 13 strategic priorities to help achieve these outcomes.
- The Strategic Plan is the basis for MLA's Annual Investment Plans (AIPs) for each financial year through to 2020. Each AIP outlines MLA's annual programs and the actions, key performance indicators and budgets.

The following table encapsulates MLA's Strategic Plan, our six pillars, the outcomes that will be delivered as a result of the Plan's execution and the priorities around which MLA will work to deliver those outcomes.

**Table 1:** MLA's strategic pillars, outcomes and priorities 2016-2020

Pillar	Outcome	Priority
 <p>1. Consumer and community support</p>	The community continues to support and trust the Australian red meat and livestock industry, with industry practices in step with community expectations.	<ul style="list-style-type: none"> <li>• Continuous improvement of the welfare of animals in our care</li> <li>• Stewardship of environmental resources</li> <li>• Role of red meat in a healthy diet</li> </ul>
 <p>2. Market growth and diversification</p>	Improved access to markets, with marketing programs and value creating innovation driving increased consumer and customer preference and premiums for Australian red meat.	<ul style="list-style-type: none"> <li>• Efficiency and value in trade and market access</li> <li>• Marketing and promoting Australian red meat and livestock</li> </ul>
 <p>3. Supply chain efficiency and integrity</p>	Increased returns through the value chain, with participants and customers confident in product quality, pricing and integrity systems.	<ul style="list-style-type: none"> <li>• Optimising product quality and cost efficiency</li> <li>• Guaranteeing product quality and systems integrity</li> </ul>
 <p>4. Productivity and profitability</p>	Productivity gains through the value chain from the adoption of tools and technologies.	<ul style="list-style-type: none"> <li>• Production efficiencies in farms and feedlots</li> <li>• Processing productivity</li> <li>• Live export productivity</li> </ul>
 <p>5. Leadership and collaborative culture</p>	Industry participants are confident in industry leadership capability.	<ul style="list-style-type: none"> <li>• Building leadership capability</li> <li>• Protecting and promoting our industry</li> </ul>
 <p>6. Stakeholder engagement</p>	Industry participants are confident that the levy investment is delivering value.	<ul style="list-style-type: none"> <li>• Engagement with producers and stakeholders</li> </ul>

The order of the pillars reflects that in the Meat Industry Strategic Plan 2020 and should not be interpreted as a priority order for MLA.

# About MLA

## 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

Working in collaboration with the Australian Government and wider red meat and livestock industry, MLA's mission is to deliver value to levy payers and value chain partners by investing in research, development and marketing initiatives that contribute to producer prosperity, sustainability and global competitiveness.

## OUR VALUES

- Customer centricity
- Accountability through transparency
- Outcomes that make a difference

## OUR FUNDING

MLA is primarily funded by transaction levies paid on livestock sales of sheep, cattle and goats by producers.

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

Processors and live animal exporters also co-invest levies into MLA programs through their service companies: Australian Meat Processor Corporation and LiveCorp. Exporters and importers can also co-invest with MLA on marketing activities.

MLA generates additional income via voluntary contributions by external organisations who choose MLA to manage their research programs. This funding is invested in research and development partnerships that benefit the Australian red meat and livestock industry through the MLA Donor Company.

## OUR MEMBERS

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

## OUR STAKEHOLDERS

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

Peak industry councils provide policy direction, scrutinise budgets and monitor MLA's performance 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 Sheepmeat Council of Australia.

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

# Chair's foreword

## A shared vision

MLA's Strategic Plan provides the roadmap for MLA's strategic direction and investment priorities over 2016-2020. All of these contribute to increasing the profitability, sustainability and global competitiveness of Australia's red meat and livestock industry.



The strength of this plan comes from the collaboration between MLA and its stakeholders – Australia's red meat and livestock producers, the Australian Government, our commercial investors and research partners. It is a collaboration that is of immense value to our customers and the envy of our international competitors. The plan directs where the collective investment by these stakeholders will be channelled over the next four years.

MLA's Strategic Plan has been developed with significant input from four sources:

- 1. Industry:** In setting out MLA's research, development and marketing priorities, this strategic plan has been closely informed by the red meat and livestock industry's Meat Industry Strategic Plan 2020 (MISP 2020).
- 2. Government:** The Australian Government is also a key investor in MLA and the future of the red meat and livestock industry. Its Science and Research Priorities and its Rural Research, Development and Extension Priorities have in turn guided those of MLA's Strategic Plan.
- 3. Changes in operating environment:** MLA has analysed current and longer-term market and industry trends, as well emerging issues and potential developments, which may impact MLA's operating environment over the next four years.
- 4. Stakeholder consultation:** MLA consulted with Peak Industry Councils during the drafting of this Strategic Plan. These councils included the Australian Lot Feeders' Association, Cattle Council of Australia, Goat Industry Council of Australia and the Sheepmeat Council of Australia. MLA also engaged with the Australian Livestock Exporters' Council, the Australian Meat Processor Corporation and the Australian Meat Industry Council.

Six strategic pillars form the foundation of MLA's Strategic Plan. Each pillar is accompanied with an outcome statement, indicating what will be achieved when the pillar is delivered successfully. MLA has 13 strategic priorities to help achieve these outcomes.

This Strategic Plan now informs MLA's Annual Investment Plans, which outline MLA's annual programs and the actions, key performance indicators and budgets for each.

MLA is committed to delivering this Strategic Plan to increase the profitability, sustainability and global competitiveness of our industry and all of its participants.

Dr Michele Allan, MLA Chair

Figure 1: Inputs to MLA's Strategic Plan



# Priority alignment

MLA's Strategic Plan is closely aligned with both industry and Australian Government priorities. It responds to the Australian Government's Rural Research, Development and Extension Priorities, its Science and Research Priorities and also addresses pillars and priorities outlined in the *Meat Industry Strategic Plan 2020 (MISP 2020)* as well as those in the *Beef Industry Strategic Plan 2020*, *Sheep Industry Strategic Plan 2020*, *Australian Lot Feeders Strategic Plan* and the *Goat Industry Strategic Plan*.

**Table 2:** The alignment of MLA's Strategic Plan pillars and priorities with the government and industry priorities

Pillar	Priority	Australian Government		Meat Industry Strategic Plan (MISP 2020) priorities
		Science and Research Priorities	Rural Research, Development and Extension Priorities	
 1. Consumer and community support	Continuous improvement of the welfare of animals in our care	<ul style="list-style-type: none"> <li>• Food</li> <li>• Soil and water</li> <li>• Environmental change</li> <li>• Transport</li> </ul>	<ul style="list-style-type: none"> <li>• Adoption of research and development</li> <li>• Biosecurity</li> <li>• Advanced technology</li> </ul>	Welfare of the animals in our care
	Stewardship of environmental resources	<ul style="list-style-type: none"> <li>• Food</li> <li>• Soil and water</li> <li>• Environmental change</li> <li>• Resources</li> </ul>	<ul style="list-style-type: none"> <li>• Adoption of research and development</li> <li>• Soil, water and managing natural resources</li> <li>• Advanced technology</li> </ul>	Stewardship of environmental resources
	Role of red meat in a healthy diet	<ul style="list-style-type: none"> <li>• Food</li> <li>• Health</li> </ul>	<ul style="list-style-type: none"> <li>• Adoption of research and development</li> <li>• Advanced technology</li> </ul>	Red meat in a healthy diet
 2. Market growth and diversification	Efficiency and value in trade and market access	<ul style="list-style-type: none"> <li>• Food</li> </ul>	<ul style="list-style-type: none"> <li>• Advanced technology</li> <li>• Adoption of research and development</li> </ul>	Efficiency and value in trade and market access
	Marketing and promoting Australian red meat and livestock	<ul style="list-style-type: none"> <li>• Food</li> </ul>	<ul style="list-style-type: none"> <li>• Advanced technology</li> <li>• Adoption of research and development</li> </ul>	Marketing and promoting Australian red meat and livestock
 3. Supply chain efficiency and integrity	Optimising product quality and cost efficiency	<ul style="list-style-type: none"> <li>• Food</li> <li>• Transport</li> </ul>	<ul style="list-style-type: none"> <li>• Advanced technology</li> <li>• Adoption of research and development</li> </ul>	Optimising product quality and cost efficiency
	Guaranteeing product quality and systems integrity	<ul style="list-style-type: none"> <li>• Food</li> </ul>	<ul style="list-style-type: none"> <li>• Advanced technology</li> <li>• Adoption of research and development</li> <li>• Biosecurity</li> </ul>	Guaranteeing product and systems integrity
 4. Productivity and profitability	Production efficiencies in farms and feedlots	<ul style="list-style-type: none"> <li>• Soil and water</li> <li>• Food</li> <li>• Transport</li> <li>• Environmental change</li> </ul>	<ul style="list-style-type: none"> <li>• Advanced technology</li> <li>• Adoption of research and development</li> <li>• Soil, water and managing natural resources</li> </ul>	Production efficiency in farms and feedlots
	Processing productivity	<ul style="list-style-type: none"> <li>• Environmental change</li> <li>• Advanced manufacturing</li> <li>• Food</li> <li>• Energy</li> </ul>	<ul style="list-style-type: none"> <li>• Advanced technology</li> <li>• Adoption of research and development</li> </ul>	Processing productivity
	Live export productivity	<ul style="list-style-type: none"> <li>• Transport</li> <li>• Food</li> </ul>	<ul style="list-style-type: none"> <li>• Advanced technology</li> <li>• Adoption of research and development</li> </ul>	Live export productivity
 5. Leadership and collaborative culture	Building leadership capability	<ul style="list-style-type: none"> <li>• Food</li> </ul>	<ul style="list-style-type: none"> <li>• Adoption of research and development</li> </ul>	Building industry capability
	Protecting and promoting our industry	<ul style="list-style-type: none"> <li>• Food</li> <li>• Environmental change</li> </ul>	<ul style="list-style-type: none"> <li>• Adoption of research and development</li> <li>• Biosecurity</li> </ul>	Promoting and protecting our industry
 6. Stakeholder engagement	Engagement with producers and stakeholders	<ul style="list-style-type: none"> <li>• Food</li> </ul>	<ul style="list-style-type: none"> <li>• Adoption of research and development</li> </ul>	-

# Managing Director's statement

## MLA's evolving role



When MLA set out to develop this strategic plan with our industry and government partners, we looked to MLA's vision statement to set the benchmark for where the organisation must be in 2020 – the recognised leader in delivering world class research, development and marketing outcomes that benefit Australia's red meat and livestock industry.

### What does success actually look like in 2020?

There will be three markers.

→ **MLA will be a truly global marketing and innovation company, generating higher returns for Australian red meat and livestock producers.**

Due to years of investment in Australia and overseas, MLA is already a superior provider of market information and insights to our meat and livestock producers. As markets change and our industry continues to evolve from commodity supplier to purveyor of premium and higher value branded products, so too will MLA's marketing services evolve.

With the direction set out in this strategic plan, MLA will build on its success to date and assist industry to improve market access and segment markets to best target investments. MLA's services will be increasingly sought out by commercial entities to deliver branding strategies and innovation right around the world. And we will be providing livestock producers with even more comprehensive and mobile market reporting services including pricing and over-the-hooks indicators and insightful analysis of global trade and consumer and competitor trends.

→ **MLA will be the leading generator of commercial research and development outcomes, driving productivity gains and profitability across the value chain.**

The levies paid by producers are the staple on which MLA's functions are founded and that income comprises just less than 50 percent of our total research and development investment. The ongoing commitment of the Australian Government in matching the producer contribution, as well as the voluntary investments made by our commercial partners through the MLA Donor Company makes up the balance. Real commercial results are being generated from this partnership and, with this strategic plan, MLA has the direction and the capacity to generate even more outcomes to further our industry's international competitiveness. By leveraging our collective investments, MLA can generate up to 65 percent of its annual research and development investment from sources distinct from the producer levy. The impact of the MDC's work, fuelled by this growth in earnings and investment by MDC, will be the ultimate test of success by 2020.

→ **MLA will be the employer of choice for the best in their field, delivering thought leadership and impacts that make a difference for our stakeholders.**

For any team, success comes from working together in relentless pursuit of a shared goal.

In MLA we are fortunate to have an expert group of people combining their skills and working together to advance the Australian red meat and livestock industry. Under this Strategic Plan, MLA will continue to invest in developing its greatest resource – our people – and creating the customer-centric culture that will best serve our industry, our partners and consumers.

Unashamedly, our goal is to build MLA's reputation as the very best in its field and to make MLA the employer of choice for scientists, marketers, entrepreneurial innovators and service providers here and abroad.

### Delivering the plan

MLA's mission is to deliver value to levy payers in all we do to improve producer profitability, sustainability and global competitiveness. With this Strategic Plan, we will achieve this through a relentlessly commercial focus on delivering real outcomes.

This is an action plan that clearly sets out the outcomes that MLA will deliver to achieve success for our stakeholders; red meat and livestock producers, the Australian Government, our commercial investors and research partners and, ultimately, our nation's economy.

MLA's Strategic Plan is the culmination of an enormous amount of effort by many people who work with and within the organisation. I thank them for their contribution to the future of MLA.

A handwritten signature in black ink, appearing to read 'Richard Norton'.

Richard Norton,  
MLA Managing Director



# A glimpse of the future

The successful delivery of MLA's Strategic Plan will yield a more profitable, sustainable and globally competitive red meat and livestock industry by 2020.

Working in partnership with its many stakeholders, MLA's suite of programs will help unlock the opportunities to further increase the major contribution already being made by the industry to the Australian economy.

Here's a glimpse of what the future holds:

1.

**Cattle and sheep supplied direct-to-works will be paid on value-based pricing.** Productivity gains are expected along the value chain from the combination of new tools and practices, high-tech carcass-measurement technologies and value-based pricing. Real-time measurement technologies under investigation such as pasture biomass measurements and walk-over weighing units will further enhance productivity.

2.

**The economic and welfare impacts of livestock diseases in Australia will be reduced.** MLA's animal health and welfare research will ensure continuous improvement and reinforce community support for the industry. The opportunities include a simple, single-use animal tattoo that changes colour according to the animal's health status and a vaccine to protect sheep against all strains of footrot. Pain relief research will continue to reduce animal discomfort during necessary husbandry practices, such as facilitating the commercial release of the NumNuts device.

3.

**Producers will be improving productivity and farm profits while reducing emissions.** MLA environmental research and development is developing the feedbase, helping animals become more efficient digesters, and exploring other new technology and on-farm practices to provide more opportunities for producers to achieve the "win-win" of reducing methane emissions while also increasing productivity.

4.

**MLA will leverage at least \$2 from co-investment for every \$1 of industry levies across the research and development portfolio.** The development of new research partnerships, enhanced collaboration and the attraction of new sources of income will see MLA delivering innovation in Australia and around the world, generating higher returns for Australian red meat and livestock producers.

5.

**Grazing systems will be improving with new establishment of persistent legumes.** More producers across more areas of Australia will be capturing the benefit of legumes that boost soil nitrogen and improve pasture quality, dry matter production and livestock productivity. In northern Australia, the release of a new psyllid-resistant variety of leucaena developed by MLA will dramatically expand the areas using this drought-resistant tropical legume pasture.

6.

**New online market information services will assist producers to make better business decisions.** MLA's National Livestock Reporting Service is being continuously improved with new information, market insights and mobile services to provide industry with the most comprehensive, timely and professional information. MLA's Livestock Data Link is already providing producers with more timely and accurate slaughter feedback, lifting compliance to market specifications.

7.

**A commitment to superior eating quality will drive improvement in the MSA Index.** Opportunities will be created to add value to more cuts from MSA-graded carcasses to even better meet the needs of consumers in Australia and abroad. MLA will also work with supply chains to support producers in meeting market specifications and capturing more value on-farm. Genetics research will improve breeding values for traits that drive profit, ensuring a closer relationship between what producers breed for and what they get paid in terms of eating quality.

8.

**Market access will be improved through a reduction of economic and technical trade barriers.** Working together, the Australian Government, MLA and industry will strive to capture optimum benefit from recent free trade agreements and there is expected to be continued, demonstrated improvement in the performance of the livestock export supply chain in terms of delivery costs and welfare outcomes.

9.

**The return on investment in marketing and innovation will be improved through the application of new data and insights.** Powered by these new insights, MLA marketing activities will even better differentiate Australian red meat from its competitors and promote the desirable product attributes that will help industry expand the number of consumers. Value chains will be supported in creating new products using secondary cuts and identifying opportunities to grow demand.

10.

**Enhanced integrity systems and technology will help protect Australia's reputation as a clean, safe and natural producer and keep us ahead of our competitors.** The goal is to provide industry participants, customers and consumers alike with absolute confidence in our product quality, pricing and integrity systems.

# Operating environment

The Australian red meat and livestock industry is operating in a complex and dynamic environment, presenting challenges and opportunities over the life of this strategic plan.

On the demand side, the fundamentals are favourable, underpinned by global population and income growth and access to markets arising from recent Free Trade Agreements and continued market liberalisation.

The global drive for food security will continue to inject new investment and capital into the Australian red meat and livestock industry. At the same time, international competition from other red meat suppliers will intensify and domestic competition from other proteins will be relentless.

Domestically and in our established international markets, community expectations around environmental and welfare practices will remain high. Consumer interest in the provenance of the food they consume will also continue to grow.

The red meat and livestock industry operates on nearly half the Australian land mass, albeit sparsely, so the industry is under continuous scrutiny for its impact on the environment. However, there is a great opportunity to both protect and enhance the natural resource base while at the same time deliver increased productivity gains. Demonstrating this stewardship of the land is a key opportunity.

The Australian red meat and livestock industry maintains a premium integrity and quality reputation, underpinned by robust integrity systems and on-farm practices that instil confidence in our trading partners and consumers alike. Maintaining and enhancing this position remains both a necessity and an opportunity for our industry to maintain what is also a competitive advantage.

On the supply side, herd numbers and turnoff should slowly recover over the life of this strategic plan although export demand will continue to impose price pressures on domestic beef and lamb consumers. Seasonal conditions, as always, will have a critical impact.

At the production level, profitability will remain the central driver of producer and industry advancement. For producers, prices paid have increased at a faster rate than prices received for decades.

For processors, significant input costs such as labour, transport and energy remain higher than our major competitors.

On and off farm, the search for cost savings will remain a critical driver, meaning productivity improvements will be essential for the industry to remain profitable and sustainable. This requires research and development which delivers outcomes that make a real commercial difference to levy payers and their value chain partners.

A critical challenge remains the need for adoption not just of new research and development, but also those latent opportunities for productivity gains that have already been identified. Adoption in large areas of the industry, particularly in northern beef production, remains unsustainably low. The need for new drivers of adoption coincides with the continued reduction in public extension services. There will be a critical need for MLA to help fill these voids by facilitating adoption and building the capability of private providers, levy payers, and other partners across the value chain.

At the same time, the expanded use of new mobile and online communication tools offers potential that is only constrained by network limitations. As new automation and measurement technology emerge and as the footprint of digital technologies expands, there will be more ways for MLA to help producers and their value chain partners share information and adopt new practices and business models.

Together, all these factors will drive the increasing globalisation of Australia's red meat and livestock industry.

And each of these trends, potential issues and developments within MLA's operating environment over the next four years have been assessed and inform MLA's Strategic Plan. All have been evaluated as a strength, weakness, opportunity or threat.



**Table 3:** Future drivers affecting MLA's operating environment

Driver	Outlook	Outlook assessment
Exchange rates	The Australian dollar is projected to remain below parity with the US dollar. A change to this outlook would reduce the competitiveness of Australian red meat and livestock.	Strength
Market access	The signing of Free Trade Agreements is helping grow demand for Australian red meat and livestock by removing tariffs and quotas and improving the global competitiveness.	Strength
Global demand growth	Globally, real per capita incomes are expected to grow by 60% to 2030. With per capita red meat consumption and income closely correlated, this means an increase in red meat demand. This is also likely to increase demand for high quality meat and livestock products.	Strength
Safety and integrity	Increased focus on provenance, country of origin and integrity systems that ensure meat safety.	Strength
Disease freedom	Preserving Australia's freedom from exotic diseases will continue to provide a productivity, welfare and competitive advantage.	Strength
Eating quality	Continuing commitment to superior eating quality through improvement in the MSA index will allow the further pursuit and differentiation of markets that will pay a premium	Strength
Domestic supply	Following record turnover in 2014-15 due to drought conditions, cattle numbers are forecast to bottom out in 2017, before gradually increasing again to 2020. Lamb turnover is forecast to continue slowly rising.	Weakness
Competitors	Growth in chicken and pork production is expected to continue to outpace growth in red meat production.	Weakness
Productivity	On-farm productivity performance remains below productivity improvements being secured by major international competitors.	Weakness
Extension	State government investment in agricultural extension services is likely to remain limited and is expected to decline further.	Weakness
Inputs	Off-farm processing costs are consistently higher than all of our major competitors.	Weakness
Domestic demand	The domestic market remains the single most valuable destination for Australian red meat. While maintaining domestic per capita consumption will be challenging, the value of sales is expected to remain the same or improve.	Opportunity
Consumer interest	Consumers care more and want to know where their meat comes from, including knowing about the welfare of the animals and sustainable farming practices.	Opportunity
Global population	The world's population is forecast to grow by more than one billion by 2030. In the Asia Pacific region alone, the population is expected to increase by nearly 700 million to 4.6 billion.	Opportunity
New technology	As new disruptive automation and measurement technologies emerge and the digital footprint expands, there will be more ways for producers and their value chain partners to share information and adopt new practices and business models. Improved communication will increase awareness and capacity to embrace technology.	Opportunity
Adoption	As public adoption services diminish, there are opportunities for new adoption models to emerge and for the increased provision of services by private providers supported by industry.	Opportunity
Producer demographics and farm ownership	More producers will operate commercial businesses and there will be less operating for lifestyle reasons. Succession in farming businesses provides the opportunity for the influx of new ideas and innovation.	Opportunity
Collaboration	Increased collaboration with commercial companies – including through the MLA Donor Company – has the potential to accelerate the rate of innovation across the value chain.	Opportunity
Private investment	More private investment in research will see outcomes delivered faster and innovation uptake occur more rapidly.	Opportunity
Value based marketing	The adoption of new technology and objective carcass measurement and assurance systems will see a transition from price-averaging systems to pricing based on defined quality, yield and integrity attributes.	Opportunity
Environmental credentials	The industry will continue to demonstrate its environmental credentials through the sustainability of its production systems and its path to capture productivity gains while reducing emissions.	Opportunity
Consumer preference	Consumers are expected to seek food products based on their perceived value, nutrition, convenience and versatility benefits.	Opportunity
Levy resources	With reduced levy income from a lower herd and flock size there may be less opportunity for matched Government funding.	Threat
Business type	The further consolidation of farm businesses means companies will become more vertically integrated which may have implications for the transaction levies that help fund MLA's work.	Threat
Climate variability	Australia's variable and changing climate poses a significant challenge to livestock producers.	Threat
Competitors	South American countries are likely to become more significant competitors to Australia in a number of beef markets.	Threat
Global supply	Global meat supply is expected to increase, particularly beef from the US and South America.	Threat

# MLA's Strategic Plan 2016-2020 at a glance

Six strategic pillars form the basis of the MLA's Strategic Plan which align with, and help deliver on, the priorities of the red meat and livestock industry, the Australian Government and MLA's mission to contribute to the profitability, sustainability and global competitiveness of livestock levy payers.

Each pillar is accompanied with an outcome statement, indicating what will be achieved if the pillar is delivered successfully. MLA has identified 13 strategic priorities to help achieve these outcomes.

Pillar	1  Consumer and community support	2  Market growth and diversification	3  Supply chain efficiency and integrity
Outcome	The community continues to support and trust the Australian red meat and livestock industry, with industry practices in step with community expectations.	Improved access to markets, with marketing programs and value creating innovation driving increased consumer and customer preference and premiums for Australian red meat.	Increased returns through the value chain, with participants and customers confident in product quality, pricing and integrity systems.
Priority	Continuous improvement of the welfare of animals in our care	Efficiency and value in trade and market access	Optimising product quality and cost efficiency
	Stewardship of environmental resources	Marketing and promoting Australian red meat and livestock	Guaranteeing product quality and systems integrity
	Role of red meat in a healthy diet		

*The order of the pillars reflects that in the Meat Industry Strategic Plan 2020 and should not be interpreted as a priority order for MLA.*

4



**Productivity and profitability**

Productivity gains through the value chain from the adoption of tools and technologies.

Production efficiencies in farms and feedlots

Processing productivity

Live export productivity

5



**Leadership and collaborative culture**

Industry participants are confident in industry leadership capability.

Building leadership capability

Protecting and promoting our industry

6



**Stakeholder engagement**

Industry participants are confident that the levy investment is delivering value.

Engagement with producers and stakeholders



# 1

## Pillar

# Consumer and community support

The livestock industry is a responsible and effective custodian of Australia's natural resources and the welfare of livestock.

The community places a high – and growing – expectation on the Australian red meat and livestock industry to look after the environment and the welfare of livestock. Meeting these community expectations is essential for the industry to maintain its social licence to operate.

Industry must continue to proactively address and promote the welfare standards for livestock, the environmental impact of livestock practices and the role of red meat in a healthy diet.

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

### Outcome

**The community continues to support and trust the Australian red meat and livestock industry, with industry practices in step with community expectations.**

**PRIORITIES:**

**CONTINUOUS IMPROVEMENT OF THE WELFARE OF ANIMALS IN OUR CARE**

The community has high expectations about the way livestock are treated and how animal welfare standards are applied in the industry. It is important the industry continues to improve the welfare of livestock by enhancing husbandry practices through adoption of new research. This priority also seeks to improve welfare by ensuring the continued freedom of herds and flocks from exotic diseases and minimising the impact of endemic diseases.

Equally, it's important that industry clearly communicates these improvements to the Australian and global community to instil confidence and maintain their support for the industry.

**STEWARDSHIP OF ENVIRONMENTAL RESOURCES**

Livestock production relies on natural resources. Future increases in production will depend on efficiently and effectively managing soil health, weeds, invasive animals, water, methane emissions, biodiversity and climate variability. These themes will provide focus for future research and development, assisting the industry to improve its productivity and sustainability.

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

**ROLE OF RED MEAT IN A HEALTHY DIET**

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

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





# 2

## Pillar

# Market growth and diversification

Improving market access and demonstrating Australian red meat and livestock's value proposition to consumers and customers are the primary ways for the industry to grow demand and diversify markets.

Improving market opportunities, Australia's desirable product attributes and value chain innovation together enables the industry to expand the number of potential customers, be better positioned to command higher premiums and deliver the best return on investment.

This pillar strives to reduce economic and technical barriers to trade, defend existing gains in trade and proactively identify and develop new business development opportunities. It also recognises the quality and integrity systems that underpin marketing efforts to differentiate Australian red meat from other red meat competitors and proteins.

### **Outcome**

**Improved access to markets, with marketing programs and value creating innovation driving increased consumer and customer preference and premiums for Australian red meat.**



**PRIORITIES:**
**EFFICIENCY AND VALUE IN TRADE AND MARKET ACCESS**

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

MLA will collaborate with the Australian Government, the Australian Meat Processor Corporation and industry stakeholders to drive growth in exports. MLA will do this by prioritising and taking action to reduce economic and technical barriers to trade in global markets.

**MARKETING AND PROMOTING AUSTRALIAN RED MEAT AND LIVESTOCK**
**Export markets**

With Australian red meat facing increasing competition from other red meat suppliers and protein products in global markets, the industry must aggressively promote its superior points of difference to customers and consumers. This involves building awareness of the attributes which set Australian product apart – safety, quality and traceability.

MLA will also segment markets based on the size of the opportunity and the risks. This, together with value chain innovation, will allow MLA to prioritise industry investment on those opportunities that provide the greatest impact for every dollar invested.

**Domestic market**

The domestic market remains the single most valuable destination for Australian red meat. It is also the battleground where red meat and other proteins compete fiercely for their place on the dinner plate. With strong export demand drawing product away from Australia, domestic red meat prices are increasing while pork and chicken prices remain low by comparison. As a result, domestic consumers are eating less red meat, a trend mirrored across many large developed countries.

MLA's focus to 2020 will be to counter the historical trend of reducing per capita red meat consumption. This will be achieved by focusing on Australian red meat's value proposition and business development. Nutrition and brand building activities and industry ensuring eating quality meets or exceeds consumer expectations will give consumers compelling reasons to maintain their red meat consumption.





# 3

## Pillar

# Supply chain efficiency and integrity

Satisfied customers and industry partners are signs of a well-functioning value chain. The red meat and livestock industry strives to achieve this through Meat Standards Australia, which guarantee consumers a minimum eating quality in their red meat purchases, and also through integrity systems that underpin clean, safe, natural and traceability claims.

The red meat and livestock industry has an opportunity to enhance this win-win for customers and value chain partners through new measurement technologies, information exchange and value based pricing, where consumers pay the true value of the products they purchase and industry is able to increase the value of each carcase.

### Outcome

**Increased returns through the value chain, with participants and customers confident in product quality, pricing and integrity systems.**

**PRIORITIES:****OPTIMISING PRODUCT QUALITY AND COST EFFICIENCY**

Since its inception in 1999, the industry's uptake of Meat Standards Australia (MSA) has helped lift the eating quality of red meat in the domestic market. The opportunity now exists to broaden the reach of MSA to offshore by providing marketers with a tool to sell export beef and lamb with eating quality claims.

This priority will also work with individual supply chains to reduce the eating quality variation within a production run and segregate and extract higher premiums for product with higher eating quality.

There is also opportunity to improve the value of the carcass through value based pricing, underpinned by accurate and transparent objective measurements.

**GUARANTEEING PRODUCT QUALITY AND SYSTEMS INTEGRITY**

For years Australian red meat has been marketed as clean, safe and natural, underpinned by its disease free status and advanced food safety and integrity systems. As our competitors build their own capabilities to deliver a similar product claim, it is essential for Australia to enhance our systems and technologies to keep ahead of our competitors and maintain our point of difference. Raising the bar of our integrity systems also helps Australia capture price premiums from discerning consumers and customers willing to pay more for higher levels of product assurance.





# 4

## Pillar

# Productivity and profitability

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

Encouraging the value chain to increase its productivity requires a new approach to adoption. Providing producers, lotfeeders, live exporters and processors with compelling commercial benefits to implement research and development is another key. And supplying timely, accurate and relevant tools, technologies and information better informs business decisions.

### Outcome

**Productivity gains through the value chain from the adoption of tools and technologies.**

**PRIORITIES:**

**PRODUCTION EFFICIENCIES IN FARMS AND FEEDLOTS**

For producers and lotfeeders to remain competitive and sustainable in the long-term, MLA's research, development and adoption programs need to deliver outcomes that improve the bottom line. This priority is focused on providing producers and lotfeeders with options to improve the efficiency of their operation through programs in genetics and genomics, feedbase, reproduction, animal nutrition, compliance to market specifications and feed efficiency. MLA will support the uptake of new practices through outcomes focused producer education, training and coaching.

**PROCESSING PRODUCTIVITY**

With Australian red meat facing intense price competition from other red meat suppliers and proteins, every cent counts during the production process. To help processors increase their efficiency and minimise production costs, this priority is focused on maximising meat yield, and addressing labour availability and workplace health and safety issues. Automation technologies and objective measurement will be the primary avenues to achieve this.

**LIVE EXPORT PRODUCTIVITY**

One of the significant challenges for the Australian livestock export industry is to remain internationally competitive while working within existing regulatory frameworks. This priority addresses this by identifying cost savings, particularly in regulatory compliance and transport. This area also aims to improve animal health and welfare, and productivity through the supply chain.





# 5

## Pillar

# Leadership and collaborative culture

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

### Outcome

**Industry participants are confident in the industry's leadership capability.**

**PRIORITIES:**

**BUILDING LEADERSHIP CAPABILITY**

The red meat and livestock industry depends on leaders who are capable, skilled and experienced to deliver on its strategic plans. In this priority, MLA will work with the peak industry councils and other value chain participants to build the industry's capability and invest in industry people through a range of professional development, graduate training, mentoring and scholarship opportunities.

As well as developing the skills base of the current generation, MLA will develop emerging leaders for succession planning and strategic contributions to industry and the community into the future.

Within MLA, the company is investing in the continued development of its team, driving a customer-centric culture and recruiting leading scientists, marketers, entrepreneurial innovators and service providers to further bolster its capability and thought leadership.

Building capability extends to communicating with all industry stakeholders about the value of collaborative investment in marketing, research and development and ways for producers and other value chain participants to develop more productive and profitable businesses. MLA will communicate through personal communication, targeted publications, online tools, media, social media and events.

**PROTECTING AND PROMOTING OUR INDUSTRY**

Within this priority MLA is supporting the creation of frameworks and collecting evidence to measure the progress of the industry's development. This includes the economic benefits generated by the industry for the Australian community, its contribution to the social fabric and local economies of regional Australia, and the contribution of Australian red meat to the dietary requirements of domestic and international consumers.

Within this priority, MLA is also supporting the industry's development and implementation of a framework for efficiently reporting on its sustainability credentials.

Responding quickly to a sudden or unexpected threat or risk can minimise the impact of a crisis on the industry. This priority addresses this need by reviewing and updating the industry's detailed crisis management plan to prepare industry and individual sectors to avoid or mitigate the impact of any crisis.





# 6

## Pillar

# Stakeholder engagement

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

### Outcome

**Industry participants are confident that the levy investment is delivering value.**



**PRIORITY:****ENGAGEMENT WITH PRODUCERS AND STAKEHOLDERS****Building genuine partnerships**

MLA's mission is to deliver research, development and marketing initiatives that contribute to producer prosperity, sustainability and global competitiveness. To fully achieve this requires MLA to embrace a process of stakeholder engagement across all aspects of its business, involving every member of the MLA team.

This priority relies on gathering and using the views and needs of stakeholders to inform MLA's decision making, strategy and organisational behaviour. Forums include MLA's regional and sector specific consultation councils and the annual setting of MLA's marketing priorities.

Stakeholder engagement in and endorsement of MLA's strategy and priorities will generate industry-wide ownership and faster uptake of productivity, sustainability and competitive improvements.

**Tailored communication for better decision making**

Australia's red meat and livestock industry has a diversity of production systems and farm businesses that have an equally diverse range of marketing and research and development needs.

Understanding these business types and their needs is critical for MLA to tailor its communications and ensure that producers are getting the information they need, when they need it, through the channels they prefer. Better information means better decision making and greater adoption of productivity-enhancing marketing, research and development.

**A culture of continuous improvement**







MLA has a wide range of stakeholders and reporting responsibilities; to the Australian Government, the Peak Industry Councils, MLA's research and development partners, the levy payers and taxpayers who fund its activities, MLA staff, the Australian community and our industry's customers here and abroad.

It is crucial for MLA to measure and routinely assess the impacts of its research and development and marketing programs. Continuous improvement requires an accurate and cost effective monitoring and evaluation framework, enhanced to meet the expectations of the MISP2020 and other red meat and livestock industry plans, the Australian Government and MLA's own Strategic Plan.



# Key performance indicators

The key performance indicators outlined below will be used to measure the outcome delivery against MLA's Strategic Plan.

Pillar	Priority	Key Performance Indicator	Measure/units	Benchmark (2015-16)	2016-17	2017-18	2018-19	2019-20
 1. Consumer and community support	Continuous improvement of the welfare of animals in our care	Restrict % consumers limiting red meat consumption due to animal welfare concerns to 10%	% of annual survey respondents	7%	7%	7%	8%	10%
		Four new products including vaccines, diagnostic tests and tools to reduce the cost and welfare impact of endemic and emergency disease in Australia	tool, diagnostic or vaccine developed	n.a	one new tool, diagnostic or vaccine	one new tool, diagnostic or vaccine	one new tool, diagnostic or vaccine	one new tool, diagnostic or vaccine
	Stewardship of environmental resources	Restrict % consumers limiting red meat consumption due to environmental concerns to 10%	% of annual survey respondents	7%	7%	7%	8%	10%
		Reduce cost of feral animals and weeds by \$50m	dollars/impact assessment	\$2.5b	-\$5m	-\$15m	-\$30m	-\$50m
	Role of red meat in a healthy diet	Restrict % of main grocery buyers limiting red meat consumption for health reasons	% annual survey respondents – beef	15%	15%	16%	16%	17%
% annual survey respondents – lamb			19%	19%	20%	20%	21%	
 2. Market growth and diversification	Efficiency and value in trade and market access	Achieve \$15m in new market opportunities	dollars/impact assessment					\$15m
		Deliver \$150m in new export market opportunities' KPI to go with 'Efficiency and value in trade and market access' priority.	dollars/impact assessment					
	Marketing and promoting Australian red meat and livestock	Increase percentage of global consumers who prefer Australian red meat	% annual survey respondents (weighted index) – beef	22.2%	22.2%	22.2%	22.8%	23.4%
			% annual survey respondents (weighted index) – lamb	20.4%	20.6%	20.8%	21.2%	21.4%
	Increase percentage of domestic main grocery buyers willing to pay a premium for Australian red meat	% annual survey respondents – beef	19%	20%	20%	21%	22%	
		% annual survey respondents – lamb	21%	22%	22.5%	23%	23.5%	
 3. Supply chain efficiency and integrity	Optimising product quality and cost efficiency	Improve the MSA beef eating quality index by 2 points	points/MSA index	57.61	58.11	58.61	59.11	59.61
		Improve beef compliance through optimising efficiency across the value chain	%, benchmarking report	93.9%	94.25%	94.5%	95%	95.25%
	Guaranteeing product quality and systems integrity	Increase producer awareness and compliance of integrity systems by 20%	annual survey of participants	75%	79%	83%	86%	90%
 4. Productivity and profitability	Production efficiencies in farms and feedlots	Engage ≥ 2,000 producers in decision support programs who will improve business performance by ≥ 5%	baseline regional benchmarks of productivity/profit and benefit cost ratio measures	By 2020, improvement in total factor productivity of: 1.75% (southern beef); 0.5% (northern beef); 0.5% (sheepmeat); 1.5% (feedlot); 0.5% (goat)				
			annual survey of participants	By 2020 improvement in business performance by ≥ 5%				
	Processing productivity	Leverage co-investment through the MLA Donor Company (MDC) in the processing automation R&D portfolio by \$10m p.a.	\$, annual co-investment	0	\$10m	\$10m	\$10m	\$10m
Live export productivity	Live Export Global Index complete and cost of delivery reduced by 1%	% annual cost	15-16 cost of delivery	0	-0.25%	-0.5%	-1%	
 5. Leadership and collaborative culture	Building leadership capability	Improve stakeholder endorsement of MLA programs by .6 points	score of out 5; annual survey respondents	2.5	2.6	2.7	2.9	3.1
	Protecting and promoting our industry	Improved industry crisis and issues management capability	annual simulation conducted with PICs	0	1	1	1	1
 6. Stakeholder engagement	Engagement with producers and stakeholders	Increase member satisfaction with MLA by .4points	score out of 5; annual MLA membership survey	3.5	3.6	3.7	3.8	3.9
		Improve proportion of users who find MLA Market Information 'extremely or highly valuable'	% annual survey respondents	57%	58%	60%	61%	62%
	Improve stakeholder endorsement of the value of MLA products and services	annual survey	Review current surveys	Methodology, benchmarks and targets set	Continuous improvement			

# Collaboration

To maximise the return on MLA's levy investment and avoid duplication, MLA actively looks for opportunities to collaborate with industry, government, other Research and Development Corporations and research and commercial partners.

MLA's largest collaborator is the **Australian Government** which matches transactions levies invested in research and development dollar for dollar.

MLA also has a strong record of collaboration with state governments and other **Research and Development Corporations (RDCs)** – including the Australian Meat Processor Corporation, Australian Livestock Export Corporation Ltd (LiveCorp), Australian Wool Innovation, Rural Industries Research and Development Corporation, Grains Research and Development Corporation and Dairy Australia – to successfully deliver industry programs such as Making More From Sheep, Pastoral Profit and the Market Access Program. MLA also has a key role in the Rural Research and Development for Profit programme, involving significant cross collaboration with other RDCs.

**Cooperative Research Centres (CRCs)** are a key mechanism by which we pool our investment with many collaborators. MLA contributes to the Sheep CRC and the Invasive Animals CRC.

We also collaborate with **international organisations and alliances** where appropriate, including in the areas of trade reform, food safety, genetics, genomics, animal welfare, automation and objective carcass measurement.







Working with the commercial sector is a key area for maximising our levy investments, and through the **MLA Donor Company (MDC)** we partner in 50:50 funding with private enterprise to accelerate research and development and the uptake of its outcomes to drive industry efficiencies and competitiveness. MDC initiatives are clearly integrated with the overall objectives of our Strategic Plan with a diversity of project areas that aim to:

- significantly increase the level of enterprise investment in innovation in the Australian red meat and livestock industry
- enhance the outcomes of commercially focused innovation thereby ensuring quantifiable benefit to individual enterprises and the industry overall
- accelerate the commercialisation of research and development adding to the quantum of innovations available to industry
- assist the Australian red meat and livestock industry to develop an innovation culture and capability.

MLA's ability to leverage our pooled funding for industry-wide benefit is not limited to research and development investments. We have an active program for attracting commercial investment through our **Co-Marketing Program** which leverages levy funds in a 50:50 arrangement with commercial partners to boost and broaden their marketing efforts. Where our generic marketing focuses on red meat safety and nutrition, co-marketing investments maximise the industry's capability to target specific trade and consumer segments. Building demand and loyalty for individual suppliers drives broader market growth and loyalty to Australian red meat overall.







# Financials

**Table 4: MLA's Strategic Plan expenditure**

Pillar	Outcome	Priority	2015-16	2016-17	2017-18	2018-19	2019-20	Total 2016-17 to 2019-20
 1. Consumer and community support	The community continues to support and trust the Australian red meat and livestock industry, with industry practices in step with community expectations.	Continuous improvement of the welfare of animals in our care	13,914	13,096	13,043	13,046	13,051	<b>66,150</b>
		Stewardship of environmental resources	8,467	4,951	4,577	4,584	4,592	<b>27,171</b>
		Role of red meat in a healthy diet	1,846	1,609	1,605	1,604	1,604	<b>8,268</b>
		<b>Total</b>	<b>24,227</b>	<b>19,656</b>	<b>19,225</b>	<b>19,234</b>	<b>19,247</b>	<b>101,589</b>
 2. Market growth and diversification	Improved access to markets, with marketing programs and value creating innovation driving increased consumer and customer preference and premiums for Australian red meat.	Efficiency and value in trade and market access	7,703	7,581	7,580	7,575	7,574	<b>38,013</b>
		Marketing and promoting Australian red meat and livestock	55,407	51,145	50,923	50,801	50,756	<b>259,032</b>
		<b>Total</b>	<b>63,110</b>	<b>58,726</b>	<b>58,503</b>	<b>58,376</b>	<b>58,330</b>	<b>297,045</b>
 3. Supply chain efficiency and integrity	Increased returns through the value chain, with participants and customers confident in product quality, pricing and integrity systems.	Optimising product quality and cost efficiency	8,813	11,061	10,527	10,526	10,532	<b>51,459</b>
		Guaranteeing product quality and systems integrity	9,982	9,582	9,468	9,456	9,453	<b>47,941</b>
		<b>Total</b>	<b>18,795</b>	<b>20,643</b>	<b>19,995</b>	<b>19,982</b>	<b>19,985</b>	<b>99,400</b>
 4. Productivity and profitability	Productivity gains through the value chain from the adoption of tools and technologies.	Production efficiencies in farms and feedlots	22,260	22,574	21,221	21,291	21,364	<b>108,710</b>
		Processing productivity	-	-	-	-	-	-
		Live export productivity	2,257	1,139	1,507	1,508	1,508	<b>7,919</b>
		<b>Total</b>	<b>24,517</b>	<b>23,713</b>	<b>22,728</b>	<b>22,799</b>	<b>22,872</b>	<b>116,629</b>
 5. Leadership and collaborative culture	Industry participants are confident in industry leadership capability.	Building leadership capability	4,692	5,168	4,956	4,951	4,951	<b>24,718</b>
		Protecting and promoting industry	-	211	209	208	208	<b>836</b>
		<b>Total</b>	<b>4,692</b>	<b>5,379</b>	<b>5,165</b>	<b>5,159</b>	<b>5,159</b>	<b>25,554</b>
 6. Stakeholder engagement	Industry participants are confident that the levy investment is delivering value.	Engagement with producers and stakeholders	2,359	2,687	2,588	2,585	2,585	<b>12,804</b>
<b>Total</b>	<b>2,359</b>	<b>2,687</b>	<b>2,588</b>	<b>2,585</b>	<b>2,585</b>	<b>12,804</b>		

\$'000's – expenditure by strategic pillar for whole of MLA, excluding core AMPC, MDC, NLRs and indirect Corporate Services overhead

**Table 5: MLA's Strategic Plan research and marketing expenditure**

Pillar	Outcome	Priority	2015-16		2016-17		2017-18		2018-19		2019-20		Total 2016-17 to 2019-20	
			\$R	\$M	\$R	\$M	\$R	\$M	\$R	\$M	\$R	\$M	\$R	\$M
 1. Consumer and community support	The community continues to support and trust the Australian red meat and livestock industry, with industry practices in step with community expectations.	Continuous improvement of the welfare of animals in our care	8,244	5,670	8,103	4,993	8,084	4,959	8,093	4,953	8,102	4,949	40,625	25,525
		Stewardship of environmental resources	6,022	2,445	4,428	523	4,056	521	4,064	519	4,073	519	22,643	4,527
		Role of red meat in a healthy diet	1,486	360	1,224	385	1,224	381	1,224	380	1,224	380	6,383	1,885
	<b>Total</b>	<b>15,752</b>	<b>8,475</b>	<b>13,755</b>	<b>5,901</b>	<b>13,364</b>	<b>5,861</b>	<b>13,381</b>	<b>5,852</b>	<b>13,399</b>	<b>5,848</b>	<b>69,651</b>	<b>31,937</b>	
 2. Market growth and diversification	Improved access to markets, with marketing programs and value creating innovation driving increased consumer and customer preference and premiums for Australian red meat.	Efficiency and value in trade and market access	1,679	6,024	2,053	5,528	2,113	5,467	2,115	5,459	2,118	5,456	10,078	27,934
		Marketing and promoting Australian red meat and livestock	4,735	50,672	1,652	49,493	1,644	49,279	1,645	49,156	1,647	49,109	11,323	247,709
	<b>Total</b>	<b>6,414</b>	<b>56,696</b>	<b>3,705</b>	<b>55,021</b>	<b>3,757</b>	<b>54,746</b>	<b>3,760</b>	<b>54,615</b>	<b>3,765</b>	<b>54,565</b>	<b>21,401</b>	<b>275,643</b>	
 3. Supply chain efficiency and integrity	Increased returns through the value chain, with participants and customers confident in product quality, pricing and integrity systems.	Optimising product quality and cost efficiency	6,204	2,608	6,716	4,346	6,206	4,321	6,215	4,311	6,225	4,307	31,566	19,893
		Guaranteeing product quality and systems integrity	4,211	5,771	3,758	5,824	3,684	5,784	3,686	5,769	3,689	5,764	19,029	28,912
	<b>Total</b>	<b>10,415</b>	<b>8,379</b>	<b>10,474</b>	<b>10,170</b>	<b>9,890</b>	<b>10,105</b>	<b>9,901</b>	<b>10,080</b>	<b>9,914</b>	<b>10,071</b>	<b>50,595</b>	<b>48,805</b>	
 4. Productivity and profitability	Productivity gains through the value chain from the adoption of tools and technologies.	Production efficiencies in farms and feedlots	21,117	1,144	21,620	954	20,273	948	20,342	948	20,415	948	103,767	4,943
		Processing productivity	-	-	-	-	-	-	-	-	-	-	-	-
		Live export productivity	1,715	542	600	539	972	535	973	535	974	534	5,234	2,685
	<b>Total</b>	<b>22,832</b>	<b>1,686</b>	<b>22,220</b>	<b>1,493</b>	<b>21,245</b>	<b>1,483</b>	<b>21,315</b>	<b>1,483</b>	<b>21,389</b>	<b>1,482</b>	<b>109,001</b>	<b>7,628</b>	
 5. Leadership and collaborative culture	Industry participants are confident in industry leadership capability.	Building leadership capability	2,915	1,777	3,114	2,054	2,909	2,046	2,912	2,039	2,914	2,037	14,764	9,955
		Protecting and promoting industry	-	-	25	186	23	185	23	185	23	185	95	741
	<b>Total</b>	<b>2,915</b>	<b>1,777</b>	<b>3,139</b>	<b>2,240</b>	<b>2,932</b>	<b>2,231</b>	<b>2,935</b>	<b>2,224</b>	<b>2,937</b>	<b>2,222</b>	<b>14,859</b>	<b>10,696</b>	
 6. Stakeholder engagement	Industry participants are confident that the levy investment is delivering value.	Engagement with producers and stakeholders	1,322	1,037	1,250	1,437	1,156	1,431	1,158	1,427	1,159	1,426	6,045	6,758
		<b>Total</b>	<b>1,322</b>	<b>1,037</b>	<b>1,250</b>	<b>1,437</b>	<b>1,156</b>	<b>1,431</b>	<b>1,158</b>	<b>1,427</b>	<b>1,159</b>	<b>1,426</b>	<b>6,045</b>	<b>6,758</b>




\$R indicates funding allocated to research, development and adoption

\$M indicates funding allocated to marketing

\$'000's – expenditure by strategic pillar for whole of MLA, excluding core AMPC, MDC, NLRS and indirect Corporate Services overhead

# Financials

**Table 6:** MLA's Strategic Plan expenditure, by levy stream




Pillar	Outcome	Priority and Program	Levy
 1. Consumer and community support	The community continues to support and trust the Australian red meat and livestock industry, with industry practices in step with community expectations.	Continuous improvement of the welfare of animals in our care Programs within this Priority: 1.1.1.1 1.1.4.1 1.1.1.2 1.1.4.2 1.1.2.1 1.1.4.3 1.1.3.1 1.2.2.1 1.1.3.2 1.3.1.1 1.1.3.3 1.3.1.2	Grassfed cattle Grainfed cattle Lamb Mutton Goat Processor External livestock export External marketing
		Stewardship of environmental resources Programs within this Priority: 1.4.1.1 1.5.1.4 1.6.1.1 1.4.1.2 1.5.1.5 1.6.1.2 1.4.1.3 1.5.1.6 1.6.1.3 1.4.2.1 1.5.2.1 1.5.1.1 1.5.2.2 1.5.1.2 1.5.2.3	Grassfed cattle Grainfed cattle Lamb Mutton Goat Processor External livestock export External marketing
		Role of red meat in a healthy diet Programs within this Priority: 1.7.1.1 1.7.1.2	Grassfed cattle Grainfed cattle Lamb Mutton Goat Processor External livestock export External marketing
		<b>Total</b>	
 2. Market growth and diversification	Improved access to markets, with marketing programs and value creating innovation driving increased consumer and customer preference and premiums for Australian red meat.	Efficiency and value in trade and market access Programs within this Priority: 2.1.1.1 2.2.1.1 2.2.1.2	Grassfed cattle Grainfed cattle Lamb Mutton Goat Processor External livestock export External marketing
		Marketing and promoting Australian red meat and livestock Programs within this Priority: 2.3.1.1 2.4.1.1 2.3.1.2 2.4.2.1 2.3.2.1 2.4.3.1 2.3.3.1 2.4.3.2 2.3.3.2	Grassfed cattle Grainfed cattle Lamb Mutton Goat Processor External livestock export External marketing
		<b>Total</b>	
 3. Supply chain efficiency and integrity	Increased returns through the value chain, with participants and customers confident in product quality, pricing and integrity systems.	Optimising product quality and cost efficiency Programs within this Priority: 3.1.1.1 3.1.2.4 3.1.4.4 3.1.1.2 3.1.3.1 3.1.5.1 3.1.1.3 3.1.3.2 3.1.6.1 3.1.2.1 3.1.4.1 3.1.6.2 3.1.2.2 3.1.4.2 3.1.2.3 3.1.4.3	Grassfed cattle Grainfed cattle Lamb Mutton Goat Processor External livestock export External marketing
		Guaranteeing product quality and systems integrity Programs within this Priority: 3.3.1.1 3.3.1.2 3.3.1.3 3.3.2.1 3.3.2.2	Grassfed cattle Grainfed cattle Lamb Mutton Goat Processor External livestock export External marketing
		<b>Total</b>	

\$R indicates funding allocated to research, development and adoption

\$M indicates funding allocated to marketing

\$'000's – expenditure by strategic pillar for whole of MLA, excluding core AMPC, MDC, NLRS and indirect Corporate Services overhead

	2015-16		2016-17		2017-18		2018-19		2019-20		Total 2016-17 to 2019-20	
	\$R	\$M	\$R	\$M	\$R	\$M	\$R	\$M	\$R	\$M	\$R	\$M
	2,229	2,771	2,024	2,478	1,839	2,476	1,839	2,473	1,839	2,471	9,771	12,670
	1,449	175	2,256	144	1,713	144	1,713	144	1,713	144	8,846	751
	3,501	637	2,678	553	2,592	549	2,592	546	2,592	545	13,956	2,829
	480	348	145	312	161	297	170	297	179	297	1,135	1,551
	75	34	89	34	106	30	106	30	106	30	482	159
	26	70	30	61	31	60	31	60	31	60	148	310
	483	1,175	880	1,268	1,641	1,261	1,641	1,261	1,641	1,261	6,287	6,227
	-	460	-	143	-	142	-	142	-	142	-	1,028
	2,256	426	1,698	248	1,543	247	1,543	247	1,543	247	8,581	1,415
	1,225	123	969	99	736	99	736	98	736	98	4,402	517
	2,362	192	1,550	127	1,500	126	1,500	125	1,500	125	8,411	696
	156	22	132	13	147	13	155	13	163	13	753	73
	-	-	-	-	-	-	-	-	-	-	-	-
	23	46	19	37	19	36	19	36	19	36	100	191
	-	-	60	-	112	-	112	-	112	-	396	-
	-	1,635	-	-	-	-	-	-	-	0	0	1,635
	260	53	214	58	195	58	195	58	195	58	1,058	285
	67	37	-	40	-	40	-	40	-	40	67	197
	173	90	164	90	159	90	159	89	159	89	813	447
	-	-	-	-	-	-	-	-	-	-	-	-
	-	-	-	-	-	-	-	-	-	-	-	-
	986	180	846	196	871	193	871	193	871	193	4,445	955
	-	-	-	-	-	-	-	-	-	-	-	-
	-	-	-	-	-	-	-	-	-	-	-	-
	<b>15,751</b>	<b>8,474</b>	<b>13,754</b>	<b>5,901</b>	<b>13,365</b>	<b>5,861</b>	<b>13,382</b>	<b>5,852</b>	<b>13,399</b>	<b>5,849</b>	<b>69,651</b>	<b>31,936</b>
	404	1,649	513	1,485	467	1,483	467	1,482	467	1,480	2,317	7,578
	66	221	67	274	51	273	51	273	51	273	284	1,313
	257	1,040	378	962	365	956	365	950	365	949	1,731	4,856
	48	179	40	186	44	177	46	177	49	177	227	895
	-	5	-	2	-	2	-	2	-	2	-	12
	784	2,600	936	2,440	963	2,397	963	2,397	963	2,397	4,608	12,232
	120	165	120	165	224	164	224	164	224	164	911	822
	-	166	-	15	-	15	-	15	-	15	-	226
	1,744	27,007	335	27,493	304	27,467	304	27,440	304	27,411	2,990	136,819
	194	3,341	-	2,892	-	2,889	-	2,887	-	2,884	194	14,892
	880	15,170	367	14,291	356	14,199	356	14,107	356	14,092	2,315	71,859
	111	330	30	410	33	390	35	390	37	389	244	1,909
	52	307	24	210	28	187	28	187	28	187	160	1,078
	1,755	2,469	897	2,288	923	2,248	923	2,248	923	2,248	5,420	11,501
	-	-	-	-	-	-	-	-	-	-	-	-
	-	2,049	-	1,910	-	1,898	-	1,898	-	1,898	-	9,652
	<b>6,415</b>	<b>56,698</b>	<b>3,707</b>	<b>55,023</b>	<b>3,758</b>	<b>54,745</b>	<b>3,762</b>	<b>54,617</b>	<b>3,767</b>	<b>54,566</b>	<b>21,401</b>	<b>275,644</b>
	3,270	1,118	3,476	2,161	3,158	2,159	3,158	2,157	3,158	2,155	16,221	9,749
	735	369	718	720	545	720	545	719	545	718	3,088	3,246
	1,244	827	1,714	1,015	1,659	1,009	1,659	1,002	1,659	1,001	7,934	4,855
	390	133	153	302	170	288	179	287	189	287	1,081	1,298
	-	-	-	-	-	-	-	-	-	-	-	-
	440	-	655	-	674	-	674	-	674	-	3,117	-
	125	-	-	-	-	-	-	-	-	-	125	-
	-	162	-	146	-	145	-	145	-	145	-	745
	1,339	2,363	1,165	2,382	1,059	2,380	1,059	2,378	1,059	2,375	5,679	11,878
	193	922	172	925	131	924	131	924	131	923	759	4,618
	682	1,712	504	1,738	488	1,727	488	1,715	488	1,714	2,649	8,605
	104	99	42	100	46	95	49	95	52	95	293	483
	59	99	29	101	35	90	35	90	35	90	192	471
	1,803	534	1,815	534	1,868	525	1,868	525	1,868	525	9,221	2,642
	31	17	31	17	58	17	58	17	58	17	235	87
	-	25	-	26	-	26	-	26	-	26	-	129
	<b>10,415</b>	<b>8,380</b>	<b>10,474</b>	<b>10,167</b>	<b>9,891</b>	<b>10,105</b>	<b>9,903</b>	<b>10,080</b>	<b>9,916</b>	<b>10,071</b>	<b>50,594</b>	<b>48,806</b>

Pillar	Outcome	Priority and Program	Levy
 4. Productivity and profitability	Productivity gains through the value chain from the adoption of tools and technologies.	Production efficiencies in farms and feedlots Programs within this Priority: 4.1.1.1 4.2.1.2 4.2.3.3 4.1.1.2 4.2.1.3 4.2.3.4 4.1.1.3 4.2.2.1 4.2.4.1 4.1.1.4 4.2.2.2 4.2.4.2 4.1.1.5 4.2.2.3 4.2.4.3 4.1.1.6 4.2.3.1 4.2.5.1 4.2.1.1 4.2.3.2 4.2.5.2	Grassfed cattle Grainfed cattle Lamb Mutton Goat Processor External livestock export External marketing
		Processing productivity Programs within this Priority: 4.3.1.1	Grassfed cattle Grainfed cattle Lamb Mutton Goat Processor External livestock export External marketing
		Live export productivity Programs within this Priority: 4.4.1.1 4.4.1.2 4.4.1.3	Grassfed cattle Grainfed cattle Lamb Mutton Goat Processor External livestock export External marketing
		<b>Total</b>	
 5. Leadership and collaborative culture	Industry participants are confident in industry leadership capability.	Building leadership capability Programs within this Priority: 5.1.1.1 5.1.2.1 5.1.1.2 5.1.2.2 5.1.1.3 5.1.3.1 5.1.1.4 5.1.3.2 5.1.1.5	Grassfed cattle Grainfed cattle Lamb Mutton Goat Processor External livestock export External marketing
		Protecting and promoting industry Programs within this Priority: 5.3.1.1 5.4.1.1 5.4.1.2 5.4.1.3	Grassfed cattle Grainfed cattle Lamb Mutton Goat Processor External livestock export External marketing
		<b>Total</b>	
 6. Stakeholder engagement	Industry participants are confident that the levy investment is delivering value.	Engagement with producers and stakeholders Programs within this Priority: 6.1.1.1 6.1.2.1 6.1.2.2 6.1.2.3 6.1.2.4 6.1.3.1 6.2.1.1	Grassfed cattle Grainfed cattle Lamb Mutton Goat Processor External livestock export External marketing
		<b>Total</b>	

\$R indicates funding allocated to research, development and adoption

\$M indicates funding allocated to marketing

\$'000's – expenditure by strategic pillar for whole of MLA, excluding core AMPC, MDC, NLRs and indirect Corporate Services overhead

See page 34 for a description of the four digit program nodes.



	2015-16		2016-17		2017-18		2018-19		2019-20		Total 2016-17 to 2019-20	
	\$R	\$M	\$R	\$M	\$R	\$M	\$R	\$M	\$R	\$M	\$R	\$M
	8,806	-	9,490	-	8,622	-	8,622	-	8,622	-	44,161	-
	2,156	-	1,902	-	1,444	-	1,444	-	1,444	-	8,391	-
	8,147	-	8,426	-	8,155	-	8,155	-	8,155	-	41,038	-
	1,519	-	1,155	-	1,281	-	1,351	-	1,424	-	6,730	-
	489	-	647	-	770	-	770	-	770	-	3,448	-
	-	-	-	-	-	-	-	-	-	-	-	-
	-	-	-	-	-	-	-	-	-	-	-	-
	-	1,144	-	954	-	948	-	948	-	948	-	4,943
	-	-	-	-	-	-	-	-	-	-	-	-
	-	-	-	-	-	-	-	-	-	-	-	-
	-	-	-	-	-	-	-	-	-	-	-	-
	-	-	-	-	-	-	-	-	-	-	-	-
	-	-	-	-	-	-	-	-	-	-	-	-
	-	-	-	-	-	-	-	-	-	-	-	-
	-	-	-	-	-	-	-	-	-	-	-	-
	383	297	96	297	87	297	87	296	87	296	741	1,483
	-	-	-	-	-	-	-	-	-	-	-	-
	131	40	48	37	46	36	46	36	46	36	318	185
	106	40	16	40	18	38	19	38	20	38	178	194
	33	-	-	-	-	-	-	-	-	-	33	-
	-	-	-	-	-	-	-	-	-	-	-	-
	1,062	165	440	165	821	164	821	164	821	164	3,964	822
	-	-	-	-	-	-	-	-	-	-	-	-
	<b>22,832</b>	<b>1,686</b>	<b>22,220</b>	<b>1,493</b>	<b>21,244</b>	<b>1,483</b>	<b>21,315</b>	<b>1,482</b>	<b>21,389</b>	<b>1,482</b>	<b>109,002</b>	<b>7,627</b>
	1,234	816	1,365	990	1,240	989	1,240	988	1,240	987	6,318	4,771
	212	72	156	98	119	98	119	98	119	98	725	463
	1,317	877	1,536	949	1,486	943	1,486	937	1,486	936	7,313	4,644
	82	10	38	14	42	13	45	13	47	13	254	63
	13	2	18	3	22	3	22	3	22	3	98	14
	56	0	0	0	0	0	0	0	0	0	56	0
	-	-	-	-	-	-	-	-	-	-	-	-
	-	-	-	-	-	-	-	-	-	-	-	-
	-	-	14	118	12	118	12	118	12	118	51	473
	-	-	-	23	0	23	0	23	0	23	0	93
	-	-	10	40	10	40	10	40	10	40	39	159
	-	-	-	3	0	3	0	3	0	3	2	11
	-	-	-	-	0	0	0	0	0	0	0	0
	-	-	1	1	1	1	1	1	1	1	3	5
	-	-	-	-	-	-	-	-	-	-	-	-
	-	-	-	-	-	-	-	-	-	-	-	-
	<b>2,914</b>	<b>1,777</b>	<b>3,138</b>	<b>2,239</b>	<b>2,932</b>	<b>2,231</b>	<b>2,935</b>	<b>2,224</b>	<b>2,937</b>	<b>2,222</b>	<b>14,859</b>	<b>10,696</b>
	553	588	569	839	517	839	517	838	517	837	2,671	3,941
	186	28	128	51	97	51	97	50	97	50	606	230
	502	395	512	508	495	505	495	502	495	501	2,499	2,411
	66	24	23	36	25	34	27	34	28	34	169	161
	15	2	18	4	22	3	22	3	22	3	100	16
	-	-	-	-	-	-	-	-	-	-	-	-
	-	-	-	-	-	-	-	-	-	-	-	-
	-	-	-	-	-	-	-	-	-	-	-	-
	<b>1,322</b>	<b>1,037</b>	<b>1,250</b>	<b>1,438</b>	<b>1,156</b>	<b>1,432</b>	<b>1,158</b>	<b>1,427</b>	<b>1,159</b>	<b>1,425</b>	<b>6,045</b>	<b>6,759</b>

# Key to MLA Program nodes

Pillar	Priority and Program
 <p>1. Consumer and community support</p>	<p><b>Continuous improvement of the welfare of animals in our care</b></p> <p>1.1.1.1 Consumer sentiment tracking 1.1.1.2 Community engagement: animal welfare 1.1.2.1 Animal welfare indicators 1.1.3.1 Animal husbandry 1.1.3.2 Live export: welfare R&amp;D 1.1.3.3 Live export: continuous improvement</p> <p>1.1.4.1 Community events: animal welfare 1.1.4.2 School education: animal welfare 1.1.4.3 Professional dev: industry advocates 1.2.2.1 Food &amp; Mouth Disease preparedness 1.3.1.1 Identification: endemic diseases 1.3.1.2 R,D&amp;A collaboration: endemic diseases</p>
	<p><b>Stewardship of environmental resources</b></p> <p>1.4.1.1 Rumen energy capture 1.4.1.2 Emission abatement productivity 1.4.1.3 Waste management: supply chain 1.4.2.1 Emission abatement opportunities 1.5.1.1 Consumer sentiment tracking 1.5.1.2 Community engagement: environment 1.5.1.4 School education: environment 1.5.1.5 Resource use efficiency: supply chain</p> <p>1.5.1.6 Env mgt: on-farm, feedlot &amp; live export 1.5.2.1 Weed management technologies 1.5.2.2 Pest animal management technologies 1.5.2.3 On-farm NRM practices 1.6.1.1 Climate variability: tools 1.6.1.2 Climate variability: particip. learning 1.6.1.3 Climate variability: grazing systems</p>
	<p><b>Role of red meat in a healthy diet</b></p> <p>1.7.1.1 Australian Dietary Guidelines alignment 1.7.1.2 Resources for health care professionals</p>
 <p>2. Market growth and diversification</p>	<p><b>Efficiency and value in trade and market access</b></p> <p>2.1.1.1 Reduce economic barriers to trade 2.2.1.1 Reduce technical barriers to trade 2.2.1.2 Product quality and systems</p>
	<p><b>Marketing and promoting Australian red meat and livestock</b></p> <p>2.3.1.1 Market insights: export markets 2.3.1.2 Insights2Innovation 2.3.2.1 Business development: export markets 2.3.3.1 Brand building: export markets 2.3.3.2 CoMarketing: export markets</p> <p>2.4.1.1 Market insights: domestic markets 2.4.2.1 Business development: domestic market 2.4.3.1 Marketing &amp; promotion: domestic market 2.4.3.2 CoMarketing: domestic market</p>
 <p>3. Supply chain efficiency and integrity</p>	<p><b>Optimising product quality and cost efficiency</b></p> <p>3.1.1.1 MSA: R&amp;D &amp; business development 3.1.1.2 MSA: producer education 3.1.1.3 MSA: brands 3.1.2.1 Decision making tools: supply chain 3.1.2.2 MSA: producer tools 3.1.2.3 Objective measurement technologies 3.1.2.4 Market compliance: producers 3.1.3.1 Global eating quality</p> <p>3.1.3.2 MSA: global expansion 3.1.4.1 BeefSpecs 3.1.4.2 MSA: benchmarking 3.1.4.3 Infrastructure &amp; business models 3.1.4.4 Eating quality objective measurement 3.1.5.1 Value-based pricing models 3.1.6.1 MSA: integrity &amp; compliance 3.1.6.2 MSA: consumer preferences</p>
	<p><b>Guaranteeing product quality and systems integrity</b></p> <p>3.3.1.1 Next horizon technologies 3.3.1.2 Livestock &amp; product integrity 3.3.1.3 Integrity systems: food safety</p> <p>3.3.2.1 Integrity systems: SAFEMEAT 3.3.2.2 Electronic technologies</p>
 <p>4. Productivity and profitability</p>	<p><b>Production efficiencies in farms and feedlots</b></p> <p>4.1.1.1 Producer adoption: beef 4.1.1.2 Producer adoption: sheepmeat 4.1.1.3 Regional performance benchmarking 4.1.1.4 Demonstration &amp; particip. R&amp;D 4.1.1.5 Regional consultation model 4.1.1.6 Prof. &amp; scientific on-farm expertise 4.2.1.1 Pasture productivity: nth Australia 4.2.1.2 Production efficiency: nth beef 4.2.1.3 Genetics &amp; genomics: nth beef 4.2.2.1 Pasture productivity: sth Australia 4.2.2.2 Production efficiency: sth beef</p> <p>4.2.2.3 Genetics &amp; genomics: sth beef 4.2.3.1 Genetics &amp; genomics: sheepmeat 4.2.3.2 Mixed farming systems: sheepmeat 4.2.3.3 Ewe and lamb survival 4.2.3.4 Adoption campaigns &amp; events: sheepmeat 4.2.4.1 Genetics &amp; genomics: feedlots 4.2.4.2 Feedlot productivity 4.2.4.3 Education &amp; adoption: feedlots 4.2.5.1 Tools and benchmarking: goats 4.2.5.2 Education &amp; adoption: goats</p>
	<p><b>Processing productivity</b></p> <p>4.3.1.1 Processing efficiency technologies</p>
	<p><b>Live export productivity</b></p> <p>4.4.1.1 Global index benchmarking (R&amp;D) 4.4.1.2 Supply chain cost reductions (R&amp;D) 4.4.1.3 Improved performance in-market</p>
 <p>5. Leadership and collaborative culture</p>	<p><b>Building leadership capability</b></p> <p>5.1.1.1 Scholarships 5.1.1.2 Professional dev: PICs and SFOs 5.1.1.3 Professional dev: industry advocates 5.1.1.4 Professional dev: feedlot industry 5.1.1.5 Intercollegiate Meat Judging Program</p> <p>5.1.2.1 Professional dev: industry experts 5.1.2.2 Innovation leadership 5.1.3.1 Print &amp; media communications 5.1.3.2 Digital engagement</p>
	<p><b>Protecting and promoting our industry</b></p> <p>5.3.1.1 Beef industry sustainability framework 5.4.1.1 Industry crisis planning</p> <p>5.4.1.2 Crisis portal 5.4.1.3 Risk management</p>
 <p>6. Stakeholder engagement</p>	<p><b>Engagement with producers and stakeholders</b></p> <p>6.1.1.1 Corporate reporting 6.1.2.1 Stakeholder consultation 6.1.2.2 Peak Industry Council support 6.1.2.3 Industry issues research</p> <p>6.1.2.4 Membership services 6.1.3.1 Events 6.2.1.1 Market information</p>

# Corporate governance

MLA is the declared industry marketing body and the industry research body under sections 60(1) and 60(2) of the *Australian Meat and Live-stock Industry Act (AMLI Act)*. The Act also provides MLA with the legislative authority to establish a Donor Company (the MLA Donor Company, or MDC) for the purposes of distributing Commonwealth Government funding to facilitate voluntary investments in research and development innovations across the red meat supply chain. The MDC is a fully owned subsidiary of MLA. The MDC Board is directly accountable to the Board of MLA.

MLA's corporate governance framework is set by the Board having regard to the best interests of members, the values of the organisation, MLA's obligations set out under the Statutory Funding Agreement with the Commonwealth of Australia (Deed), and in accordance with the *ASX Corporate Governance Council's Corporate Governance Principles and Recommendations*. This long-established framework has been implemented to ensure that MLA remains accountable to its stakeholders and that stakeholder interests are protected. MLA's governance arrangements are reviewed regularly to reflect industry developments, stakeholder expectations and regulatory and legislative changes.

## THE BOARD

MLA is governed by a skills-based board that works with industry to set strategic priorities for the company. It also approves and monitors progress against the strategic plan, evaluates performance and budgets, oversees risk management and compliance and ensures the company abides by its obligations under the Red Meat Industry Memorandum of Understanding, Deed, and under corporations law.

## COMPOSITION

The Board comprises of directors with a broad range of strategic, governance, management, financial, research and marketing skills, experience and expertise necessary to guide the company. Many of the Directors are also producers and members of the company. The Managing Director is the only executive director.

## BOARD ROLES AND RESPONSIBILITIES

The roles and responsibilities of the Board are formalised in the Board charter which underpins the conduct of the Board as it strives to build sustainable value for MLA's members and the red meat and livestock industry and to achieve MLA's mission. The Board Charter is regularly reviewed by the Board. The Constitution and the Board Charter are available on MLA's website [www.mla.com.au](http://www.mla.com.au). The Board is responsible for the appointment and assessment of the performance of the Managing Director and monitoring the performance of the Leadership Team against agreed KPIs. The Managing Director's role is to lead MLA and together with the Leadership Team develops and implements MLA's business strategy once approved by the Board.

## BOARD COMMITTEES

There are two Board committees:

- Audit and Risk Committee – oversees MLA's risk program and has oversight responsibility of the company's financial reporting, internal control structure, risk management and the internal and external audit functions.
- Remuneration Committee – oversees remuneration practices across the company. The Committee reviews the policies and systems in place for managing remuneration to ensure they are appropriate and consistent with company objectives and values.

Directors are nominated through the Selection Committee and appointed at MLA AGMs for a three-year term under MLA's constitution, after which time a director may reapply for a position on the Board in the same way as other applicants.

## 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. On the last occasion this was done the Board determined that all of the non-executive directors are independent.

## CONFLICTS OF INTEREST

In accordance with the requirements of the Corporations Act and its Conflict of interest policy and procedures, Directors must declare any conflict of interest they may have, and must follow the procedures set out in in policy including, in certain circumstances, abstaining from participating in any discussion or voting on matters in which they have a material personal interest. At the time of their appointment and as notified from time to time, each Director provides to the Board information about their business and other interests. The Board records such notifications in its minutes and maintains a register in accordance with the ASX Corporate Governance Council's Corporate Governance Principles and Recommendations (3rd edition).

## POLICIES

MLA has a suite of policies which underpin the governance of the company including remuneration, diversity, privacy and risk management.

**MLA's full corporate governance statement is available at [www.mla.com.au/corporategovernance](http://www.mla.com.au/corporategovernance)**



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