



# Annual Operating Plan 2021/22

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**This AOP follows the development of a new Strategic Plan for Australian Eggs and has been structured to reflect the ongoing evolution of our activities**

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# Annual Operating Plan

## Strategic Plan

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The Australian Eggs Annual Operating Plan 2021-22 (AOP) sets out Australian Eggs' proposed activities for the new financial year.

This AOP follows the development of a new Strategic Plan for Australian Eggs and has been structured to reflect the ongoing evolution of our activities towards the central themes of sustainability and greater collaboration between our program areas on common industry goals.

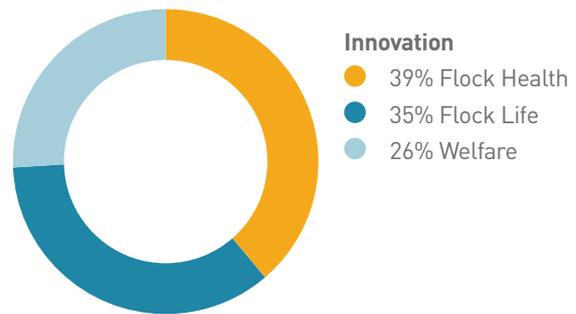
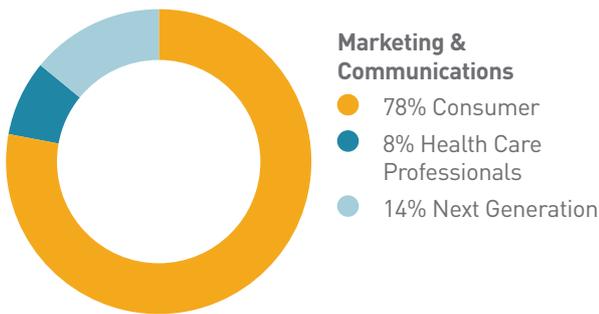
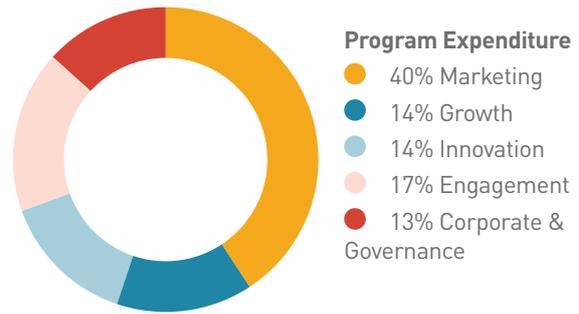
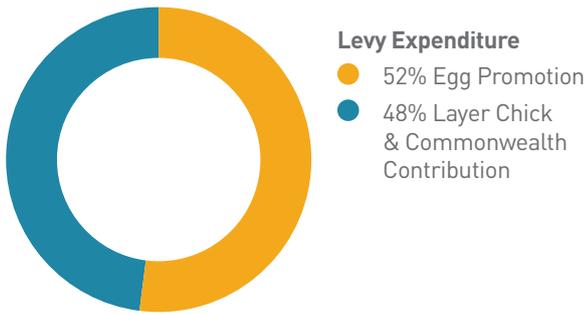
The AOP aligns with and seeks to bring to life the Strategic Plan and reflect feedback from stakeholders across our engagement cycle over the last twelve months. This feedback has consistently pointed to the important role Australian Eggs has in taking the egg industry forward towards sustainable growth and increased farm productivity and profitability.

The key development in the AOP is the inclusion of a set of growth strategies focused on community engagement and industry sustainability. This flows from the growth strategies under the Strategic Plan and reflects a codification of ongoing programs under the Australian Eggs Industry Sustainability Framework that aim to respond to rapidly evolving community expectations on the impacts and contributions of the egg industry.

The AOP matches this longer term objective with service delivery in marketing to drive consumption, innovation to address emerging on-farm issues and the critical engagement process with industry, government and broader stakeholder to ensure our services remain relevant and valuable.

Finally, the AOP has been developed with reference to government priorities of collaboration across the agriculture innovation system and a focus on extension to ensure that innovation investments realise their value. This will position Australian Eggs to play its role in driving sector growth and delivering for levy payers.

## Balance of Expenditure



## Stakeholder focus



The AOP comprises 12 programs which directly align with the Strategic Plan.

The AOP has been developed with reference to the Australian Eggs Strategic Plan 2021-26, feedback from stakeholders and guidance of the Department of Agriculture, Water and the Environment.

Industry feedback has been obtained through a combination of the Industry Snapshot Survey, Australian Eggs Industry Consultative Committees and direct engagement with egg farmers online and through events.

The AOP has also been shaped by the community research conducted as part of the Sustainability Framework. This process has provided structured community feedback on the impacts and contributions of greatest interest to the community and provided guidance on areas of improvement that can be pursued through research and other programs.

# Principles and Guidelines

Australian Eggs Funding Contract requires Australian Eggs to align its activities with a new principles-based approach to ensuring performance and these principles have been incorporated into the consultation and development of the Annual Operating Plan.

The performance principles encourage Australian Eggs to maintain a balanced innovation portfolio with a blend of issues of national importance based on government and levy-payer priorities that balances the term, strategic focus and risk profile of innovation investments. The balance of the research program is set out in the charts below which display the proportion of research, development and extension projects under the AOP in each of the research categories.

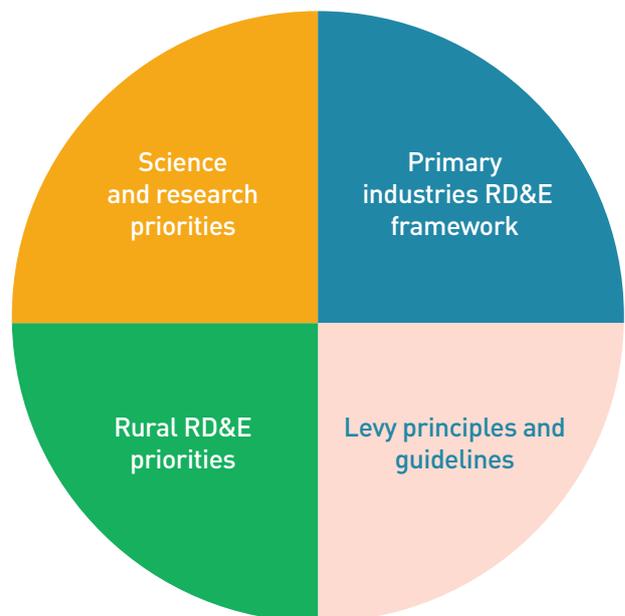
The Funding Contract also requires Australian Eggs to align its activities with guidance on sector-wide research priorities set to ensure cohesiveness and collaboration across the innovation system. These guidelines include the Australian Government's Rural Research, Development and Extension Priorities and the Australian Government's Science and Research Priorities.

The charts below set out the Principles and Guidelines and the proportion of our research, development and extension projects that align with the research priorities.

## Performance Principles



## Guidelines



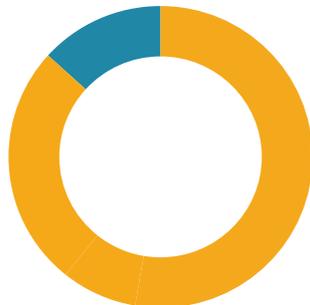
## Balanced Portfolio

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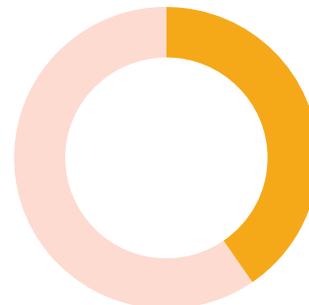
### Term

- 41% Long term
- 59% Short term



### Risk Profile

- 93% Low risk
- 7% High risk

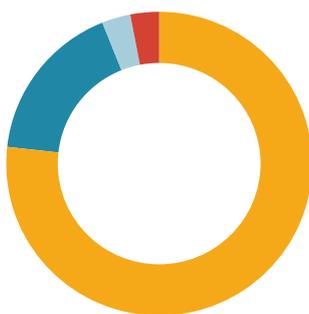


### Strategic & Adaptive

- 38% Strategic
- 62% Adaptive

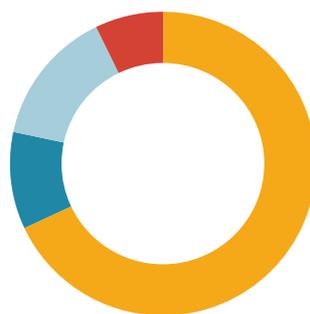
## Research priorities

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### Science and Research Priority

- 76% Food (22 projects)
- 17% Health (5 projects)
- 3% Soil and Water (1 projects)
- 3% Energy (1 projects)



### Rural R&D Priority

- 66% Adoption (19 projects)
- 10% Advanced Technology (3 projects)
- 14% Biosecurity (3 projects)
- 7% Soil, Water and NRM (2 projects)

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**The performance principles encourage Australian Eggs to maintain a balanced innovation portfolio with a blend of issues of national importance based on government and levy-payer priorities**

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# Operating plan structure

Strategy	Program
Marketing	<ul style="list-style-type: none"><li>• Consumer</li><li>• Health Care Professional</li><li>• Next Generation</li></ul>
Sustainable Growth	<ul style="list-style-type: none"><li>• Nutrition</li><li>• Environment</li><li>• Food Safety</li><li>• Sustainability Framework</li></ul>
Innovation	<ul style="list-style-type: none"><li>• Flock Health</li><li>• Flock Life</li><li>• Welfare</li></ul>
Engagement	<ul style="list-style-type: none"><li>• Consultation</li><li>• Collaboration</li><li>• Extension</li></ul>
Corporate & Governance	<ul style="list-style-type: none"><li>• Efficient Team</li><li>• Governance and Reporting</li></ul>

# Programs and outcomes

## Marketing

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### **Consumer**

Drive egg consumption habits by promoting top-of-mind awareness of versatility, affordability & ease of egg inclusion in all eating occasions, & promote the life-long enjoyment of eggs

### **Health Care Professionals**

Engage with influential HCPs to share nutrition research on the benefits of eggs, remove barriers & encourage consumption

### **Next Generation**

Educate consumers about the nutritional value, & life-long enjoyment of eggs for Australian families

## Sustainable Growth

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### **Nutrition**

Improve community health by exploring and promoting the nutrition of eggs

### **Environment**

Driving leadership in environmental management

### **Food Safety**

Protecting consumers and industry through biosecurity systems to ensure consistently safe eggs

### **Sustainability Framework**

Community engagement to drive sustainable growth

## Innovation

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### **Flock Health**

Identify solutions to enduring and emerging flock health problems

### **Flock life**

Develop nutrition and husbandry strategies to realise the genetic potential of hens

### **Welfare**

Improved welfare outcomes on-farm through knowledge and adoption

## Engagement

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### **Consultation**

Ensure activities reflect the priorities of egg farmers and government by providing ongoing engagement opportunities

### **Collaboration**

Realise efficiencies and opportunities by partnering with stakeholders on common issues

### **Extension**

Underpin industry sustainability and productivity by making knowledge and information available to egg farmers and the community

## Corporate and Governance

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### **Efficient Team**

Ensure appropriate resources to deliver on the work program

### **Governance and Reporting**

Provide robust decision-making processes and evaluation of activities

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**Underpin industry  
sustainability and  
productivity by  
making knowledge  
and information  
available to egg  
farmers and the  
community**

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# Key projects

## Marketing

Project	Program	Purpose	Outcomes
Advertising media	Consumer	<ul style="list-style-type: none"> <li>Media planning and buying in line with campaign strategy across strategic market segments:</li> </ul>	<ul style="list-style-type: none"> <li>Engage families to improve knowledge of the benefits of eggs</li> <li>Keep eggs top of mind for inclusion in weekly consumption, both in home &amp; out of home</li> </ul>
HCP PR & Communications	Health Care Professionals	<ul style="list-style-type: none"> <li>Curation &amp; hosting of KOL panels to pursue human nutritional outcomes &amp; messaging</li> <li>Development of market &amp; nutritional research-based content to encourage inclusion of eggs in diets &amp; eating behaviours</li> </ul>	<ul style="list-style-type: none"> <li>Improve top of mind awareness of eggs &amp; provide contemporary nutritional resources to HCPs</li> </ul>
Powered by eggs	Next Generation	<ul style="list-style-type: none"> <li>To shift the perception of the nutritional benefits of eggs across generations and increase awareness of the role of food choices in achieving positive health, wellness &amp; fitness outcomes.</li> <li>Leveraging nutrition research for communication to and education of generations according to life stages.</li> </ul>	<ul style="list-style-type: none"> <li>Changing attitudes to nutritional benefits of eggs &amp; behaviour to increasing eggs in diets</li> <li>Identification of further barriers &amp; enablers to behaviour change for future campaign development</li> </ul>

# Key projects continued

## Sustainable Growth

Project	Program	Activities	Outcome
Eggs to Improve Choline Intakes in Pregnancy? Providing the Evidence	Nutrition	<ul style="list-style-type: none"> <li>Measure dietary intake and sources of choline in 100 pregnant women</li> <li>Measure plasma choline</li> <li>Conduct a meta-analysis</li> </ul>	<ul style="list-style-type: none"> <li>Quantification of the contribution that egg choline makes to pregnant women</li> </ul>
Carbon and environmental impacts of poultry production: 2020 and beyond	Environment	<ul style="list-style-type: none"> <li>Conduct life cycle assessment and carbon foot-printing of between 6-10 egg farms across major production regions to develop industry baseline</li> <li>Investigate options for mitigation that would achieve carbon neutral poultry farms</li> </ul>	<ul style="list-style-type: none"> <li>Pathway to carbon neutrality for poultry industries</li> </ul>
Traceability	Food Safety	<ul style="list-style-type: none"> <li>Conducting extension to build an understanding of the value proposition of traceability systems to egg farming businesses and broader stakeholders.</li> <li>Identifying and developing tools that can be made available to egg farmers to increase the ability of egg farming businesses to implement traceability systems.</li> </ul>	<ul style="list-style-type: none"> <li>Increases industry capacity to improve traceability coverage</li> </ul>
Community research	Sustainability Framework	<ul style="list-style-type: none"> <li>Undertake community survey for year four</li> <li>Generate report on community survey</li> <li>Develop industry response</li> </ul>	<ul style="list-style-type: none"> <li>Improve and maintain community trust in the egg industry</li> </ul>

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**Extension  
to build an  
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proposition  
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egg farming  
businesses**

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# Key projects continued

## Innovation

Project	Program	Activities	Outcome
Effects of microbiota "seeding" on gut health and egg production	Flock Health	<ul style="list-style-type: none"> <li>Development of an effective probiotic 'seeding' regime for day old chicks</li> <li>Testing the effect of probiotics on reducing transport stress for pullets</li> <li>Analysing the gut and microbiota of late lay hens from high and low performing flocks</li> </ul>	<ul style="list-style-type: none"> <li>Improved understanding of the impact of probiotics on gut health from chick to late lay</li> </ul>
Managing pullets for extended layer life, improved productivity and shell quality	Flock Life	<ul style="list-style-type: none"> <li>Understanding of the interaction of diet and lighting manipulation on pullets and how that transfer to late life performance</li> <li>Hen physiology, carcase composition, bone strength and bird health will also be evaluated.</li> </ul>	<ul style="list-style-type: none"> <li>First project in Australia to consider whole of life experiment to generate late layer information</li> <li>Improved feed efficiency of layer hens across their life span</li> </ul>
Hen health status by machine vision on free range farms	Welfare	<ul style="list-style-type: none"> <li>Record footage in free range commercial sheds</li> <li>Build a library of layer behaviour</li> <li>Develop a proof-of-concept machine vision system which identifies abnormal flock behaviour</li> </ul>	<ul style="list-style-type: none"> <li>Automated detection system for abnormal flock behaviour</li> </ul>

# Engagement

Project	Program	Purpose	Outcomes
Farmer Engagement	Consultation	<ul style="list-style-type: none"> <li>Support meaningful practice change by sharing targeted, relevant information with the egg industry</li> <li>Manage and promote two-way communications platforms on website and mobile app</li> <li>Face-to-face &amp; virtual events to facilitate engagement</li> </ul>	<ul style="list-style-type: none"> <li>Awareness, knowledge &amp; appreciation of Australian Eggs programs</li> <li>Provision of opportunities for levy payer views, concerns and priorities to be heard</li> </ul>
Collaborative projects	Collaboration	<ul style="list-style-type: none"> <li>Participation in cross-industry projects</li> </ul> Participation in the ENRI process and it's outcomes	<ul style="list-style-type: none"> <li>Collaboration between commodities</li> <li>Egg industry able to leverage joint funded projects to industry benefit</li> </ul>
Ag Innovation Australia	Collaboration	<ul style="list-style-type: none"> <li>Cross-sector transformational innovation investments</li> </ul>	<ul style="list-style-type: none"> <li>Align with government innovation priorities</li> <li>Contribute to innovation agenda</li> </ul>
Extension	Extension	<ul style="list-style-type: none"> <li>Provide webinars and workshops for producers</li> <li>Develop and update digital resources</li> <li>Development and distribution of print resources for producers</li> <li>Coordination the 2021 Industry Snapshot</li> </ul>	<ul style="list-style-type: none"> <li>Inform and engage egg industry on research outputs and trending issues</li> <li>Adoption of research outcomes</li> </ul>

# Key projects continued

## Corporate & Governance

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Project	Program	Purpose	Outcomes
Human Resources	Efficient Team	<ul style="list-style-type: none"><li>• Provide for a small team managing external marketing and research contractors</li></ul>	<ul style="list-style-type: none"><li>• Management of payroll, leave and records</li><li>• Staff recruitment and evaluations as required</li><li>• Compliance with regulations and policies</li></ul>
Governance	Governance and Reporting	<ul style="list-style-type: none"><li>• Ensure compliance with Australian Eggs governance framework</li></ul>	<ul style="list-style-type: none"><li>• Governance reviews and improvement</li><li>• Ensure compliance with legal requirements</li><li>• Fraud Control, Risk Management and IP Plans</li></ul>

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**Inform and  
engage egg  
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trending issues  
industry**

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# Evaluation framework

## Overview

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Australian Eggs Funding Contract requires governance arrangements and practices to be established which align with best practice for open and transparent use of funds.

To meet this obligation, Australian Eggs undertakes an evaluation framework as part of its management cycle which:

- Ensures that key performance related information is routinely collected and monitored;
- Includes a structured plan for the systematic evaluation of the efficiency, effectiveness and impact of Australian Eggs' key investments; and
- Includes a means of publishing and disseminating relevant Research and Development outcomes and the outcomes of evaluations.

The evaluation framework commenced in 2017 with the publication of the Evaluation Framework Report and has provided for tracking of Australian Eggs' performance over time through annual reporting on the outcome of each Annual Operating Plan.

The Evaluation Framework Report seeks to provide a practical basis for stakeholders to scrutinise our activities, including key performance indicators applied to each strategy to test Australian Eggs' primary objectives and program performance indicators for each Australian Eggs Program.

The performance indicators are set out below and are directed towards outcomes that our programs seek to achieve, including over broader time frames where relevant.

In doing so, these performance indicators provide for transparency over Australian Eggs performance and a point of engagement with stakeholders on the return delivered on investments.

## Key performance indicators

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Goal	KPI	Target
Marketing	Egg consumption per capita - calculated by using hatchery information and production assumptions to determine the level of egg industry production, accounting for egg exports and dividing by the Australian population.	270
Growth	Effective community engagement – calculated by community trust in the egg industry	64
Innovation	Average benefit cost ratios achieved for R&D Projects - calculated by applying Benefit Cost Analysis to completed projects based on the CRRDC Impact Assessment Guidelines and averaging outcomes.	4.0
Engagement	Effective engagement with stakeholders - calculated by stakeholder satisfaction with Australian Eggs performance	7.0
Corporate and Governance	Administration services ratio – calculated by the ratio of corporate costs over total expenses	15



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**The Evaluation  
Framework Report seeks  
to provide a practical  
basis for stakeholders to  
scrutinise our activities**

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# Program performance indicators

## Marketing

Program	Outcome	Performance Indicator
Consumer	Drive egg consumption habits by promoting top-of-mind awareness of versatility, affordability & ease of egg inclusion in all eating occasions, & promote the life-long enjoyment of eggs	<ul style="list-style-type: none"> <li>• Increase grocery retail sales egg volume by 5%</li> <li>• Increase consumer recall of key campaign messages from 35% to 40%</li> </ul>
Health Care Professionals	Engage with influential HCPs to share nutrition research on the benefits of eggs, remove barriers & encourage consumption	<ul style="list-style-type: none"> <li>• Increase the proportion of HCPs that encourage regular consumption of eggs in the diet to 65%</li> <li>• Decrease the number of HCPs restricting the consumption of eggs across patient groups to 35%.</li> </ul>
Next Generation	Educate consumers about the nutritional value, & life-long enjoyment of eggs for Australian families	<ul style="list-style-type: none"> <li>• Surveyed households will increase egg consumption by 1 extra meal per week</li> <li>• Consumer recognition that eggs are healthy for you increased to 55%</li> </ul>

## Growth

Program	Outcome	Performance Indicator
Nutrition	Improve farm productivity by improving efficiency and extending flock life.	<ul style="list-style-type: none"> <li>Increase awareness of key health benefits of eggs by 10%</li> </ul>
Environment	Driving leadership in environmental management	<ul style="list-style-type: none"> <li>Improve feed efficiency (FCR) by 0.1</li> </ul>
Food Safety	Protecting consumers and industry through biosecurity systems to ensure consistently safe eggs	<ul style="list-style-type: none"> <li>Increase industry recognition of traceability and biosecurity by 10%</li> </ul>
Sustainability Framework	Community engagement to drive sustainable growth	<ul style="list-style-type: none"> <li>Community recognition of responsiveness of the industry increased by 5%.</li> </ul>

## Innovation

Program	Outcome	Performance Indicator
Flock Health	Identify solutions to enduring and emerging flock health problems	<ul style="list-style-type: none"> <li>Reduce farm mortality by 1%</li> </ul>
Flock life	Develop nutrition and husbandry strategies to realise the genetic potential of hens	<ul style="list-style-type: none"> <li>Increase average flock life to 78 weeks</li> </ul>
Welfare	Improved welfare outcomes on-farm through knowledge and adoption	<ul style="list-style-type: none"> <li>Increase egg farmer engagement with welfare resources by 10%</li> </ul>

## Engagement

Program	Outcome	Performance Indicator
Consultation	Ensure activities reflect the priorities of egg farmers and government by providing ongoing engagement opportunities	<ul style="list-style-type: none"> <li>Community trust in egg industry at 64%</li> <li>Increase reach of positive media by 5%</li> <li>Increase in the number of ESA accredited sites by 5%</li> </ul>
Collaboration	Realise efficiencies and opportunities by partnering with stakeholders on common issues	<ul style="list-style-type: none"> <li>Increase collaborative partnerships by 5%</li> </ul>
Extension	Underpin industry sustainability and productivity by making knowledge and information available to egg farmers and the community	<ul style="list-style-type: none"> <li>Improve industry satisfaction in Snapshot to 7.0</li> <li>Increase industry engagement in innovation project development by 10%</li> <li>Increase adoption of extension program by farms by 10%</li> </ul>

## Corporate and Governance

Program	Outcome	Performance Indicator
Efficient Team	Ensure appropriate resources to deliver on the work program.	Non-staff corporate costs below 13% of program costs
Governance and Reporting	Provide robust decision-making processes and evaluation of activities.	Meet all statutory requirements of the Act, Australian Accounting Standards in a timely and efficient manner, and compliance with corporate governance principles.

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**Ensure activities  
reflect the priorities  
of egg farmers and  
government by  
providing ongoing  
engagement  
opportunities**

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# Income and expenditure

Financial year 2021/22

Operating Income	
Egg promotion levy	5,466,000
Layer chick levy	2,463,000
Commonwealth contribution	2,202,000
Assoc. Membership Subscriptions Grant Income	80,000
Royalties	80,000
Other income	104,000
Sub total	10,395,000
Less levy collection costs	22,000
	10,373,000
Operating Expenditure	
Marketing	4,458,755
Growth	1,517,128
Innovation	1,494,766
Engagement	2,106,192
Corporate & Governance	1,411,050
Total Program Costs	10,987,890
Egg Farmers of Australia	80,000
Sub total	11,067,890
Operating Surplus/Deficit	
Capital purchases	85,000



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