



Annual Report 2024







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Chair's Report

The 2024 financial year was one in which Australian Eggs was able to build further momentum in serving the egg industry as it moved into a new phase of growth. With Covid long forgotten and consumer demand strong, the year was characterised by egg farming businesses looking forwards and tackling the challenges of capacity transition and expansion.

Australian Eggs stayed close to this process by staying engaged with egg farmers and bringing their priorities into its work program. This approach was fruitful with the Evaluation Framework demonstrating positive outcomes across a broad range of activities while farmer satisfaction remained strong.

Australian Eggs continued to focus on our compliance responsibilities through the Performance Principles framework developed by the Department of Agriculture, Fisheries and Forestry. It was very pleasing that the Department once again expressed comfort that the Performance Principles were being adhered to.

The year also saw changes on the Board with Catherine Cooper stepping down after nine years of service to pursue other opportunities. I am very grateful to Cathy for her contribution to Australian Eggs as well as pleased to welcome Sarah Britton to the Board to strengthen our specialist public policy expertise.

This AGM marks my tenth anniversary on the Board of Australian Eggs (eight as Chair) and as tenure is limited to ten years under the Constitution it will be my last. Having initially been reluctant to serve on the Board I am pleased to note that it has been a thoroughly enjoyable and rewarding experience.

I am very proud of the work that Australian Eggs does to support the industry and grateful for the opportunity to be a part of it. It is also very pleasing to leave at a time when the Board and management team are performing strongly with robust processes in place to move forward.

I'd like to express my appreciation to the Board and the Australian Eggs team across this period who, led by Rowan, have demonstrated commitment and initiative to find better ways to support the egg industry.



A blue ink handwritten signature, appearing to read 'Danny Jones', written in a cursive style.

Danny Jones
Chair



Egg Industry Overview

EGG PRODUCTION IN AUSTRALIA

581.8m

DOZEN EGGS – 2024 FY

(Source: Australian Eggs)

FLOCK SIZE

AS AT JUNE 2024

29,352,743

PULLETS AND LAYERS

21,254,995

LAYERS

(Source: Australian Eggs)

GROSS VALUE OF EGG PRODUCTION

\$1.1b

FARM GATE EQUIVALENT – 2024 FY

(Source: Department of Agriculture, Fisheries and Forestry)

STATE FLOCK PERCENTAGES

AS AT JUNE 2024

36.0%

NSW/ACT

28.6%

QLD

22.3%

VIC

6.3%

WA

5.5%

SA

1.3%

TAS

(Source: Composite of Australian Eggs and
ABS Agriculture Commodities Australia 2022-23.)

MAJOR SUPERMARKET GROCERY CHAINS

EGG SALES VOLUME

247,994.5

DOZENS (000s) – 2024 FY

(Source: Circana)

MAJOR SUPERMARKET GROCERY CHAINS

EGG SALES VALUE

A\$1,370,087,688

2024 FY

(Source: Circana)

Egg Industry Overview (continued)

Major supermarket grocery chains egg sales farming system market share – 2024 FY

(Source: Circana)

	VALUE	VOLUME
Cage eggs	15.7%	19.7%
Free range eggs	61.9%	57.4%
Barn-laid eggs	18.4%	20.9%
Specialty eggs	4.0%	2.1%

Major supermarket grocery chains egg sales pack size market share – 2024 FY

(Source: Circana)

	VALUE	VOLUME
6 pack	5.5%	3.8%
10 pack	0.2%	0.2%
12 (dozen) pack	81.0%	82.4%
15 pack	0.5%	0.5%
18 pack	9.9%	10.1%
30 (tray) pack	2.9%	3.0%

Growth by segment in dozens (000s) and percentage over – 2024 FY

(Source: Circana)

	000s	%
Cage eggs	48,742.1	-22.0%
Free range eggs	142,235.8	6.1%
Barn-laid eggs	51,788.9	43.3%
Specialty eggs	5,221.0	10.2%

Major supermarket grocery chains egg pack weight market share – 2024 FY

(Source: Circana)

	VALUE	VOLUME
0 – 300g	1.8%	1.2%
301 – 350g	3.6%	2.6%
351 – 400g	0.1%	0.1%
401 – 600g	13.1%	14.1%
601 – 700g	57.8%	60.1%
701 – 800g	9.6%	7.8%
801g+	13.9%	14.0%

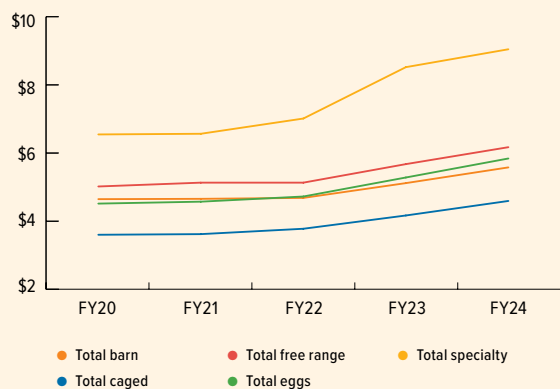
Major supermarket grocery chains egg sales branding market share – 2024 FY

(Source: Circana)

	VALUE	VOLUME
Private label	50.3%	57.1%
Proprietary labels	49.7%	42.9%

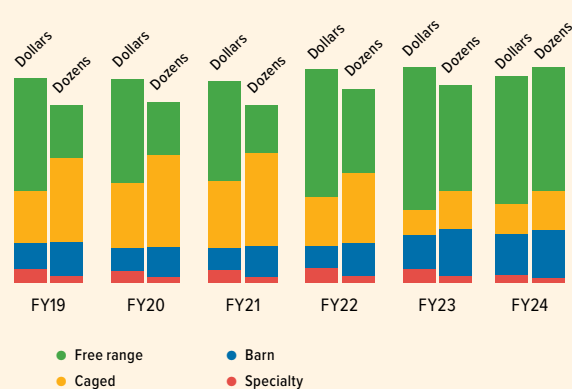
Egg Industry Overview (continued)

Nominal Retail Price of Eggs by Segment



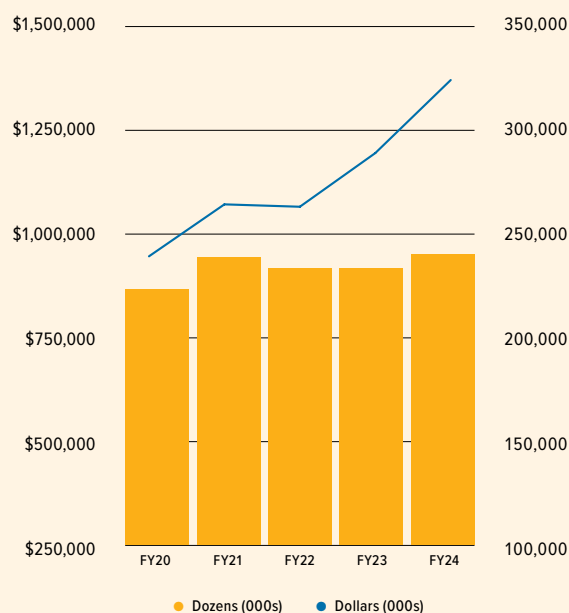
(Data: Circana)

Grocery Volume Market Share of Eggs by Segment



(Data: Circana)

Grocery Sales of Eggs – Volume & Value



(Data: Circana)

Egg product exports (FOB equivalent) – 2024 FY

The figures may not reflect commercial experience

(Source: ABS)

	VOLUME	VALUE
Shell eggs	1,399.96mt	\$7.81m
Egg pulp/liquid	469.34mt	\$3.15m
Egg powder	6.09mt	\$0.07

Egg product imports (CIF equivalent) – 2024 FY

The figures may not reflect commercial experience

(Source: ABS)

	VOLUME	VALUE
Eggs preserved/cooked	587.34mt	\$3.49m
Egg pulp/liquid	1,033.74mt	\$4.60m
Egg powder	1,874.61mt	\$32.11m



Vision and Strategy



Board of Directors



Danny Jones

Chair
Elected Director, GAICD

Danny has had more than 25 years of egg industry experience having acted as Business Manager and Managing Director of Pure Foods Eggs Pty Ltd – Tasmania’s largest egg producer. His egg industry experience covers business administration, pullet rearing, layers, grading, packing, distribution, feed milling and quality assurance.

In 2014, Danny won the inaugural Australian Egg Farmer of the Year award at the ABC Rural and Kondinin Group Australian Farmer of the Year Awards in Melbourne.

Danny has extensive board experience in both roles of Non-Executive Director and Managing Director. He has studied and completed an Advanced Diploma in Business, is a graduate of the Australian Institute of Company Directors and is a Fellow of the Institute of Public Accountants.



Bede Burke AM

Elected Director
B. Sc., Grad. Dip. Bus.

Bede has run a successful grain and livestock farming business, including laying hens and pullet rearing as well as ewes and breeding cattle, with his wife, Narelle, for more than 35 years. The farm not only produces most of its own feed requirements with an on-farm feed mill but has an extensive on-farm compost system as part of the fertiliser program for grain production. In 2009, Bede and Narelle’s farm was awarded the Brownhill Cup for Sustainable Farming, while the couple were also finalists in the same year for the NSW Farmer of the Year awards.

Bede has always been involved in numerous industry and community projects. Until recently he was Chairman of the NSW National Party, Chairman of the NSW Farmers’ Egg Committee and Chairman of Tamworth Rural, an unlisted public rural merchandising company. He is a Deputy Captain of the Tamworth branch of the NSW Rural Fire Services. Bede is also an active promoter of the industry representative body, Egg Farmers of Australia.

In 2020, Bede was appointed a Member of the Order of Australia (AM) in recognition of his service to the egg production industry, and to the community of Tamworth.



Sarah Britton

Specialist Director (Public Policy)
GAICD, BVSc, DipVetClinStud,
MANZCVSc

Sarah is an experienced Chair and Non-Executive director with over 30 years of veterinary experience in the public, private and not-for-profit sectors and a trusted advisor to government, industry and community on veterinary and biosecurity risk management and animal health.

Through her work in public policy, Sarah has a deep understanding of the government and private sectors and how to drive mutually beneficial outcomes and collaborative policy. Sarah’s expertise also includes corporate, risk, financial governance, and leading research development, review, and implementation.

Sarah holds a Bachelor of Veterinary Science and Diploma of Veterinary Clinical Studies from the University of Sydney and is a Graduate of the Australian Institute of Company Directors.

Board of Directors (continued)



Grant Dearden

Elected Director

As the National Sales and Marketing Manager of Pace Farm, Grant Dearden has over 18 years experience in the Australian egg industry.

Prior to his current role with Pace Farm, Grant worked for multi-national companies in the FMCG industry such as Monsanto and Lion Nathan, to develop and build his business management and marketing skills. These included roles working with brands like Pepsi, Gatorade, H2GO, NutraSweet, Equal and Round Up.

Grant has a deep understanding of major chain and independent retailers, major foodservice operators and ingredient manufacturers, as well as the intricacies of the day to day running of an egg business. His main motivation is to use his experience and proficiency in the egg industry to help facilitate its future growth and success.

Grant has been an active member of the Australian Eggs Marketing Industry Consultative Committee for over 10 years and has also participated in a number of International Egg Commission conferences and meetings.



Liz Rowell

Specialist Director (Marketing)
GAICD, BA

Liz Rowell is a non-executive marketing specialist director, who was appointed to the board in June 2021.

Liz has an extensive advertising and marketing background with global and national businesses and brands. She has worked across diverse industries including FMCG, retail, primary industries, health, animal health, travel and tourism, and technology.

Liz is owner, founder and CEO of Red Ark – a creative communications agency working with leading Australian brands as well as a range of not-for-profits for the past 15 years.

She has mentored young women for the past 10 years through Layne Beachley's Aim for the Stars Foundation, Glass Elevator's Walk the Talk, Marketing Women and Mentor Central.



Rowan McMonnies

Managing Director
GAICD LLB, MCom

Rowan has a legal and compliance background and is an experienced executive director in the agriculture sector. As Managing Director of Australian Eggs, he has led the development of a new strategic direction by the board and guided Australian Eggs' management team through a comprehensive rejuvenation. Rowan has developed a strong understanding of the nature and structure of the agriculture sector as well as having developed relationships with a range of key stakeholders.

Rowan joined Australian Eggs after 20 years experience practicing commercial and regulatory law. Using this experience, he has guided corporates and government agencies through complex regulatory frameworks in a range of industries with a particular focus on the agriculture sector.

Rowan holds a Bachelor of Laws from the University of Technology, Sydney, a Masters of Commerce from the University of Sydney and is a graduate of the Australian Institute of Company Directors. Rowan commenced with Australian Eggs on 31 October 2016.

Managing Director's Report

Introduction

The 2023/24 year was another fast-paced and dynamic year for the egg industry as it continued a process of restructuring in response to past Covid impacts and future opportunities.

The first ten months of the year felt like the industry had gone into hyper-drive as egg farming businesses stretched to respond to strong and consistent demand for eggs. This included a glimpse at a possible future of the industry with external financial sector investments in two major egg farming businesses.

For old and new members of the industry the challenge was the same in trying to plan increased capacity in the face of ongoing uncertainty around the regulatory and retailer transition away from cage egg production. While the regulators had made a decision on the welfare Standard and Guidelines, there was still no clarity on the timing of implementation which remains the case, making it difficult to assess the future size and composition of the industry.

While this process seemed frantic enough, it was disrupted in the last two months of the year with the reemergence of avian influenza (AI) in Australia. This involved three separate strains of high pathogenic AI which appeared to have been linked to domestic strains of low path AI in wild bird populations.

Unfortunately, the impact was very significant, with the largest ever loss of the national flock and major disruption at a farm and industry level. These outbreaks will shape the industry's response to future biosecurity risks and growth in the coming years, highlighting a number of important issues to progress to improve industry sustainability.

Australian Eggs

Australian Eggs continued to build capacity and momentum in the 2024 financial year through focused engagement strategies and team stability.

Our commercial goals of growing the market, lowering production costs, managing industry risks and building community trust remained the focus with ongoing programs in place to support the industry. The real difference this year was the further momentum gained in our engagement activities with a primary focus on egg farming levy payers.

By bringing the whole Australian Eggs team into the process we were able to broaden our points of contact with the industry and provide a greater understanding of the nature of our services and their objective. This created a cycle of engagement through which egg farmers were able to provide informed feedback and direction on priorities for the future. The ultimate result was that we closed the year in a position where we are as close to our stakeholders as we have ever been and through that, well positioned to make a valuable contribution to the next phase of industry growth.



The first ten months of the year felt like the industry had gone into hyper-drive as egg farming businesses stretched to respond to strong and consistent demand for eggs.

Managing Director's Report (continued)

Evaluation Framework

The *Evaluation Framework 2024* provides an assessment of Australian Egg activities across the 2023-2024 financial year against performance indicators set out in the *Annual Operating Plan*.

The Evaluation Framework indicates that consumption increased from 263 to 266 eggs per capita as at June 2024. This growth is significant given the increase in the Australian population across the period and the challenges and uncertainty forming a barrier to capacity development. Once again, this included the industry producing more eggs than ever before at 578 million dozen.

In the Innovation Program, the average benefit/cost assessment for R&D projects was a ratio of 3.23 which was an increase on last year. From a commercial perspective, this means that for every levy or commonwealth matching dollar invested, the completed projects delivered a return of \$3.23.

In the Effective Engagement program, Australian Eggs continued to maintain a feedback loop with industry stakeholders, including 30 engagements with egg industry representative bodies and the distribution of 40 publications to industry stakeholders. The public engagement program achieved a further increase in audience reach of over 30.5 million Australians on the back of the Sustainability Framework.

Australian Eggs also continued the Industry Snapshot survey process in late 2023 which included performance indicators. The Snapshot results included an industry average ratings that egg farmers are satisfied with Australian Eggs performance of 7.1 out of 10.

Marketing

The Marketing team worked across the 2023-24 year to grow the market for eggs in all segments. This included the development of a new creative campaign, 'Bring the Bright' which aligned with consumer research by focusing on versatility and the capacity of eggs to elevate a meal.

This was complemented by a cycle of PR activity with a major campaign for World Egg Day to attract the attention of mainstream media. The campaign involved releasing industry statistics, sharing a suite of new lunch and dinner recipes and a partnership with Mamamia, Australia's largest womens media network.

The marketing team also re-enlivened the longer term focused Next Generation campaign, encouraging young Australians to build egg cooking skills. This included social media content involving 'good cooks' demonstrating the ease of egg recipes which were replicated by 'rookie cooks'.

Finally, Australian Eggs continued to target healthcare professionals to increase awareness of the nutrition benefits of eggs. This included exhibiting at Australian Healthcare Week and participating in panel sessions as part of a partnership with heart health charity partner, Hearts4Hearts.



Managing Director's Report (continued)

Engagement

2023-24 continued a focus on engagement activities for the Australian Eggs team with a range of meetings, workshops and farm visits conducted across the year to provide an opportunity for farmers to engage.

This process was complemented by the range of communications channels including the quarterly *Eggstra!* magazine, the monthly Australian Eggs Update e-newsletter, the For Farmers portal on the website and hardcopy mail outs of corporate and research extension materials.

Australian Eggs also conducted the Sustainability Framework community survey and continued to extend research outputs to the public. The survey again demonstrated the value of this long-running process finding that there is substantial public trust and confidence in the egg industry with 70% of respondents agreeing that the egg industry is listening to the community and responding through action.

Australian Eggs also undertook direct engagement activities with the public to share information about egg production including agricultural activations through the return of EKKA and the Sydney Royal Easter Show.

Innovation

Australian Eggs once again implemented its innovation engagement processes in 2023-24 and continued to generate commercially valuable knowledge for egg farming businesses.

The Innovation team continued to develop the program through a process of consultation with industry stakeholders and the community across the year. This included drawing down priority issues from research update extension activities, testing them in the Industry Snapshot survey and developing robust research projects in conjunction with the Innovation Industry Consultative Committee.

Eight projects were completed and independently assessed as generating an average benefit cost ratio of 3.23, meaning that for every dollar invested, \$3.23 of value was created. Given the inherent risks involved in innovation this reflected a good outcome and the benefit of an industry driven focus of the program on adoptable outcomes.

Of particular note was the development of an egg industry specific carbon calculator to support egg farming businesses in efficiently and accurately capturing their carbon emissions. This work was an extension of the egg industry carbon life cycle assessment previously conducted and positions the industry to meet the evolving expectations of government and community stakeholders in terms of industry emissions reduction.



Managing Director's Report (continued)

IP, commercialisation, subsidiaries and joint ventures

Australian Eggs has continued its long term focus in 2023-24 on the development of industry applicable knowledge which is protected through contractual arrangements with research partners.

Australian Eggs commenced a second phase of research to explore the feasibility of a novel process to determine the sex of chicks in ovo and will assess the potential for commercialisation of intellectual property upon the conclusion of this project.

No trade mark protections were pursued in the 2023-24 year, no subsidiaries or joint ventures were formed by Australian Eggs and there were no directions made by the Minister relating to the egg industry.

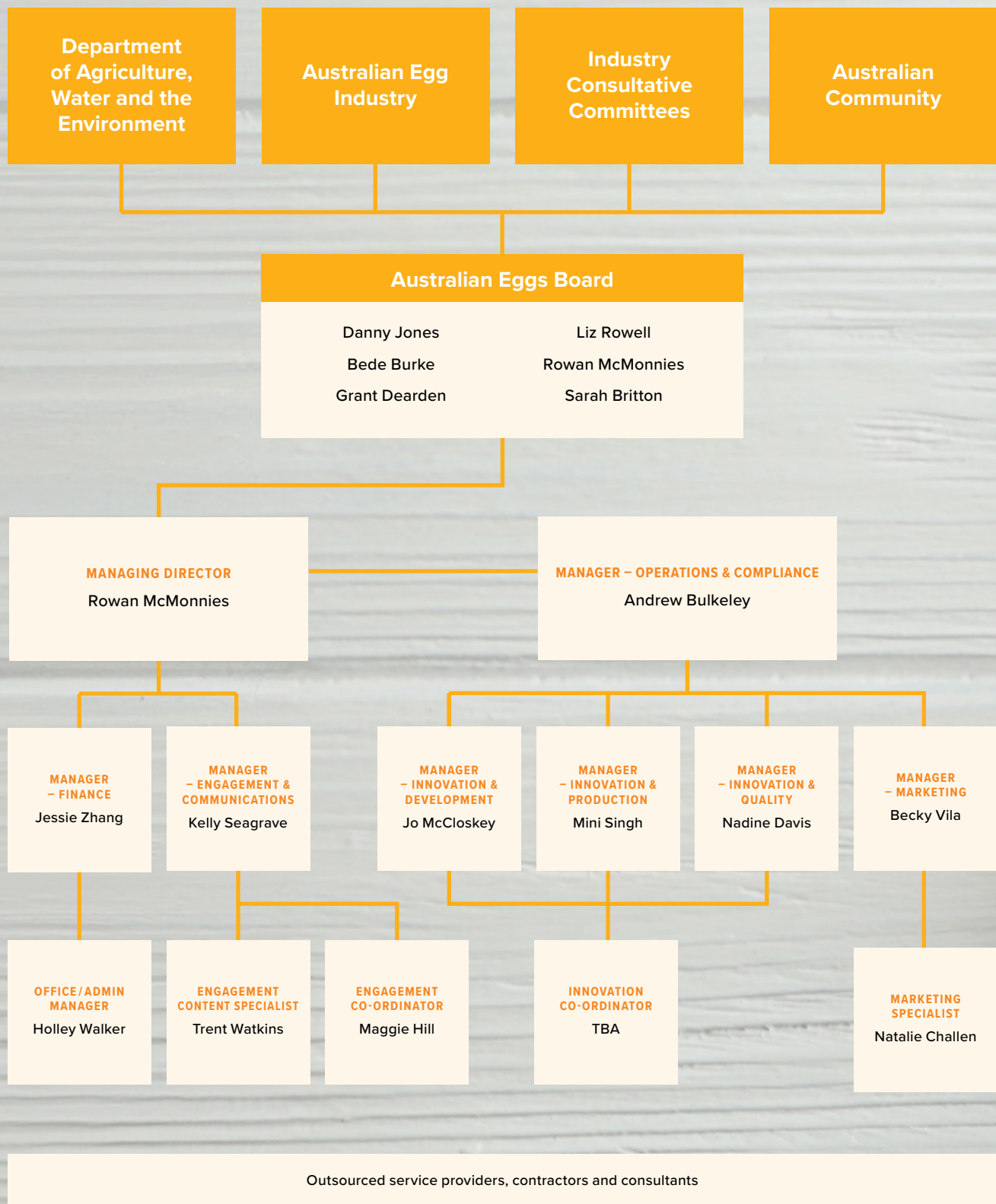


R. L. McMonnies

Rowan McMonnies
Managing Director



Organisation Structure





Australian Eggs Board Calendar 2024

	JAN	FEB	MAR
Date	18	21	21
Day	THURS	WED	THURS
Location		SYDNEY	
Papers distributed		18	
Meeting			
Only if required (OIR)	OIR		OIR
Audit & Risk Committee		●	
Nominations & Culture		●	
Strategy formation			
Board Strategy Session			
Approve AOP			
Review Strategic Plan			
Approve budgets			
Approve Evaluation Framework Report			
Corporate governance			
Approve audited accounts			
Board 2025 reporting requirements and calendar			
Board Performance Assessment			
Review Board and Committee Charters			
Membership and AGM			
Approval of AGM Advance Notice			
Approval of AGM documentation (notice and director nominations)			
Approve Registration Forms, Return Date and process for member renewals			
2024 AGM			

APR	MAY	JUN	JUL	AUG	SEP	OCT	NOV	DEC
18	23	20	18	22	19	17	12	19
THURS	THURS	THURS	THURS	THURS	THURS	THURS	TUES	THURS
SYDNEY	SYDNEY	SYDNEY		SYDNEY		SYDNEY	SYDNEY	SYDNEY
12	17	14		16		11	6	13
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Stakeholder Consultation Plan

Australian Eggs implements a cycle of engagement with each of its three key stakeholder groups as part of a structured consultation plan. The objective of the consultation plan is to ensure that our services remain aligned with stakeholder expectations and priorities.

These processes have been developed to align with the six consultation principles set out in the *Best Practice Guide for Stakeholder Consultation* issued by the Department of Agriculture, Fisheries and Forestry which ensure consultation remains:

- › Transparent
- › Accessible
- › Well planned
- › Straight forward
- › Fit for purpose
- › Responsive
- › Measurement

Industry engagement is a major focus with every effort made to involve egg farmers in the development and delivery of our services. Structured engagement is conducted through three Industry Consultative Committees; Innovation, Sustainability and Marketing. These processes complement regular, ongoing informal engagement through which stakeholders are able to access and shape Australian Eggs' services.

The centrepiece of Australian Eggs' farmer consultation process relates to the innovation program development. To ensure projects remain commercially relevant and are effective in targeting industry priorities, a process of collating farmer feedback through extension updates and project panels is undertaken across the year. This feedback is then collated in an industry Snapshot Survey and tested against a broader industry audience. The outcome is used to frame a request for research proposals that is tested through two ICC Innovation meetings before projects are finally approved and commenced.

Australian Eggs' cycle of engagement with government is principally driven by the Fundings Contract which provides a framework for informal engagement, an Annual Performance Meeting and transparent reporting on performance through industry and corporate publications. This is in addition to Australian Eggs' participation in CRRDC processes which provide an opportunity for all RDCs to engage and collaborate on government priorities.

Finally, Australian Eggs undertakes a structured engagement process with public stakeholders through the Egg Industry Sustainability Framework. This process is centred around a large-scale community survey of Australians to explore priority issues for the Australian public. Through stakeholder engagement and support, these priorities are then incorporated into Australian Eggs' work program and reported on as part of an annual cycle.

Through these consultation processes, Australian Eggs ensures it is well positioned to meet the Key Performance Indicators under the Guidelines for Statutory Funding Agreements issued by the Department which require that:

- › Australian Eggs applies best practice consultation processes
- › Stakeholder engagement on innovation priorities and activities can be clearly demonstrated
- › Stakeholder feedback is incorporated in innovation programs with transparency in circumstances where this is not possible.

The objective of the consultation plan is to ensure that our services remain aligned with stakeholder expectations and priorities.

Stakeholder Consultation Plan (continued)

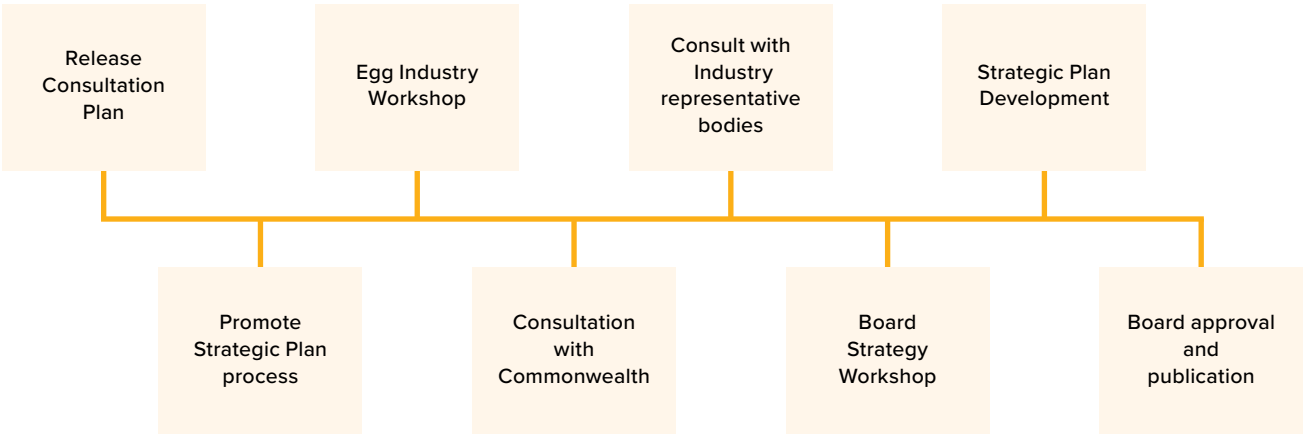
Consultation Approach

Consultation Principle	Approach
Transparent	› Consistently promote close engagement through communications channels › Actively encourage feedback through a wide range of engagement options › Demonstrate the incorporation of feedback into activities through engagement activities
Accessible	› Inclusive processes providing an opportunity for all to participate › Efficient consultation processes to reduce time barriers to participation › Communicate flexibly with multiple levels of detail to suit a broad audience
Well planned	› Established, transparent and predictable cycle of engagement › Timely engagement with multiple opportunities as the forward work program is developed › Ongoing evaluation and refinement of preferred stakeholder consultation options
Straightforward	› Clear and concise communication through multiple channels › Reiteration of feedback to confirm and refine priorities › Commercially focused issues and engagement with reference to specific outcomes
Fit for purpose	› Wide range of engagement options to meet the differing preferences of stakeholders › Customised communications driven by stakeholder preferences and interests › Focus on opportunity for direct engagement created by industry structure
Responsive	› Combination of informal assessment and structured data driven refinement to engagement processes › Publication of engagement preferences and outcomes to drive accountability › Innovate processes by drawing on developments in best practice
Measurement	› Demonstrated compliance with Key Performance Indicators under <i>Guidelines for Funding Contracts</i> › Program performance measures reported in Evaluation Framework › Stakeholder Snapshot Survey testing stakeholder priorities and engagement preferences › Publication of Snapshot Survey outcomes

Stakeholder Consultation Plan (continued)

Strategic Plan

Australian Eggs conducts a detailed strategic plan consultation in the year preceding the release of new Strategic Plans.



Industry Consultative Committees

Australian Eggs' Industry Consultative Committees play an important role in guiding program development and are composed of industry participants and experts.

Marketing ICC	Sustainability ICC	Innovation ICC
David Pearson Sarah McLeod Dan Ryan Isabelle Dench	Greg Quinn Philip Szepe Anne Andary Ian Wilson Melinda Hashimoto Jade Hoare Isabelle Dench	Peter Bell Rodney Jenner Juliet Roberts Peter Scott Jessica Spencer Philip Szepe

Expert Group

Egg Labelling Integrity Panel (ELIP)
Sharon Natoli John Furbank Geoffrey Annison Lincoln Chrysiliou

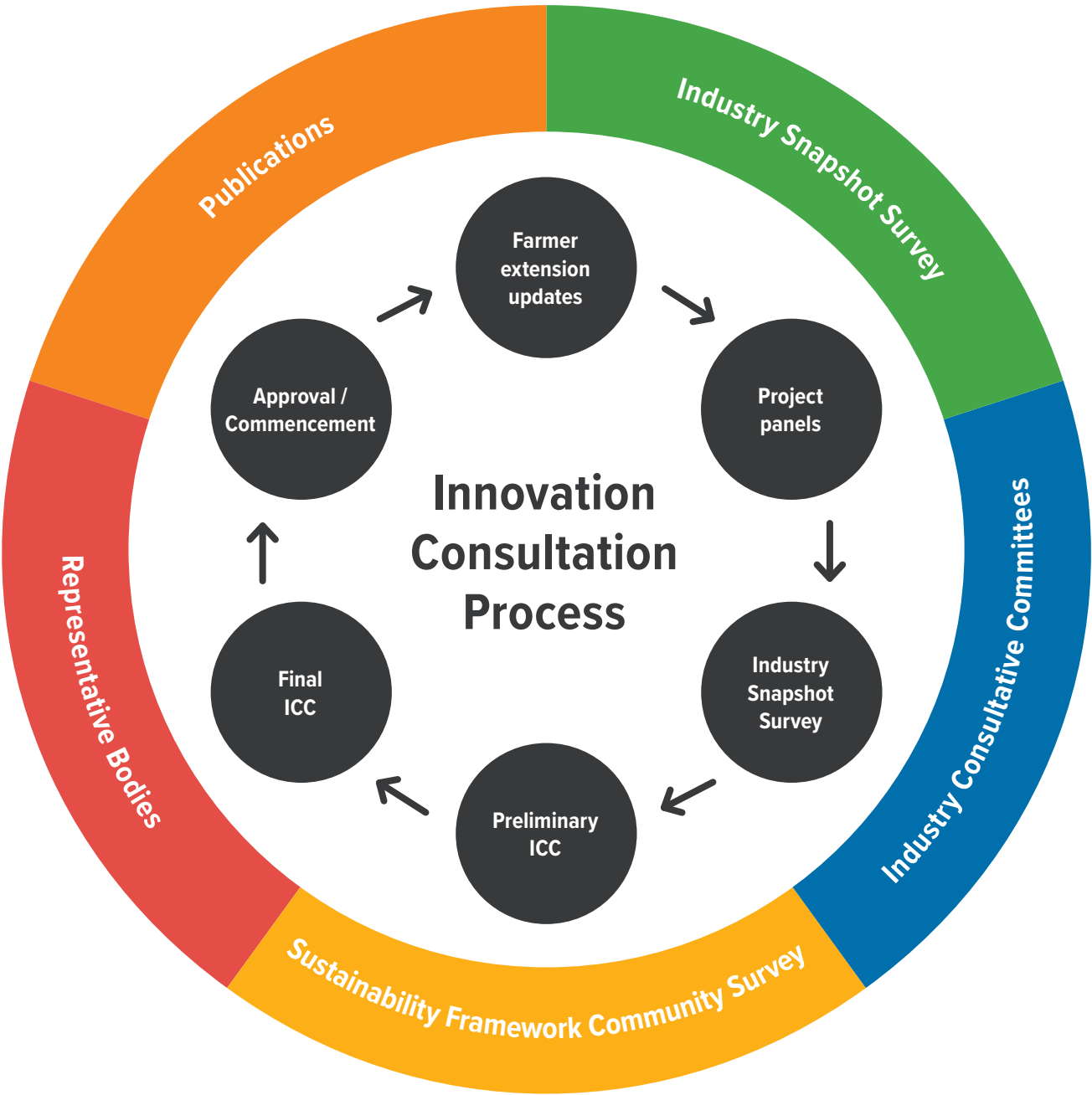
Key Publications

Australian Eggs maintains a comprehensive suite of publications to provide transparency over activities and demonstrate stakeholder priorities and value.

- Strategic Plan
- Monthly Aus Eggs Update
- Program overviews
- Evaluation Framework
- Quarterly Magazine
- Innovation extension content
- Annual Operating Plan
- Annual Report

Stakeholder Consultation Plan (continued)

Stakeholder Consultation Processes



Corporate Governance & Compliance

Australian Eggs is a not-for-profit public company limited by guarantee. Though it is not listed on the Australian Stock Exchange (ASX), Australian Eggs has developed its framework for corporate governance to align with the *ASX Corporate Governance Principles and Recommendations – 4th edition 2019*. Australian Eggs believes its corporate governance practices are rigorous and of a high standard and as a result is willing to report against the recognised principles of corporate governance on an annual basis.

1

Lay solid foundations for management and oversight

The Australian Eggs Board charter governs the Board and provides the means for Board oversight of management in the development, execution and evaluation of Australian Eggs' agreed strategies.

2

Structure the Board to add value

Australian Eggs' Constitution requires the members of the board present a diverse skill mix across egg industry, research, marketing, policy, business, governance and commercial criteria. Furthermore, the Board reviews its performance annually, with an independent external review every three years.

3

Act ethically and responsibly

The Board is committed to conducting all of its dealings in a manner that reflects integrity, fairness and diligence. Australian Eggs has agreed values that reflect this in addition to a set of clear policies that define the expectations of acting ethically and responsibly in all matters.

4

Safeguard integrity in corporate reporting

Australian Eggs' Audit and Risk Committee oversees the appropriateness and integrity of the reporting regime. This incorporates the regular review of the financial statements, investment performance and cash flows. In addition, the Committee oversees and reviews the performance of the external auditors.

Corporate Governance & Compliance (continued)

5

Make timely and balanced disclosure

Australian Eggs has enacted systems and processes to ensure that it meets its disclosure requirements in a timely and effective way. In addition to its disclosure requirements under the Corporations Act 2001 to the Australian Securities and Investment Commission (ASIC), it has disclosure requirements to the Commonwealth Government under its Funding Agreement with the Government. These include disclosures relating to its financial performance and compliance with agreed Performance Principles.

6

Respect the rights of shareholders (members)

The members of Australian Eggs are Levy paying Australian egg producers. The relationship between Australian Eggs and its members is built on open communication and regular stakeholder engagement. This engagement includes the publication of regular newsletters, forums and regular topic specific video and teleconferences. In addition, the Board strongly encourages member participation at the AGM.

7

Recognise and manage risk

Australian Eggs' Audit and Risk Committee ensures strong oversight of risk management. In ensuring this, they review all internal controls and policies, consider the appropriateness of management practices and regularly review the effectiveness of the risk management policies and procedures in delivering a managed risk position for Australian Eggs.

8

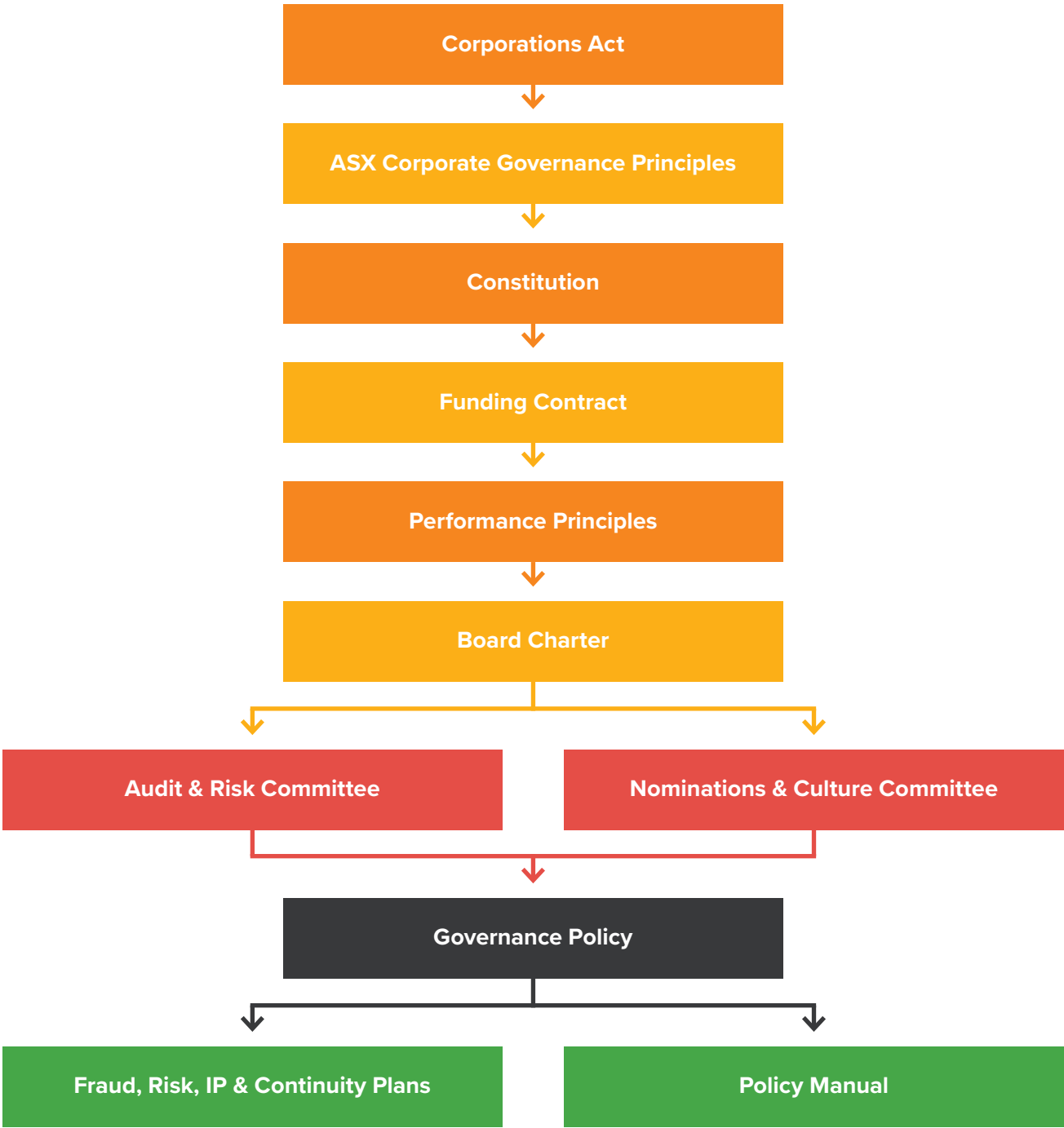
Remunerate fairly and responsibly

The remuneration for key executives at Australian Eggs is informed by a combination of reasonable market comparisons and annual performance reviews against agreed objectives. The total remuneration of non-executive directors is set within its Constitution and can only be increased through member consent.

Corporate Governance & Compliance (continued)

Australian Eggs is committed to conducting its business in a way that is open and accountable to all stakeholders. Corporate governance describes the framework of rules, relationships, systems and processes within and by which authority is exercised and controlled with corporations. It encompasses the mechanisms by which companies, and those in control, are held to account. Australian Eggs is committed to effective governance and ongoing improvements.

Australian Eggs' Governance Framework is reflected in the flow chart below. This identifies the enabling legislation and documents that define Australian Eggs' accountabilities across legislative, member, government and internal operations.



Corporate Governance & Compliance (continued)

Governance Cycle

The Governance Cycle as reflected within the operations of the Funding Contract with the Commonwealth Government is visually represented by the diagram below. This reflects the importance of engagement, planning, accountability and evaluation in governing the operations of and services provided by Australian Eggs to its members and other stakeholders.



Annual Operating Plan

Strategy	Program
Marketing	› Consumer › Health Care Professionals › Next Generation
Sustainable Growth	› Nutrition › Environment › Food Safety › Sustainability Framework
Innovation	› Flock Health › Flock Life › Welfare
Engagement	› Consultation › Collaboration › Extension
Corporate Governance	› Efficient Team › Governance and Reporting



Collaboration

Collaboration is undertaken to fund research and development which addresses the Australian Government's Rural RD&E Priorities and delivers cross-sectoral research projects, agricultural promotion or services for industry in a more efficient and effective way. Australian Eggs' contribution, as a percentage, is calculated by reference to cash contribution and does not include allocation of in-kind contributions. Collaborative projects for the 2023-24 year are tabled below.

Project Name	Expenditure	Program	Australian Eggs contribution as a %
Rural Safety and Health Alliance	\$20,000	AgriFutures Australia, Australian Pork Ltd, Australian Wool Innovation, CRDC, GRDC, MLA, Dairy Australia	23.3%
grow ^{AG} .	N/A	AgriFutures Australia	N/A
Animal Industries Antimicrobial Stewardship RD&E Strategy	\$11,040	MLA, DA, AgriFutures Chicken Meat, APL, EFA, LiveCorp, ALFA	13.3%
Farm Safe	\$5000	Australian Pork	6%
ENRI	\$20,000	AgriFutures Australia, Australian Pork, Hort Innovation	23.3%
Community Trust in Rural Industries (CTRI) 2.0	\$19,999	CRDC, AgriFutures, GRDC, MLA, Hort Innovation, NSW-DPI, FRDC	23.3%
Alternative Feed Ingredients	\$9567	Australian Pork	11.2%

Innovation Projects

Sustainable Growth – Nutrition

Project Name	Outcomes	Funding
Gut Decisions: eggs, microbiome, and cognition	Quantification of the benefit of eating eggs on gut microbiota	Layer Chick
Nutrition Analysis	Domestic and global research of human nutritional research studies and expert advice for recipes and industry communication	Layer Chick
Eggs to improve choline intake in young Australian children: providing the evidence	Recommendation on quantity of eggs needed to close the gap between current intakes and recommendations for children <2 years	Layer Chick

Sustainable Growth – Environment

Project Name	Outcomes	Funding
Optimising waste utilisation and conversion to value streams	The waste and by-product baseline, strategies for utilisation of waste and opportunities for converting waste into revenue will be communicated to support and improve the sustainability and credentials of the Australian egg industry	Layer Chick
Carbon Benchmarking	- Provide egg farmers awareness of their carbon footprint - Opportunities identified for Egg farmers to create a plan to reduce carbon emission	Layer Chick
Sustainable Feeds to optimise layer's productive life	Provide alternative feed sources to lower production costs and carbon footprint	Layer Chick

Sustainable Growth – Sustainability Framework

Project Name	Outcomes	Funding
Sustainability Framework	Improve and maintain community trust in the egg industry	Layer Chick
Public Engagement	- Positively engage with the community to increase public understanding of egg farming - Increase awareness of egg industry initiatives relating to environmental sustainability & human nutrition	Layer Chick
Egg Labelling Integrity Panel	Provide advice to businesses on egg labelling requirements	Layer Chick

Innovation Projects (continued)

Sustainable Growth – Food Safety

Project Name	Outcomes	Funding
Trial of rodent control strategies for commercial egg production	› Improved strategies for rodent control	Layer Chick
Identifying and managing conditions to minimise floor eggs	› An operational checklist for producers to follow to minimise the incidence of floor eggs	Layer Chick
Egg Trace	› Improve commercial value of Egg Trace traceability tool › Increase coverage of industry traceability	Layer Chick
Review of literature for understanding eggs contamination during cold-chain transportation	› A document for FSANZ to validate industry practices around eggs supply-chain in Australia	Layer Chick

Innovation – Flock Health

Project Name	Outcomes	Funding
Effects of microbiota “seeding” on gut health and egg production	› Develop an effective system for seeding healthy microbiota in young chicks › Improved understanding of the impact of probiotics on productivity and gut health from chick to late lay	Layer Chick
Investigations of upper respiratory tract infections	› Improved understanding of respiratory infections › Tools for on-farm welfare indicators	Layer Chick
Extension and communication strategies to improve biosecurity	› An extension and communication strategy document developed to target different segments of the industry for improved biosecurity adoption and compliance	Layer Chick

Innovation Projects (continued)

Innovation – Flock Life

Project Name	Outcomes	Funding
Optimising performance, health, flock consistency and egg quality	› A tool developed which helps to farms to model different management scenarios and how they may influence production and health outcomes of the flock › Tools created to help farms better understand and motivate their workforce	Layer Chick
Genetic restoration and intervention to protect against avian influenza	› Proof of technology and generation of revenue stream through commercialising output	Layer Chick
Layer specific NIR calibration for predicting metabolisable energy of grains	› More reliable NIR calibration › Improved feed ingredient data	Layer Chick
Optimising reduced-protein diets for an efficient and sustainable layer production	› Develop optimal reduced protein diets with improved feed efficiency and lower nitrogen, ammonia and carbon emission	Layer Chick

Innovation – Welfare

Project Name	Outcomes	Funding
Hen health status by machine vision on free range farms	› Automated detection system for abnormal flock behaviour	Layer Chick
Intelligent real-time monitoring of flock behaviour and welfare	› A platform technology developed which enables remote monitoring of the flock, ready for commercialisation	Layer Chick
Welfare project focus on key knowledge gaps on smothering	› Extend knowledge of smothering triggers and management techniques	Layer Chick

Marketing & Engagement Projects

Increase Consumption – Consumer

Project Name	Outcomes	Funding
Advertising	Media planning and buying above the line media in line with campaign strategy to reach Australian families	Egg Promotion
Advertising Creative Content	Advertising assets that inspire the consumption of eggs, aligned with advertising strategy	Egg Promotion
Public Relations	Support and amplify advertising campaigns, extend reach and frequency of key marketing & nutritional messages, and contribute to overall consumer awareness, knowledge and inspiration around eggs to increase consumption	Egg Promotion
Digital Marketing	- Maintain website with relevant information for consumers and healthcare professionals - Grow website traffic through search engine optimisation activities, including content production and marketing - Acquire, retain and engage a quality database of egg consumers as part of an inbound content marketing strategy	Egg Promotion
Recipe Development	- To encourage and entice consumers with inspirational and new recipes to increase egg consumption in their weekly repertoire of meals and snack occasions - To encourage usage of dietary specific recipes and meal plans including eggs into regular consumption	Egg Promotion
Events & Collateral	Leverage the global World Egg Day event to keep eggs top of mind for consumers and encourage increased consumption	Egg Promotion
Campaign & Research	- Tracking survey on consumer awareness of advertising, attitudes towards eggs, and consumption behaviour - Explore consumer attitudes to different egg types	Egg Promotion

Increase Consumption – Health Care Professionals (HCPs)

Project Name	Outcomes	Funding
HCP Advertising	Increase HCP knowledge and positive influence on nutrition advice related to eggs in everyday diets	Egg Promotion
HCP PR & Communications	Improve top of mind awareness of eggs and provide contemporary nutritional resources to HCPs	Egg Promotion

Marketing & Engagement Projects (continued)

Increase Consumption – Next Generation

Project Name	Outcomes	Funding
Generation Z	› Drive consumption habits amongst Generation Z and young millennials by demonstrating the benefits and uses of eggs	Egg Promotion

Engagement – Consultation

Project Name	Outcomes	Funding
Farmer Engagement	› Increase farmer awareness, knowledge and appreciation of Australian Eggs' programs › Provision of opportunities for levy payer views, concerns and priorities to be heard	Layer Chick

Engagement – Extension

Project Name	Outcomes	Funding
Agricultural Shows	› Direct engagement with family members of the public with interactive experiences that educate about egg farming and cooking with eggs	Layer Chick

Sustainable Growth – Sustainability

Project Name	Outcomes	Funding
Public Engagement	› Positively engage with the community to increase public understanding of egg farming › Increase awareness of egg industry initiatives relating to environmental sustainability and human nutrition	Layer Chick
Egg Labelling Integrity Panel	› Provide advice to businesses on egg labelling requirements	Layer Chick

Third Party Agreements

During the reporting period, Australian Eggs' key third party agreements for research and development and marketing and communications services were as follows:

Key Innovation Contracts

Third Party	Services
University of Sydney	Flock Life, Food Safety
University of Adelaide	Flock Health, Flock Nutrition
University of Melbourne	Animal Welfare, Flock Health
University of Queensland	Sustainability, Flock Health
University of Southern Queensland	Animal Welfare
University of Technology, Sydney	Animal Welfare
University of New England	Flock Life
PIRSA-SARDI	Flock Life
Monash University	Human Nutrition
Integrity Ag	Sustainability
SAHMRI	Human Nutrition
Voconiq	Community Engagement Research

Key Marketing and Communications Contracts

Third Party	Services
Universal McCann	Advertising media strategy, planning and buying
Liquid Ideas	Public relations, communications, social media, activations and promotions
Whisk	Recipe development, production and amplification
Soul & Wolf	Digital marketing
Meltwater	Media monitoring and reporting
Food & Nutrition Australia	Nutrition analysis, research curation and consultation

Evaluation Framework

In the year 2023-2024
Australian Eggs invested:

\$5,123,365

in Marketing Activities

\$1,363,730

in Sustainable Growth Activities

\$2,016,646

in Engagement and Extension

\$1,532,661

in Innovation Projects

\$1,222,140

in Corporate and Governance Projects



4,512,048

OVERALL AUSTRALIAN EGGS WEBSITE
PAGE VIEWS

26%

Subscriber increase to consumer
newsletter (40,895 subscribers)

573,137

Page views of content about egg farming
and the egg industry (up 78% on last year)

266

EGG CONSUMPTION per capita



1,974,170

WEBSITE RECIPE PAGE VIEWS

38

Egg farmer
ENGAGEMENT OPPORTUNITIES

The **Consumer Marketing Program**
provides inspiring and enticing egg recipes
to increase the number of egg dishes cooked
and eaten at home

10

WORKSHOPS

18

Australian Eggs RD&E PROJECTS on foot
during 2023-24

Evaluation Framework (continued)

266

Eggs consumed per capita

24%

Key campaign message recall

Australian Eggs' **Market Insights Program** maximises the effectiveness of marketing activities to improve responsiveness to market developments and target audiences.

44%

HCPs believe you can eat eggs daily

The **Health Care Professionals Program** seeks to ensure key opinion leaders have awareness and contemporary research on the nutritional benefits of eggs. It is measured by the percentage of General Practitioners who recommend eggs at least daily for their patients.

976,000

Potential audience reach

The **Nutrition Research Program** aims to provide contemporary nutritional research to support health benefits of eggs and remove barriers to consumption. It is measured potential audience reach of news media coverage related to egg nutrition.

54

Education resources developed

New resources about egg farming and consumption, produced for teachers and students aligned with current Australian curriculum.

Evaluation Framework (continued)

7.1/10

Industry satisfaction

40

Publications

9.1/10

Importance

Over the past year, there was a strong endorsement of the concept of an industry services body for the Australian egg industry.

30.5 million

People reached

The **Public Engagement Program** is designed to create and distribute information about the egg industry to the public. It is measured by the number of publications, engagement and reach.

162

Training course participants

Australian Eggs' **Capacity Building Program** seeks to build capacity in the egg industry by providing a school program, workforce development, scholarships and research expertise.

64%

Community trust

78%

Community acceptance of the egg industry

The Australian Eggs sustainability framework **Community Trust Program** focuses on increasing community understanding of farming. It is measured by the level of community trust in the egg industry.

82%

Covered by ESA

(Laying hens covered by ESA compared to total layers)

The objective of the **Quality Assurance Program** is to enable the egg industry to demonstrate food safety, animal welfare and biosecurity outcomes to customers and the public. It is measured by the proportion of egg production covered by ESA.

30

IRB engagements

The objective of the **Stakeholder Engagement Program** is to ensure connectivity to industry and alignment with industry priorities.



National Science & Research Priorities

The Government has established a set of Science and Research Priorities, and corresponding Practical Research Challenges, designed to increase investment in areas of immediate and critical importance to Australia and its place in the world.

Priority	2023/24 Projects	Investment
Food	13	\$996,515
Health	9	\$447,714
Soil and Water	2	\$111,860
Environmental Change	7	\$497,236
Energy	1	\$216,226

Innovation Priorities

The Australian Government developed clear, farmer-oriented priorities to target rural innovation funding which have been factored into Australian Eggs forward work program.

Priority	2023/24 Projects	Investment
Digital Agriculture	13	\$1,150,722
Biosecurity	16	\$1,436,877
Climate Resilience	20	\$1,940,453
Trust	24	\$1,621,010

Performance Principles

Principles and Guidelines

Australian Eggs' Funding Contract requires Australian Eggs to align its activities with a principles-based approach to ensuring performance and these principles are set out in the *Guideline for Statutory Funding Agreements* provided by the Department of Agriculture, Fisheries and Forestry.

The performance principles require Australian Eggs to focus on five fields of activity: stakeholder engagement, maintaining a balanced innovation portfolio, cross-sectoral collaboration, best practice governance and demonstrating outcomes. Each of these principles is directed towards defined outcomes and includes specific Key Performance Indicators through which compliance can be demonstrated.

Australian Eggs has published a *Performance Principles Framework* which sets out an overview of how its activities will progress each of the Performance Principles as well as how compliance with each of the Key Performance Indicators will be demonstrated.

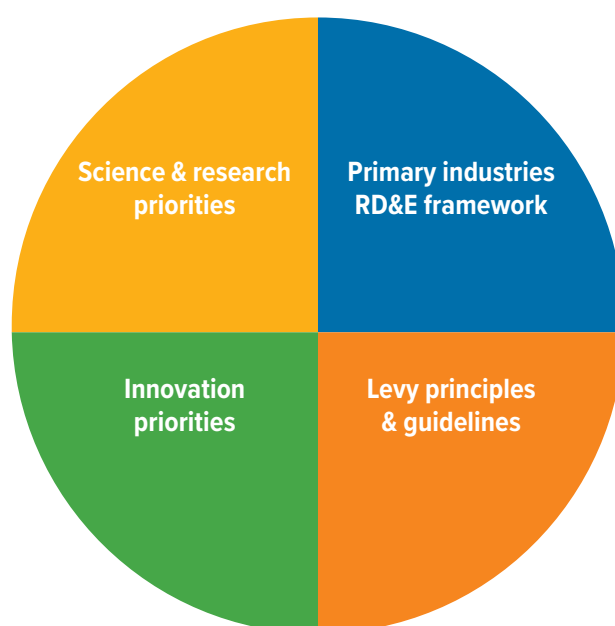
The Funding Contract also requires Australian Eggs to align its activities with guidance on sector-wide research priorities set to ensure cohesiveness and collaboration across the innovation system. These guidelines include the Australian Government's Rural Research, Development and Extension Priorities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

Australian Eggs' Funding Contract requires Australian Eggs to align its activities with a principles-based approach to ensuring performance...

Performance Principles



Guidelines



Performance Principles (continued)

Stakeholder Engagement

Engage stakeholders to identify RD&E activities that provide industry benefits.

Australian Eggs implements a cycle of engagement with each of its three key stakeholder groups as part of a structured consultation plan. The objective of the consultation plan is to ensure that our services remained aligned with stakeholder expectations and priorities. These processes have been developed to align with the six consultation principles set out in the Best Practice Guide for Stakeholder Consultation issued by the Department of Agriculture, Fisheries and Forestry which ensure consultation remains: Transparent; Accessible; Well planned; Straight forward; Fit for purpose and Responsive.

Industry engagement is a major focus with every effort made to involve egg farmers in the development and delivery of our services. Structured engagement is conducted through three Industry Consultative Committees; Innovation, Sustainability and Marketing. These processes are a complement to regular, ongoing informal engagement through which stakeholders are able to access and shape Australian Eggs' services.

The centrepiece of Australian Eggs' farmer consultation process relates to the innovation program development. To ensure projects remain commercially relevant and are effective in targeting industry priorities, a process of collating farmer feedback through extension updates and project panels is undertaken across the year. This feedback is then collated in an industry Snapshot Survey and tested against a broader industry audience. The outcome is used to frame a request for research proposals that is tested through two ICC Innovation meetings before projects are finally approved and commenced.

Finally, Australian Eggs undertakes a structured engagement process with public stakeholders through the Egg Industry Sustainability Framework. This process is centred around a large-scale community survey of Australians to explore priority issues for the Australian public. Through stakeholder engagement and support, these priorities are then incorporated into Australian Eggs' work program and reported on as part of an annual cycle.

Key Performance Indicators	
Strategy development includes appropriate consultation plans	› <i>Stakeholder Consultation Plan</i> published on website detailing thorough cycle of engagement, consistent with Best Practice Guideline › Consultation processes identified in Strategic and Annual Operating Plans
Demonstrated stakeholder engagement in the identification of RD&E priorities	› Informal feedback collated and reflected in Industry Snapshot Survey › Industry Snapshot Survey results published identifying issues facing the industry, areas of continued investment and areas of new investment › 30 industry representative body engagements › Egg farmer satisfaction rating with engagement opportunities 7.1 › 5,167 Australians surveyed as part of Sustainability Framework Community Survey and result released publicly
Incorporation of industry stakeholder feedback on RD&E priorities and activities	› Industry Snapshot Survey results form the basis of innovation program requests for proposals and Innovation ICC meetings › Sustainability Framework community priorities form the basis of Sustainable Growth innovation projects › Stakeholder feedback reflected in all key publications: Strategic Plan, Monthly Aus Eggs Update, Program overviews, Evaluation Framework, Sustainability Framework, Quarterly Magazine, Innovation extension content, Annual Operating Plan and Annual Report

Performance Principles (continued)

Balanced Portfolio

Ensure RD&E is strategic, collaborative and targeted through a balanced portfolio.

Australian Eggs maintains a balanced portfolio of innovation projects which is developed with reference to industry and government stakeholder priorities. The balance struck between strategic and adaptive, high and low risk and short- and long-term investments under operating plans is ultimately driven by stakeholder consultation and the nature of issues facing the egg industry.

During the stakeholder consultation for Australian Eggs current and previous Strategic Plans, levy payers expressed a preference for adaptive, shorter term and lower risk innovation projects that have the capacity to deliver benefits on the ground in a commercially relevant timeframe.

While this is a clear preference, engagement with levy payers in developing and executing operation plans has demonstrated a preparedness to also support longer term and more strategic investments. This generally arises in circumstances where complex industry issues, such as productivity improvements or biosecurity challenges, need to be explored through foundational research at first instance before adaptive projects with adoptable outputs can be undertaken.

Australian Eggs also ensures that its innovation activities are developed with reference to the Government Science and Research priorities (food, health, soil and water and energy) and the Innovation Priorities (trust, climate resilience, biosecurity, digital agriculture).

Key Performance Indicators	
Investments align with strategic plans and have demonstrated outcomes	› Annual Operating Plan structure demonstrates clear links between strategies under Strategic Plan, programs and projects › Outcomes identified for all projects and detailed in Annual Report › Benefit cost criteria applied in Innovation Consultative Committee project selection criteria and in published BCA's for all finalised innovation projects
Levy payers gain new knowledge to improve productivity	› Average benefit cost assessment ratio of 3.23 › 38 farmer engagement opportunities › 40 new publications produced
Levy payers are or intend to make changes	› 71% of egg farms currently implementing or plan to implement changes to improve environmental footprint

Performance Principles (continued)

Collaboration

Strategic and sustained collaboration that addresses shared challenges.

As one of the smaller RDCs, Australian Eggs has always recognised the power of cross sector collaboration to leverage resources and expand the impact of activities for our stakeholders. For this reason, Australian Eggs adopts a system-wide approach to RDC collaboration begins which involves both exploring innovation opportunities that could most efficiently be pursued on a collaborative basis as well as identifying areas in which collective investment is necessary to pursue opportunities beyond the egg industry.

Australian Eggs works closely with the Council of Rural RDCs in engaging with government stakeholders to identify innovation priorities at a cross-sector level.

The practical steps to pursue opportunities and avoid duplication at a program level are then examined through AgriFutures Emerging National Rural Issues process, as well as ad hoc partnerships. This includes Australian

Eggs regularly collaborating with the Agrifutures Chicken Meat program on issues that impact both poultry industries. Australian Eggs is also participating in AgriFutures’ grow^{AG} platform to ensure our innovation outcomes are available to all participants in the innovation system, including potential commercial investors overseas.

In addition to these processes, Australian Eggs has joined with other RDCs to form Agriculture Innovation Australia to drive cross-sector transformational innovation that has previously been challenging to identify and progress. This will include engaging with the eight regional Innovation Hubs to ensure a critical mass of cohesive innovation investments can be established in regional areas where the greatest extension opportunity exists. Australian Eggs is already working with AIA and will explore collaboration opportunities that AIA is able to identify as a complement to ongoing program level collaborative investments.

Key Performance Indicators	
Completed R&D and commercialisation opportunities are accessible through the grow ^{AG} platform	➤ All completed projects listed on the grow^{AG} platform ➤ 67 projects listed ➤ A total of 186 enquiries aggregated total across 15 RDCs
Number and quantum of cross-industry and cross-sector RD&E investments	➤ 6 collaborative projects ➤ \$85,606 committed to collaborative projects and initiatives ➤ 7% of innovation program co-invested

Performance Principles (continued)

Monitoring and Evaluation

Demonstrate positive outcomes and continuous improvement.

As part of Australian Eggs' Governance Cycle and *Stakeholder Consultation Plan*, a range of steps are taken to ensure effective monitoring and evaluation mechanism are in place. This begins with the five-year Strategic Plan which identifies bold outcomes to work towards and the strategies that will be implemented to pursue them.

These strategies are incorporated to Annual Operating Plans with strategies and program performance indicators defined at the commencement of the AOP, including the CRDC Benefit Cost Analyses methodology being applied on all completed research projects. This process is then mirrored at the end of the financial year with the publication of an *Evaluation*

Framework Report which provides for transparent reporting of performance against targets.

Separately, Australian Eggs conducts an annual Industry Snapshot Survey which assists in monitoring Australian Eggs performance in terms of levy payer satisfaction and impact. Finally, Australian Eggs' Funding Contract provides for an Independent Performance Review to be conducted periodically by governance experts and made publicly available. This process provides for an in-depth examination of Australian Eggs' operations to ensure the right systems are in place internally and externally to meet stakeholder expectations.

Key Performance Indicators	
Impact assessment undertaken	› BCA conducted on all eight completed R&D projects › Ongoing assessment of marketing campaign performance › Cost benefit ratio of innovation projects of 3.26 › Annual egg consumption increased to 266 eggs per capita
Responsive to outcomes of monitoring and evaluation	› Structured incorporation of ICC feedback into program execution › Structured incorporation of industry Snapshot Survey to innovation program development › Incorporation of Industry Snapshot Survey and Evaluation Framework outcomes into strategy and AOP development
Transparent communication of benefits	› Public engagement on research outcomes as part of Sustainability Framework › Publication of Evaluation Framework showing progress against Strategic Plan goals › Publication of Industry Snapshot Survey results showing industry perspectives on activities and priorities

Performance Principles (continued)

Governance

Fulfil legislative requirements and align with best practice.

In the context of the new Funding Contract 2021-31, Australian Eggs has developed a Governance Framework that incorporates the compliance measures previously overseen by the Department of Agriculture, Fisheries and Forestry, along with the new Performance Principles.

The Governance Framework is monitored by the Board and Board Committees, which are currently the Audit & Risk Committee and the Nominations and Culture Committee.

A significant focus of the Audit & Risk Committee is the financial audit which ensures accountability and transparency over the way Australian Eggs deploys levy payer and public funds. The Committee also oversees the evolution of the risk management,

fraud control and IP management plans and compliance with the Funding Contract and Corporation Act. The Committee meets four times a year and is composed of all non-executive directors.

These internal measures are complemented with a cycle of transparent reporting that allows all stakeholders to understand how Australian Eggs operates and investments are made. Through the Strategic Plan, Annual Operating Plan, Evaluation Framework, Financial Reports, Annual Report and periodic Independent Performance Reviews, industry, government and public stakeholders can access Australian Eggs' short and long term plans, reporting on outcomes and improvements implemented over time.

Key Performance Indicators	
Oversight, planning and reporting of investment activities	› Financial reforecast and independent audit reviewed by Audit & Risk Committee › Board and Audit & Risk Committee review and approval of AOP development › Board oversight of Evaluation Framework and Annual Report
Management of financial and non financial risks	› Risk Management Plan in operation and reviewed by Audit & Risk Committee annually › Fraud Control System in operation and reviewed by Audit & Risk Committee annually › Business Continuity Plan in operation and reviewed annually by Audit & Risk Committee › Comprehensive insurances in place and reviewed annually
Policies and procedures in operation	› Comprehensive Policy Manual in operation with regular reviews by management › People policies reviewed annually by Nominations and Culture Committee › Governance policies review annually by Audit & Risk Committee › Board approval of all policies annually
Non-financial resources implemented effectively	› People and Culture Plan in operation with performance monitored by Nominations and Culture Committee › IT capability, security and redundancy monitored under Business Continuity Plan reviewed annually by Audit & Risk Committee › IP Management Plan operating and reviewed annually by Audit & Risk Committee

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Director's Report

Your directors submit their report, together with the financial statements of Australian Eggs Limited ("the Company") for the year ended 30 June, 2024.

Directors

The names of directors of Australian Eggs Limited in the office during the financial year and until the date of this report were:

- › Danny Jones
- › Grant Dearden
- › Bede Burke
- › Sarah Britton (appointed on 23 February 2024)
- › Elizabeth Rowell
- › Catherine Cooper (resigned on 21 February 2024)
- › Rowan McMonnies

Objectives, principal activities, strategies for achieving objectives

The principal activities during the year were the provision of marketing and research and development and industry services on behalf of the egg industry in Australia.

The principal activities of Australian Eggs are in line with the objects of the Company as described in Section 2 of the Company's Constitution. The long term objective of the Company is to provide leadership in Industry Service Provision including, Promotion and R&D services that advance the interest of the Australian Egg Industry.

The objectives are carried out via short term programs and projects. Programs in marketing across a range of media both to consumers and to healthcare professionals. The principal measure of the success of promotion activities is increased egg consumption. Other measures and performance indicators are found on the Company's website, in the Annual Operating Plan and the Evaluation Framework.

Research and Development programs and projects are selected for their value of contribution towards the goal of sustainable production in Australian egg farms.

The Australian Eggs Limited deficit for the year ended 30 June 2024 was \$720,779 (2023: deficit of \$973,333).

All projects undertaken by the Company including their purpose, funding and measurement criteria are approved in the Australian Eggs Annual Operating Plan (AOP) by the Australian Government Department of Agriculture, Water and the Environment. Australian Eggs reports on the progress of all projects annually in the Evaluation Framework on the Australian Eggs website in the Australian Eggs publication *Eggstra!*, in twice yearly meeting with the Department of Agriculture, Water and the Environment and in the Company's Annual Report.

The directors consider that the Company will be able to continue as a going concern as it has as at 30 June 2024 net assets of \$3,155,053 (2023: \$3,875,832), working capital of \$3,033,039 (2023: \$3,714,185) and cash and cash equivalents of \$3,080,351 (2023: \$3,439,603).

Directors' qualifications

The Company's constitution s13.1(c) states that the Company may have up to four elected directors and three specialist directors, one of whom will be the Managing Director. In accordance with s13.4(h) of the Company's Constitution, the Company's Board consists of three elected and three specialist directors who have demonstrated skills in egg production, the three specialist directors who have demonstrated skills in egg production, the processing of egg products, product promotion and business and financial management, with at least one director highly skilled in corporate governance.

The Managing Director, Rowan McMonnies, holds a Bachelor of Laws degree, a Master of Commerce and is a graduate of the Australian Institute of Company Directors.

The Chair, Danny Jones, has over 25 years experience in the egg industry and holds an Advanced Diploma in Business. He is a graduate of the Australian Institute of Company Directors.

Grant Dearden is as the National Sales and Marketing Manager of Pace Farm, Grant Dearden has over 18 years' experience in the Australian egg industry. Grant has a deep understanding of major chain and independent retailers, major foodservice operators and ingredient manufacturers, as well as the intricacies of the day to day running of an egg business.

Bede Burke has been a partner in a successful mixed farming, including egg, business for many years. He holds a Bachelor of Science degree and a Graduate Diploma

Director's Report (continued)

Meetings to June 30 2024	Full Board		Audit & Risk Committee		Nominations & Culture	
	Attended	Held	Attended	Held	Attended	Held
Danny Jones	8	8	4	4	2	2
Catherine Cooper (Resigned on 21 February 2024)	4	8	1	4	1	2
Bede Burke	8	8	4	4	2	2
Elizabeth Rowell	8	8	3	4	2	2
Rowan McMonnies	8	8	4	4	2	2
Grant Dearden	7	8	3	4	2	2
Sarah Britton (Appointed on 23 February 2024)	3	8	2	4	-	2

of Business. Bede was appointed a Member of the Order of Australia ("AM") for significant service to the egg production industry.

Catherine Cooper has a Bachelor of Laws degree and is a Fellow of the Australian Institute of Company Directors. She resigned on 21 February 2024.

Elizabeth Rowell holds a Bachelor of Arts (Honours, Economic History), a Graduate certificate in Business, and is a Graduate of the Australian Institute of Company Directors.

Sarah Britton holds a Bachelor of Veterinary Science and Diploma of Veterinary Clinical Studies from the University of Sydney and is a Graduate of the Australian Institute of Company Directors.

Directors' qualifications are further detailed in the Annual Report.

Company secretary

April Thomas has held the position of Company Secretary since 9 October 2020. She holds a Bachelor of Commerce Law and a Master of Laws.

Meetings of directors

During the year to 30 June 2024 there were 8 meetings of directors. During the year to 30 June 2024 the Audit & Risk Committee met 4 times.

During the year to 30 June 2024 there were 2 meetings of Nominations and Culture.

Corporate information

Australian Eggs Limited is a company limited by guarantee that is incorporated and domiciled in Australia. Australian Eggs Limited employed 11 employees at 30 June 2024 (2023: 9).

Contributions on winding up

As per Rule 4 of the Company's Constitution, in the event of the Company's being wound up, each member is liable for Australian Eggs Limited debts and liabilities for an amount not exceeding \$1.

At 30 June 2024 Australian Eggs Limited had 75 members (2023: 86). Were Australian Eggs Limited to have been wound up on that date, members would be liable to contribute a total of \$75 (2023: \$86).

Auditor's independence declaration

A copy of the auditor's independence declaration as required under section 307C of the Corporations Act 2001 is set out immediately after this directors' report.

This report is made in accordance with a resolution of directors, pursuant to section 298(2)(a) of the Corporations Act 2001. On behalf of the directors

Danny Jones
Chair

23 August 2023



RSM Australia Partners

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AUDITOR'S INDEPENDENCE DECLARATION

As lead auditor for the audit of the financial report of Australian Eggs Limited for the year ended 30 June 2024, I declare that, to the best of my knowledge and belief, there have been no contraventions of:

- (i) the auditor independence requirements of the *Corporations Act 2001* in relation to the audit; and
- (ii) any applicable code of professional conduct in relation to the audit.

RSM

RSM AUSTRALIA PARTNERS

P Kanellis

Peter Kanellis
Partner

Sydney, NSW
Dated: 23 August 2024

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General Information

The financial statements cover Australian Eggs Limited (“the Company”) as an individual entity. The financial statements are presented in Australian dollars, which is Australian Eggs Limited’s functional and presentation currency.

Australian Eggs Limited is a not-for-profit unlisted public company limited by guarantee, incorporated and domiciled in Australia. Its registered office and principal place of business is:

Suite 602, Level 6 / 132 Arthur Street
North Sydney NSW 2060

A description of the nature of the Company’s operations and its principal activities are included in the directors’ report, which is not part of the financial statements.

The financial statements were authorised for issue, in accordance with a resolution of directors, on 22 August 2024. The directors have the power to amend and reissue the financial statements.

Statement of surplus or deficit & other comprehensive income

For the year ended 30 June 2024

	Note	2024 \$	2023 \$
Revenue	3	10,647,988	10,839,414
Expenses			
Corporate and governance	4	(1,129,598)	(1,311,384)
Marketing	4	(5,170,167)	(5,364,343)
Innovation	4	(1,575,722)	(1,406,084)
Sustainable growth	4	(1,408,367)	(1,606,091)
Engagement	4	(2,000,619)	(2,056,371)
Levy collection costs	4	(16,294)	(12,474)
Egg farmers of Australia		(68,000)	(56,000)
(Deficit)/surplus before income tax expense		(720,779)	(973,333)
Income tax expense		-	-
(Deficit)/surplus after income tax expense for the year		(720,779)	(973,333)
Other comprehensive income for the year, net of tax		-	-
Total comprehensive (deficit)/surplus for the year		(720,779)	(973,333)

The above statement of surplus or deficit and other comprehensive income should be read in conjunction with the accompanying notes.

Statement of financial position

For the year ended 30 June 2024

	Note	2024 \$	2023 \$
Assets			
Current assets			
Cash and cash equivalents	7	3,080,351	3,439,603
Trade and other receivables	8	851,322	1,391,812
Total current assets		3,931,673	4,831,415
Non-current assets			
Trade and other receivables	8	98,668	98,668
Right-of-use assets	9	161,338	284,207
Property, plant and equipment		31,101	52,913
Intangibles		-	6,026
Total non-current assets		291,107	441,814
Total assets		4,222,780	5,273,229
Liabilities			
Current liabilities			
Trade and other payables	10	658,922	899,244
Lease liabilities	11	130,689	118,864
Employee benefits	12	109,023	99,122
Total current liabilities		898,634	1,117,230
Non-current liabilities			
Lease liabilities	11	45,262	175,951
Employee benefits	12	90,091	70,476
Provisions	13	33,740	33,740
Total non-current liabilities		169,093	280,167
Total liabilities		1,067,727	1,397,397
Net assets		3,155,053	3,875,832
Equity			
Retained surpluses		3,155,053	3,875,832
Total equity		3,155,053	3,875,832

The above statement of surplus or deficit and other comprehensive income should be read in conjunction with the accompanying notes.

Statement of changes in equity

For the year ended 30 June 2024

	Retained surpluses \$	Total equity \$
Balance at 1 July 2022	4,849,165	4,849,165
Deficit after income tax expense for the year	(973,333)	(973,333)
Other comprehensive income for the year, net of tax	-	-
Total comprehensive deficit for the year	(973,333)	(973,333)
Balance at 30 June 2023	3,875,832	3,875,832

	Retained surpluses \$	Total equity \$
Balance at 1 July 2023	3,875,832	3,875,832
Deficit after income tax expense for the year	(720,779)	(720,779)
Other comprehensive income for the year, net of tax	-	-
Total comprehensive deficit for the year	(720,779)	(720,779)
Balance at 30 June 2024	3,155,053	3,155,053

The above statement of surplus or deficit and other comprehensive income should be read in conjunction with the accompanying notes.

Statement of cash flows

For the year ended 30 June 2024

	Note	2024 \$	2023 \$
Cash flows from operating activities			
Receipts from customers (inclusive of GST)		12,097,882	12,416,609
Payments to suppliers and employees (inclusive of GST)		(12,470,991)	(11,406,568)
		(373,109)	1,010,041
Interest received		143,107	11,319
Interest and other finance costs paid		(11,393)	(17,012)
Net cash from operating activities		(241,395)	1,004,348
Cash flows from investing activities			
Payments for property, plant and equipment		-	(20,006)
Proceeds from disposal of property, plant and equipment		1,007	-
Net cash used in investing activities		1,007	(20,006)
Cash flows from financing activities			
Repayment of lease liabilities		(118,864)	(121,633)
Net cash used in financing activities		(118,864)	(121,633)
Net (decrease) increase in cash and cash equivalents		(359,252)	862,709
Cash and cash equivalents at the beginning of the financial year		3,439,603	2,576,894
Cash and cash equivalents at the end of the financial year	7	3,080,351	3,439,603

The above statement of surplus or deficit and other comprehensive income should be read in conjunction with the accompanying notes.

Notes to the financial statements

Note 1. Material accounting policy information

The accounting policies that are material to the Company are set out either in the respective notes or below. The accounting policies adopted are consistent with those of the previous financial year, unless otherwise stated.

New or amended Accounting Standards and Interpretations adopted

The Company has adopted all of the new or amended Accounting Standards and Interpretations issued by the Australian Accounting Standards Board ('AASB') that are mandatory for the current reporting period.

Any new or amended Accounting Standards or Interpretations that are not yet mandatory have not been early adopted.

Basis of preparation

These general purpose financial statements have been prepared in accordance with Australian Accounting Standards – Simplified Disclosures issued by the Australian Accounting Standards Board ('AASB'), the and the Corporations Act 2001, as appropriate for not-for-profit oriented entities.

Historical cost convention

The financial statements have been prepared under the historical cost convention.

Critical accounting estimates

The preparation of the financial statements requires the use of certain critical accounting estimates. It also requires management to exercise its judgement in the process of applying the Company's accounting policies. The areas involving a higher degree of judgement or complexity, or areas where assumptions and estimates are significant to the financial statements, are disclosed in note 2.

Income tax

Australian Eggs Limited is exempt from company income taxation.

Current and non-current classification

Assets and liabilities are presented in the statement of financial position based on current and non-current classification.

An asset is classified as current when: it is either expected to be realised or intended to be sold or consumed in the Company's normal operating cycle; it is held primarily for the purpose of trading; it is expected to be realised within 12 months after the reporting period; or the asset is cash or cash equivalent unless restricted from being exchanged or used to settle a liability for at least 12 months after the reporting period. All other assets are classified as non-current.

A liability is classified as current when: it is either expected to be settled in the Company's normal operating cycle; it is held primarily for the purpose of trading; it is due to be settled within 12 months after the reporting period; or there is no unconditional right to defer the settlement of the liability for at least 12 months after the reporting period. All other liabilities are classified as non-current.

Impairment of non-financial assets

Non-financial assets are reviewed for impairment whenever events or changes in circumstances indicate that the carrying amount may not be recoverable. An impairment loss is recognised for the amount by which the asset's carrying amount exceeds its recoverable amount.

Recoverable amount is the higher of an asset's fair value less costs of disposal and value-in-use. The value-in-use is the present value of the estimated future cash flows relating to the asset using a pre-tax discount rate specific to the asset or cash-generating unit to which the asset belongs. Assets that do not have independent cash flows are grouped together to form a cash-generating unit.

Economic dependency

The Company is economically dependent on statutory levies received from the egg industry and Australian Government contributions.

Notes to the financial statements (continued)

Goods and Services Tax ('GST')

Revenues, expenses and assets are recognised net of the amount of associated GST when:

- › the amount of GST recoverable from, or payable to, the taxation authority is included as part of other assets or other liabilities in the Statement of Financial Position.
- › cash flows are included in the Statement of Cash Flows on a gross basis and the GST component of cash flows arising from investing and financing activities, which is recoverable from, or payable to, the taxation authorities are classified as operating cash flows. Commitments and contingencies are disclosed net of the amount of GST recoverable from, or payable to, the taxation authority.

Note 2. Critical accounting judgements, estimates and assumptions

In the application of the Company's accounting policies, management is required to make judgments, estimates and assumptions about the carrying values of assets and liabilities that are not readily apparent from other sources. The estimates and associated assumptions are based on historical experience and various other factors that are believed to be reasonable under the circumstances, the results of which form the basis of making the judgments. Actual results may differ from these estimates.

The estimates and underlying assumptions are reviewed on an ongoing basis. Revisions to accounting estimates are recognised in the period in which the estimate is revised if the revision affects only that period or in the period of the revision and future periods if the revision affects both current and future periods.

Notes to the financial statements (continued)

Note 3. Revenue

	2024 \$	2023 \$
Revenue from contracts with customers		
Egg promotion levies	5,231,817	5,419,038
Laying chicken (R&D) levies	2,495,931	2,534,258
Government contributions	2,495,889	2,534,119
	10,223,637	10,487,415
Other revenue		
Advertising	45,049	39,038
Associate membership	68,974	56,087
Functions	10,700	15,000
Grant income	-	134,874
Interest	143,107	11,319
Royalties	93,840	31,812
Other	62,681	63,869
	424,351	351,999
Total Revenue	10,647,988	10,839,414
Disaggregation of revenue		
The disaggregation of revenue from contracts with customers is as follows:		
Type of revenue		
Levies and government contributions	10,223,637	10,487,415
Geographical regions		
Australia	10,223,637	10,487,415
Timing of revenue recognition		
Revenue recognised at a point in time	10,223,637	10,487,415

Notes to the financial statements (continued)

Note 3. Revenue (continued)

Accounting policy for revenue recognition

Revenue is recognised at an amount that reflects the consideration to which the Company is expected to be entitled in exchange for transferring goods or services to a customer. For each contract with a customer, the Company: identifies the contract with a customer; identifies the performance obligations in the contract; determines the transaction price which takes into account estimates of variable consideration and the time value of money; allocates the transaction price to the separate performance obligations on the basis of the relative stand-alone selling price of each distinct good or service to be delivered; and recognises revenue when or as each performance obligation is satisfied in a manner that depicts the transfer to the customer of the goods or services promised.

Australian Government matching funds

The Australian Government matches funding on a dollar basis on approved research and development funded projects, up to a level of half of the total expenditure on research and development or up to 0.5% of the industry's gross production, and not exceeding the cumulative amount of contributions provided by the industry. Government matching funds are recognised as revenue upon incurring the eligible research and development program expenditure.

Levy receipts

The Levies Revenue Service of the Department of Agriculture, Water and the Environment collects statutory levies (Laying Chicken levies and Egg Promotion levies) on behalf of the Company. Revenue from levies is recognised as revenue upon accrual of the levy amounts.

Application of funds

In accordance with the Statutory Funding Contract between the Commonwealth of Australia and the Company, the Company must spend levies collected in a manner that is consistent with the Strategic Plan and annual operating plans approved by the Australian Government.

Government grants

A number of the Company's projects are supposed by grants received from the government. If conditions are attached to a grant which must be satisfied before the Company is no longer required to repay the grant, recognition of the grant as revenue is deferred until the conditions are satisfied.

Interest

Interest revenue is recognised on a proportional basis taking into account interest rates applicable to the asset.

Other revenue

Other revenue is recognised when it is received or when the right to receive payment is established.

Notes to the financial statements (continued)

Note 4. Program expense by operating goal

(a) Corporate and Governance

The Key Expense Areas within the Corporate and Governance goal are:

	Efficient Team	Governance		
			2024 \$	2023 \$
Accounting and administration			376,947	522,314
Premises			44,373	47,792
Board/AGM expenses			65,164	89,551
Employment expenses			643,114	651,727
			1,129,598	1,311,384

(b) Marketing

The Key Focus Areas with the Marketing goal are:

	Consumer	Health Care Professionals	Next Generation		
				2024 \$	2023 \$
Projects/activities				4,488,329	4,702,493
Project travel				2,999	1,343
Program management costs				678,839	660,507
				5,170,167	5,364,343

Notes to the financial statements (continued)

Note 4. Program expense by operating goal (continued)

(c) Innovation

The Key Focus Areas with the Innovation goal are:

Flock Health	Flock Life	Welfare		
			2024 \$	2023 \$
Projects/activities			1,126,856	969,517
Program management costs			448,866	436,567
			1,575,722	1,406,084

(d) Sustainable Growth

The Key Focus Areas with the Sustainable Growth goal are:

Nutrition	Environment	Food Safety	Sustainability Framework		
				2024 \$	2023 \$
Projects/activities				1,020,410	1,290,902
Project travel				295	2,258
Program management costs				387,662	312,931
				1,408,367	1,606,091

Notes to the financial statements (continued)

Note 4. Program expense by operating goal (continued)

(e) Engagement

The Key Focus Areas with the Engagement goal are:

Consultation	Collaboration	Extension		
			2024 \$	2023 \$
Projects/activities			1,378,743	1,584,201
Project travel			85,134	63,697
Program management costs			536,742	408,473
			2,000,619	2,056,371

(f) Levy collection costs

	2024 \$	2023 \$
Levy collection cost – egg promotion levy	12,792	3,099
Levy collection cost – laying chicken levy	3,502	9,375
	16,294	12,474

Notes to the financial statements (continued)

Note 5. Research and development expenditure

Aggregate research and development expenditure includes all project expenditure funded by the Laying Chicken Levy and Corporate overheads applicable to those projects

	2024 \$	2023 \$
Aggregate research and development expenditure	5,541,534	5,657,053

These disclosures are required under the Funding Contract 2021-2031.

Note 6. Net deficit

The net (deficit)/surplus has been arrived at inclusive of these items:

	2024 \$	2023 \$
Depreciation and amortisation	146,687	170,285
Employee costs	1,951,208	1,863,803
Interest expense	11,393	17,012
	2,109,288	2,051,100

Note 7. Cash and cash equivalents

	2024 \$	2023 \$
Current assets		
Cash on hand	-	250
Cash at bank	3,080,351	3,439,353
	3,080,351	3,439,603

Accounting policy for cash and cash equivalents

Cash and cash equivalents includes cash on hand, deposits held at call with financial institutions, other short-term, highly liquid investments with original maturities of three months or less that are readily convertible to known amounts of cash and which are subject to an insignificant risk of changes in value.

Notes to the financial statements (continued)

Note 8. Trade and other receivables

Australian Eggs Limited is obliged to maintain a security deposit for the rental of the business premises at Arthur Street, North Sydney. The security deposit will be returned on the end of the lease on 31 October 2025.

	2024 \$	2023 \$
Current assets		
Trade receivables	97,326	210,950
Other receivables	232,997	661,887
Prepayments	520,999	518,975
	851,322	1,391,812
Non-current assets		
Security deposit	98,668	98,668
Total trade and other receivables	949,990	1,490,480

Australian Eggs Limited is obliged to maintain a security deposit for the rental of the business premises at Arthur Street, North Sydney. The security deposit will be returned on the end of the lease on 31 October 2025.

Accounting policy for trade and other receivables

Trade receivables are recognised and carried at original invoice amount less any allowance for expected credit losses. An allowance for doubtful debts is recognised when collection of the full amount is no longer probable. Bad debts are written off as incurred.

The Company has applied the simplified approach to measuring expected credit losses, which uses a lifetime expected loss allowance. To measure the expected credit losses, trade receivables have been grouped based on days overdue.

Other receivables are recognised at amortised cost, less any allowance for expected credit losses.

Notes to the financial statements (continued)

Note 9. Right-of-use assets

	2024 \$	2023 \$
Non-current assets		
Land and buildings – right-of-use	794,729	794,729
Less: Accumulated depreciation	(634,883)	(514,997)
	159,846	279,732
Office equipment		
Office equipment – right-of-use	14,916	14,916
Less: Accumulated depreciation	(13,424)	(10,441)
	1,492	4,475
	161,338	284,207

Reconciliations

Reconciliations of the written down values at the beginning and end of the current financial year are set out below:

	Land and buildings \$	Office equipment \$	Total \$
Balance at 1 July 2023	279,732	4,475	284,207
Depreciation expense	(119,886)	(2,983)	(122,869)
Balance at 30 June 2024	159,846	1,492	161,338

Accounting policy for right-of-use assets

A right-of-use asset is recognised at the commencement date of a lease. The right-of-use asset is measured at cost, which comprises the initial amount of the lease liability, adjusted for, as applicable, any lease payments made at or before the commencement date net of any lease incentives received, any initial direct costs incurred, and, except where included in the cost of inventories, an estimate of costs expected to be incurred for dismantling and removing the underlying asset, and restoring the site or asset.

Right-of-use assets are depreciated on a straight-line basis over the unexpired period of the lease or the estimated useful life of the asset, whichever is the shorter. Where the Company expects to obtain ownership of the leased asset at the end of the lease term, the depreciation is over its estimated useful life. Right-of-use assets are subject to impairment or adjusted for any remeasurement of lease liabilities.

The Company has elected not to recognise a right-of-use asset and corresponding lease liability for short-term leases with terms of 12 months or less and leases of low-value assets. Lease payments on these assets are expensed to profit or loss as incurred.

Notes to the financial statements (continued)

Note 10. Trade and other payables

	2024 \$	2023 \$
Current liabilities		
Trade payables	490,927	798,044
Accruals	62,364	59,570
Other payables	105,631	41,630
	658,922	899,244

Accounting policy for trade and other payables

Liabilities for trade creditors and other amounts are carried at cost which is the fair value of the consideration to be paid in the future for the goods and services received, whether or not billed to the Company.

Note 11. Lease liabilities

	2024 \$	2023 \$
Current liabilities		
Lease liability	130,689	118,864
Non-current liabilities		
Lease liability	45,262	175,951
	175,951	294,815
Future lease payments		
Future lease payments are due as follows:		
Within one year	135,882	130,257
One to five years	79,283	181,425
	215,165	311,682

Accounting policy for lease liabilities

A lease liability is recognised at the commencement date of a lease. The lease liability is initially recognised at the present value of the lease payments to be made over the term of the lease, discounted using the interest rate implicit in the lease or, if that rate cannot be readily determined, the Company's incremental borrowing rate. Lease payments comprise of fixed payments less any lease incentives receivable, variable lease payments that depend on an index or a rate, amounts expected to be paid under residual value guarantees, exercise price of a purchase option when the exercise of the option is reasonably certain to occur, and any anticipated termination penalties. The variable lease payments that do not depend on an index or a rate are expensed in the period in which they are incurred.

Notes to the financial statements (continued)

Note 11. Lease liabilities (continued)

Lease liabilities are measured at amortised cost using the effective interest method. The carrying amounts are remeasured if there is a change in the following: future lease payments arising from a change in an index or a rate used; residual guarantee; lease term; certainty of a purchase option and termination penalties. When a lease liability is remeasured, an adjustment is made to the corresponding right-of use asset, or to profit or loss if the carrying amount of the right-of-use asset is fully written down.

The minimum lease payments of operating leases, where the lessor effectively retains substantially all of the risks and benefits of ownership of the leased item, are recognised and are expensed on a straight line basis.

Note 12. Employee benefits

	2024 \$	2023 \$
Current liabilities		
Annual leave	109,023	99,122
Non-current liabilities		
Long service leave	90,091	70,476
Total employee benefits	199,114	169,598

Accounting policy for employee benefits

Provision is made for employee entitlement benefits accumulated as a result of employees rendering services up to the reporting date. These benefits include wages and salaries, annual leave and long service leave.

Liabilities arising in respect of wages and salaries, annual leave and any other employee entitlements expected to be settled within twelve months of the reporting date are measured at their nominal amounts and inclusive of associated on-costs.

All other employee entitlement liabilities are measured at the present value of the estimated future cash outflow to be made in respect of services provided by employees up to the reporting date and inclusive of associated on-costs.

Employee entitlement expenses and revenues arising in respect of the following categories: wages and salaries, non-monetary benefits, annual leave, long service leave, sick leave and other leave entitlements and other types of employee entitlements are charged against surplus or deficit on a net basis in their respective categories.

Notes to the financial statements (continued)

Note 13. Provisions

	2024 \$	2023 \$
Non-current liabilities		
Lease make good	33,740	33,740

Lease make good

The provision represents the present value of the estimated costs to make good the premises leased by the Company at the end of the respective lease terms.

Accounting policy for provisions

Provisions are recognised when the Company has a present (legal or constructive) obligation as a result of a past event, it is probable the Company will be required to settle the obligation, and a reliable estimate can be made of the amount of the obligation. The amount recognised as a provision is the best estimate of the consideration required to settle the present obligation at the reporting date, taking into account the risks and uncertainties surrounding the obligation. If the time value of money is material, provisions are discounted using a current pre-tax rate specific to the liability. The increase in the provision resulting from the passage of time is recognised as a finance cost.

Note 14. Financial risk management

The Company is not exposed to any significant financial risks in respect to the financial instruments that it held at the end of the reporting period.

The board of directors have the overall responsibility for identifying and managing operational and financial risks.

The Company's financial instruments consist mainly of deposits with banks, trade receivables, trade payables and lease liabilities.

The carrying amounts for each category of financial statements are as follows:

	2024 \$	2023 \$
Financial assets		
Cash and cash equivalents	3,080,351	3,439,603
Trade and other receivables	949,990	1,490,480
	4,030,341	4,930,083
Financial liabilities		
Trade and other payables	658,922	899,244
Lease liabilities	175,951	294,815
	834,873	1,194,059

Notes to the financial statements (continued)

Note 15. Key management personnel disclosures

Income paid or payable, or otherwise made available to all directors and key management personnel of Australian Eggs Limited, directly or indirectly, from Australian Eggs Limited or any related party.

	2024 \$	2023 \$
Aggregate compensation	631,367	622,159

Note 16. Contingent liabilities

In the opinion of the directors, the Company did not have any contingencies at 30 June 2024 (30 June 2023: None).

Note 17. Commitments

The Company had no commitments for expenditure as at 30 June 2024 and 30 June 2023.

Note 21. Related party transactions

The directors of Australian Eggs Limited during the financial year were:

- › Danny Jones
- › Bede Burke
- › Elizabeth Rowell
- › Rowan McMonnies
- › Grant Dearden
- › Sarah Britton (appointed on 23 February 2024)
- › Catherine Cooper (resigned on 21 February 2024)

Key management personnel

Disclosures relating to key management personnel are set out in note 15.

Transactions with related parties

Australian Eggs Limited has business transactions with Egg Farmers of Australia Limited, where director Bede Burke is a director of the Company. Egg Farmers of Australia Limited provides biosecurity coordination services to Australian Eggs Limited.

The transactions during the financial year with Egg Farmers of Australia Limited amounted to \$169,200 (2023: \$134,167).

Terms and conditions

All transactions were made on normal commercial terms and conditions and at market rates.

Notes to the financial statements (continued)

Note 19. Remuneration of auditors

During the financial year the following fees were paid or payable for services provided by RSM Australia Partners, the auditor of the Company:

	2024 \$	2023 \$
Audit services – RSM Australia Partners		
Audit of the financial statements	33,000	27,500
Other non-assurance services – RSM Australia Partners		
Other non-assurance services	5,600	10,400
	38,600	37,900

Note 20. Events after the reporting period

No matter or circumstance has arisen since 30 June 2024 that has significantly affected, or may significantly affect the Company's operations, the results of those operations, or the Company's state of affairs in future financial years.

Consolidated entity disclosure statement

Subsection 295(3A)(a) of the Corporations Act 2001 does not apply to the Company, because the Company is not required to prepare consolidated financial statements by Australian Accounting Standards.

Directors' Declaration

In the directors' opinion:

- › the attached financial statements and notes comply with the Corporations Act 2001, the Australian Accounting Standards – Simplified Disclosures, the Corporations Regulations 2001 and other mandatory professional reporting requirements;
- › the attached financial statements and notes give a true and fair view of the Company's financial position as at 30 June 2024 and of its performance for the financial year ended on that date; and
- › there are reasonable grounds to believe that the Company will be able to pay its debts as and when they become due and payable.

Signed in accordance with a resolution of directors made pursuant to section 295(5)(a) of the Corporations Act 2001.

On behalf of the directors

Danny Jones
Chair



23 August 2024

Independent Auditor's Report



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INDEPENDENT AUDITOR'S REPORT To the Members of Australian Eggs Limited

Opinion

We have audited the financial report of Australian Eggs Limited (the Company), which comprises the statement of financial position as at 30 June 2024, the statement of surplus or deficit and other comprehensive income, the statement of changes in equity and the statement of cash flows for the year then ended, and notes to the financial statements, including material accounting policy information, and the directors' declaration.

In our opinion, the accompanying financial report of the Company is in accordance with the Corporations Act 2001, including:

- (i) giving a true and fair view of the Company's financial position as at 30 June 2024 and of its financial performance for the year then ended; and
- (ii) complying with Australian Accounting Standards – *Simplified Disclosures* under AASB 1060 *General Purpose Financial Statements – Simplified Disclosures for For-Profit and Not-for-Profit Tier 2 Entities* and the Corporations Regulations 2001.

Basis for Opinion

We conducted our audit in accordance with Australian Auditing Standards. Our responsibilities under those standards are further described in the *Auditor's Responsibilities for the Audit of the Financial Report* section of our report. We are independent of the Company in accordance with the auditor independence requirements of the Corporations Act 2001 and the ethical requirements of the Accounting Professional and Ethical Standards Board's APES 110 *Code of Ethics for Professional Accountants* (the Code) that are relevant to our audit of the financial report in Australia. We have also fulfilled our other ethical responsibilities in accordance with the Code.

We confirm that the independence declaration required by the Corporations Act 2001, which has been given to the directors of the Company, would be in the same terms if given to the directors as at the time of this auditor's report.

We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion.

Other Information

The directors are responsible for the other information. The other information comprises the information included in the Company's annual report for the year ended 30 June 2024, but does not include the financial report and the auditor's report thereon.

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Independent Auditor's Report (continued)



Our opinion on the financial report does not cover the other information and accordingly we do not express any form of assurance conclusion thereon.

In connection with our audit of the financial report, our responsibility is to read the other information and, in doing so, consider whether the other information is materially inconsistent with the financial report or our knowledge obtained in the audit or otherwise appears to be materially misstated.

If, based on the work we have performed, we conclude that there is a material misstatement of this other information, we are required to report that fact. We have nothing to report in this regard.

Responsibilities of the Directors for the Financial Report

The directors of the Company are responsible for the preparation of the financial report that gives a true and fair view in accordance with Australian Accounting Standards – *Simplified Disclosures* under AASB 1060 *General Purpose Financial Statements – Simplified Disclosures for For-Profit and Not-for-Profit Tier 2 Entities* and the Corporations Act 2001 and for such internal control as the directors determine is necessary to enable the preparation of the financial report that gives a true and fair view and is free from material misstatement, whether due to fraud or error.

In preparing the financial report, the directors are responsible for assessing the ability of the Company to continue as a going concern, disclosing, as applicable, matters related to going concern and using the going concern basis of accounting unless the directors either intend to liquidate the Company or to cease operations, or have no realistic alternative but to do so.

Auditor's Responsibilities for the Audit of the Financial Report

Our objectives are to obtain reasonable assurance about whether the financial report as a whole is free from material misstatement, whether due to fraud or error, and to issue an auditor's report that includes our opinion. Reasonable assurance is a high level of assurance, but is not a guarantee that an audit conducted in accordance with the Australian Auditing Standards will always detect a material misstatement when it exists. Misstatements can arise from fraud or error and are considered material if, individually or in the aggregate, they could reasonably be expected to influence the economic decisions of users taken on the basis of this financial report.

A further description of our responsibilities for the audit of the financial report is located at the Auditing and Assurance Standards Board website at: http://www.auasb.gov.au/auditors_responsibilities/ar4.pdf. This description forms part of our auditor's report.

A stylized, handwritten-style signature of 'RSM' in dark blue ink.

RSM Australia Partners

A handwritten signature of 'Peter Kanellis' in dark blue ink.

Peter Kanellis
Partner

Sydney, NSW
Dated: 26 August 2024



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