

**Title:** Quality Assurance for the Egg Industry

**Project No:** 1EQA

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Egg Corp Assured (ECA) has been financially and administratively managed by AECL since 2005. Adoption of ECA is very reasonable, with 44% of all AECL registered producers, or 76% of the national laying flock, licensed under the scheme. It has the support and recognition of major retail chains and other industry stakeholders. AECL's financial commitment to this activity is very modest (only 1.2% of total expenditure in 2013). In recent years, AECL has moved to develop a new and more comprehensive QA scheme, Egg Standards of Australia (ESA). ESA is ready to be launched, subject to resolution of a number of issues currently being considered by the AECL management and Board.

This study was commissioned in order to address the concern that there is a risk in AECL being both the owner and manager of the industry's certification program, while at the same time providing advice on the industry's needs and resourcing requirements for a QA program into the future.

This project conducted an assessment of the efficiency and ongoing effectiveness of the egg industry quality assurance (QA) scheme via a desktop review and consultation with fifty (50) stakeholders, including egg producers, scheme managers, service providers, government and an animal welfare organisation. Specifically, three fundamental questions were asked of respondents:

1. Does the egg industry need an industry QA scheme?  
*And, if the answer is 'Yes',*
2. Who should own the scheme and who should manage it?  
*And,*
3. What are the resources and structure required to effectively operate a QA scheme with integrity?

The analysis showed that there was significant support for maintaining an industry funded QA scheme owned by AECL. It was considered an essential part of risk management, at business, industry and supply chain level. It may also seem as a vital tool for managing responsibilities of animal health and welfare, quarantine and biosecurity and preparedness, food safety, egg labelling and environmental stewardship.

Based on feedback, five recommendations have been proposed for consideration by the AECL Board:

1. That the AECL Board formally re-confirms its support for an industry QA program;
2. That the AECL Board formally re-confirms that it will be the owner of any QA program developed by the Corporation;
3. That the AECL Board accepts in principle, the QA program management and operational structure proposed; with the detail to be finalised by the Managing Director and presented again for formal approval, together with a detailed Strategic Plan including an income and expenditure budget;
4. Following its decisions on Recommendations 1,2 and 3, the Board requests AECL management prepare and submit for approval a comprehensive 3 or 5 year Strategic Plan for the Corporation's QA program and associated activity; and
5. AECL carry out initial investigations to determine the likely opportunity for overseas sale/licensing of the Egg Standards Australia (ESA) program once it is launched and operating effectively in Australia.

The recommendations of this study will be used by the Board of Australian Egg Corporation Limited (AECL) to determine its future position and policies in this area.