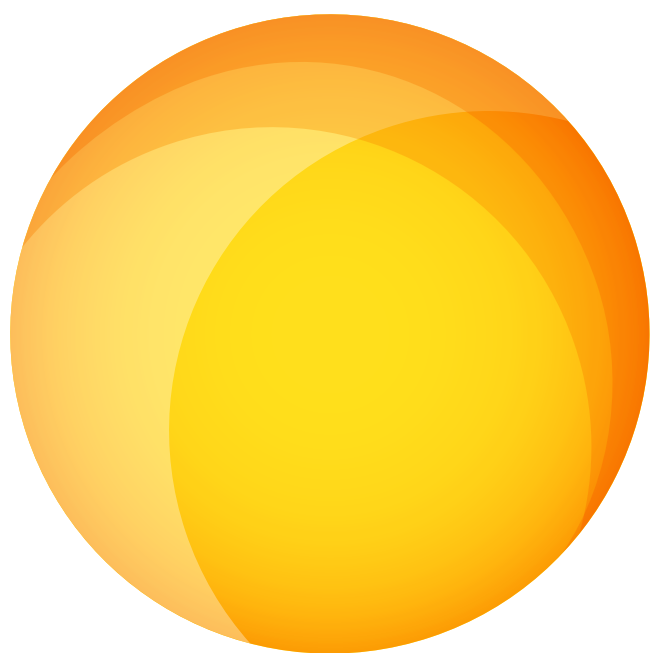


ANNUAL OPERATING PLAN

2017–18



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The AOP reflects
important changes
to the way in which
Australian Eggs
operates

ANNUAL OPERATING PLAN

STRATEGIC PLAN

The Australian Eggs Annual Operating Plan 2017-18 (AOP) has been developed with reference to a wide range of inputs that have determined our priorities for the financial year.

First and foremost, the AOP is an extension of the Australian Eggs Strategic Plan 2017 – 2021 (Strategic Plan) and seeks to bring to life the four goals identified in the Strategic Plan of Value for Money, Increased Consumption, Sustainable Production and Effective Engagement.

To provide greater transparency over our activities, the AOP has been structured so that Key Focus Areas relating to each of Goals are pursued through 29 Programs with identified outcomes. This will allow stakeholders to test for themselves whether the right outcomes are being pursued and the extent to which they are achieved.

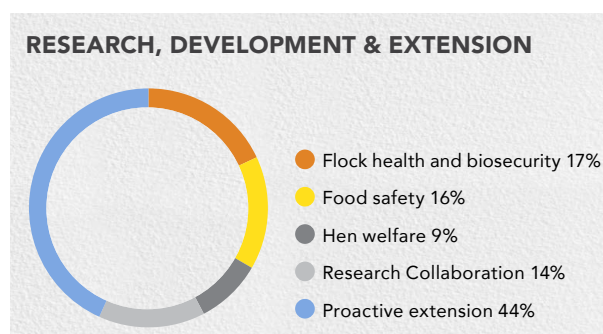
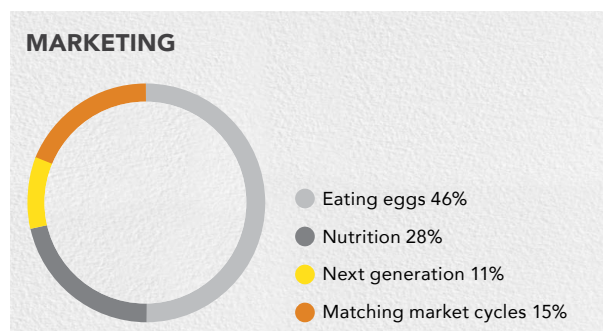
In addition, the AOP reflects important new changes to the way in which Australian Eggs operates that were introduced through the Strategic Plan including:

- refining the responsiveness of our marketing activities to drive increased consumption;
- more focused research and development outputs that are farm transferable;
- greater emphasis on the extension activities required to get outputs to market; and
- improved engagement between Australian Eggs, the industry and the public.



PRIORITIES

The balance of activities under the AOP can be demonstrated by the following charts which display the proportion of funding allocated to each Key Focus Area of the Marketing work program and Research, Development and Extension work program.



STAKEHOLDER CONSULTATION

The Strategic Plan was developed with reference to a detailed stakeholder consultation process.

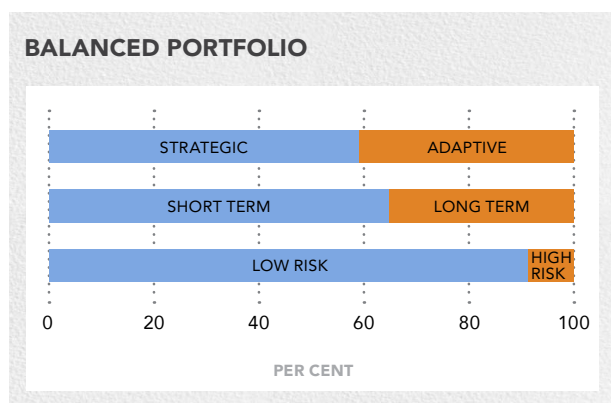
In developing these focus areas into programs and projects in the AOP, we have obtained input from our Marketing and Sustainability Industry Consultative Committees (ICC). This has been supplemented by direct engagement with egg farmers and Industry Representative Bodies to confirm that the proposed approaches reflect industry priorities.

SFA GUIDELINES

BALANCED PORTFOLIO

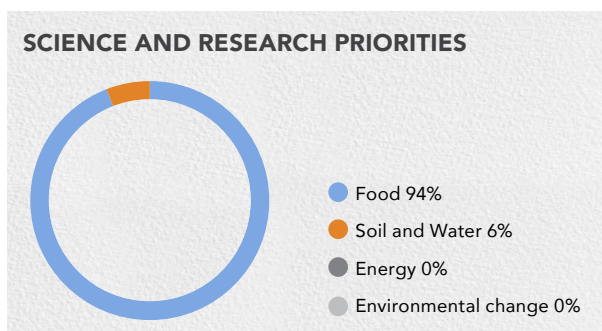
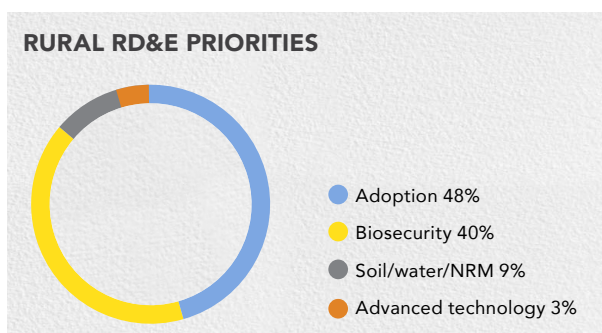
In formulating the AOP we have had regard to requirements under the Australian Eggs' Statutory Funding Agreement 2017-21 with the Department of Agriculture and Water Resources (SFA) as it relates to the requirement that Australian Eggs invest in a balanced portfolio of research projects.

This balance is demonstrated by the charts below which display the proportion of research, development and extension projects under the AOP in each of the strategic/adaptive, short term (1 to 3 years)/long term (4 to 10 years) and high/low risk categories as follows.



RESEARCH PRIORITIES

We have also had regard to the Science and Research Priorities and the Rural RD&E Priorities set by the Federal Government. The impact of these research priorities is demonstrated by the charts below which display the proportion of our research, development and extension projects that align with the research priorities.



EVALUATION FRAMEWORK

In accordance with the SFA, Australian Eggs has developed a framework to evaluate the efficiency, effectiveness and impact of our activities (Evaluation Framework). The Evaluation Framework provides a structured process for the collection of performance information and the evaluation of Australian Eggs Programs.

The Evaluation Framework will be applied to the activities set out in the AOP with the results being the subject of ongoing performance reporting.





We have also
had regard to
the Science and
Research Priorities
and the Rural
RD&E Priorities

PROGRAMS AND OUTCOMES

INCREASED CONSUMPTION KEY FOCUS AREAS



PROGRAMS AND OUTCOMES

SUSTAINABLE PRODUCTION KEY FOCUS AREAS



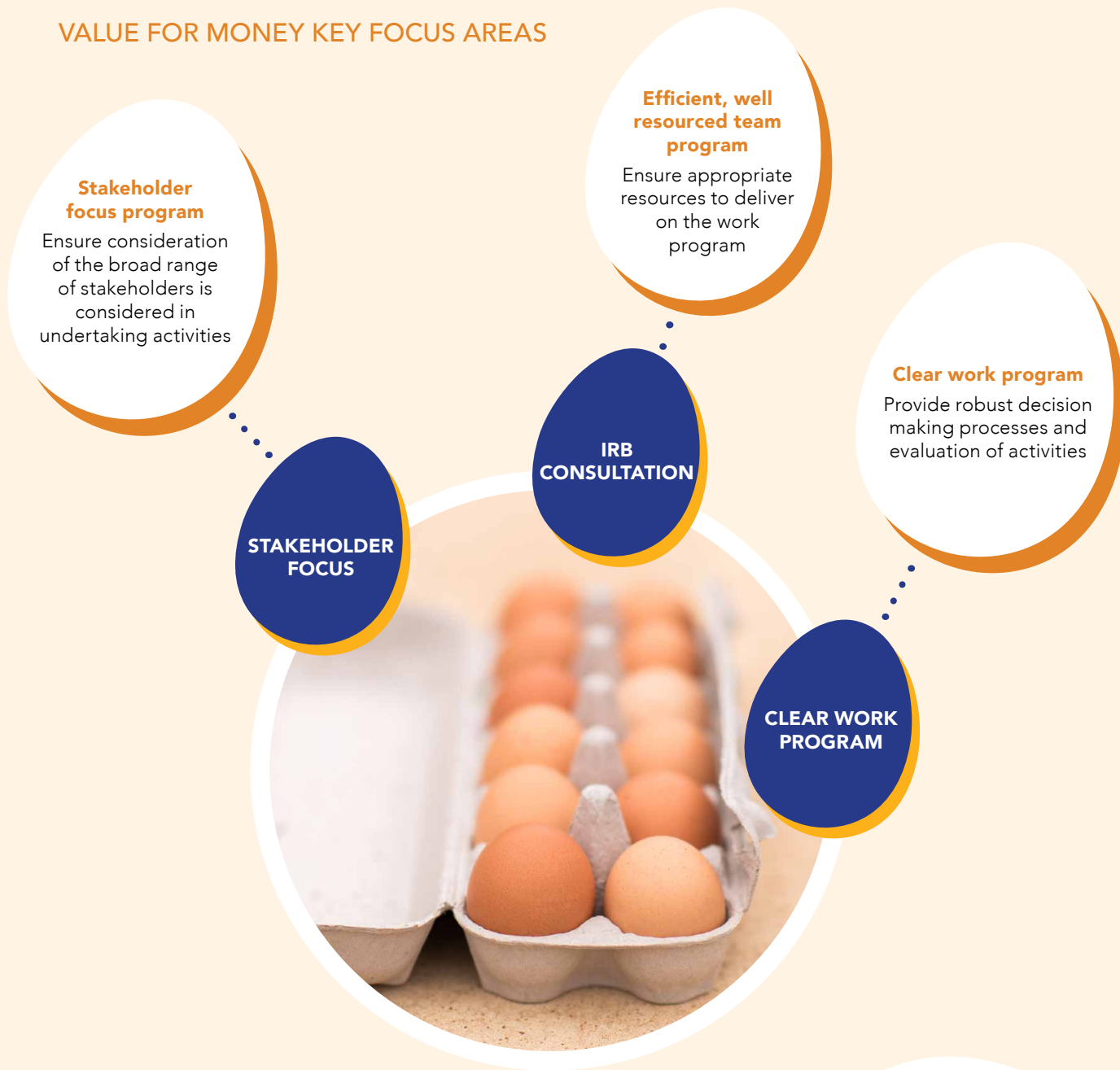
PROGRAMS AND OUTCOMES

EFFECTIVE ENGAGEMENT KEY FOCUS AREAS



PROGRAMS AND OUTCOMES

VALUE FOR MONEY KEY FOCUS AREAS



A photograph of two women walking away from the camera down a long aisle in a poultry farm. The aisle is flanked by multi-tiered metal cages filled with brown chickens. The woman on the left is wearing a blue long-sleeved shirt and a dark blue quilted vest, while the woman on the right is wearing a light beige jacket and dark pants. The floor is concrete and covered with some chicken feed. In the upper right, there is a white cloud-like shape containing a yellow circle with text.

Develop inputs and
processes to maximise
the effectiveness of the
marketing program

KEY PROJECTS

INCREASED CONSUMPTION

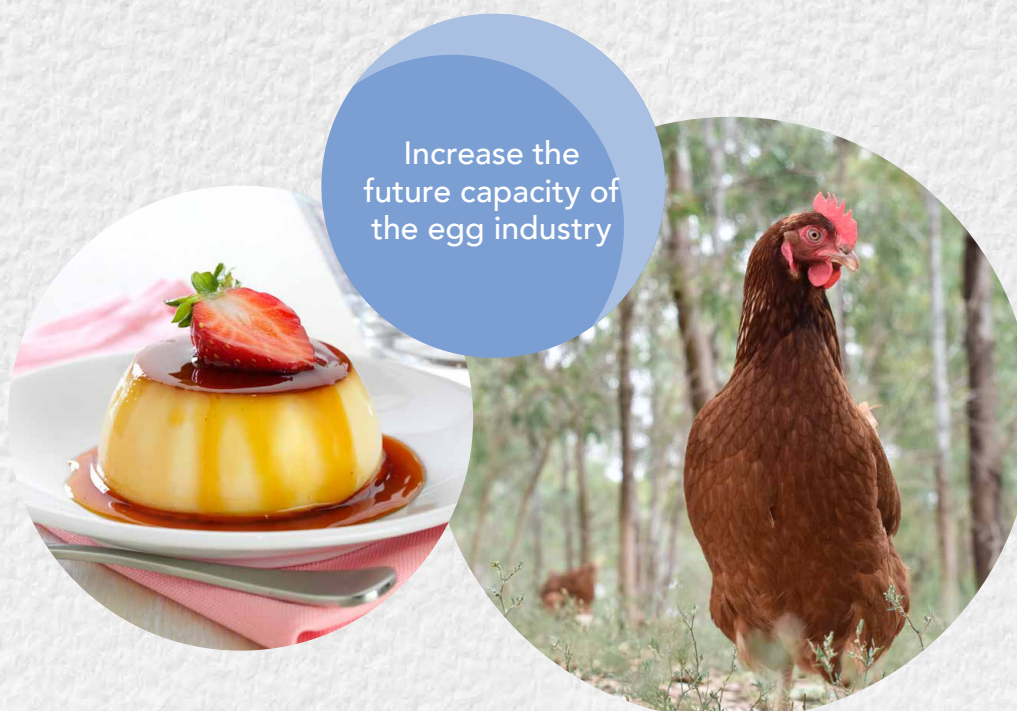
PROJECT	PROGRAM	KEY FOCUS AREA	PURPOSE	OUTCOME
Data and guidelines	Market cycles	Managing Market Cycles	Develop inputs and processes to maximise the effectiveness of the marketing program	<ul style="list-style-type: none"> • Ongoing reporting of egg industry KPIs • Explore sources of additional data • Guidelines and processes for streamlined consideration of additional marketing activities
Schools education	Schools	Next Generation	Provide information on the benefits of eggs and encourage awareness of egg farming	<ul style="list-style-type: none"> • Promote All About Eggs website • Updating school resources • Expand school hatcheries partnership • Development of tablet based games
Consumer advertising and media	Eating eggs	Advertising Program	Develop campaigns to increase market demand and consumption	<ul style="list-style-type: none"> • Develop Unbeatable branding to support Australian Eggs • Media planning and buy for TV, digital and social channels • Develop new creative material
HCP creative development and media	Dietitians and GPs	Nutrition	Increase Dietitians and GP knowledge and encourage positive nutrition advice	<ul style="list-style-type: none"> • Develop creative material for TV, Digital, Social, Magazine channels • Increase the number of HCPs on the database for digital Newsletters



KEY PROJECTS

SUSTAINABLE PRODUCTION

PROJECT	PROGRAM	KEY FOCUS AREA	PURPOSE	OUTCOME
Spotty liver autogenous vaccine	Spotty liver program	Flock health/ Biosecurity	Development of an autogenous vaccine to help manage SLD	<ul style="list-style-type: none"> • Report on issues with using autogenous vaccines • Estimates of duration of immunity to allow optimal program formulation • Improved knowledge of SLD including epidemiology and challenge model
Competitive exclusion by 'good' bacteria	Salmonella control program	Food safety	Development of a natural biocontrol agent to reduce Salmonella contamination	<ul style="list-style-type: none"> • Identification of a natural biocontrol agent for control of Salmonella • Examination of the feasibility of delivery systems • Develop adoption strategy
Prevention of feather pecking	External welfare program	Hen welfare	Identify causal factors of feather pecking to inform mitigation strategies and improve hen welfare	<ul style="list-style-type: none"> • Causal factors of feather pecking and mitigation strategies identified • Effects of day-old beak trim on development in early rearing and risk of pecking in adulthood determined
Hen feed efficiency	Nutrition program	Research collaboration	Improve feed efficiency and egg quality through understanding the individual hen	<ul style="list-style-type: none"> • Identification of practical nutrition management strategies that are capable of adoption • Extension through workshops and publications



KEY PROJECTS

EFFECTIVE ENGAGEMENT

PROJECT	PROGRAM	KEY FOCUS AREA	PURPOSE	OUTCOME
Egg farmer engagement	Farmer engagement program	Farmer consultation	Ensure egg farmers are engaged with Australian Eggs activities	<ul style="list-style-type: none"> Managing the Australian Eggs website and farmer section to obtain feedback Feedback stalls at egg events Direct engagement and farm visits
Program outputs	Farmer engagement program	Farmer consultation	Distributing content about our key marketing and RD&E activities	<ul style="list-style-type: none"> Create and distribute content through the website, social media and publications Key research and marketing outcomes translated engaging publications and videos
Egg industry	Public engagement program	Farmer consultation	Creating and distributing information about the egg industry to the public	<ul style="list-style-type: none"> Distribute content through the website, social media and publications Media releases on latest activities Submissions prepared for government
Liaison with IRBs	IRB consultation program	IRB consultation	Work cohesively with IRB's to better inform Australian Eggs programs	<ul style="list-style-type: none"> Quarterly meeting with EFA Attend state-based IRB meetings Visit egg farmers on farm
Capacity building	Capacity building program	Proactive extension	Increase the future capacity of the egg industry	<ul style="list-style-type: none"> School resources developed through PIEFA Nuffield, Horizon and Post Grad scholarships Researcher in Industry Internship
Development of ESA program	Quality assurance program	Proactive extension	Development and review of ESA through stakeholder feedback	<ul style="list-style-type: none"> Training auditors on the ESA program Development of grading floor standard Consult on the operation of ESA
Poultry Hub Australia	R&D liaison program	Proactive extension	Leverage investments through research, extension and capacity building activities	<ul style="list-style-type: none"> Participation in the PHA industry committee to evaluate research proposals Ideas Exchange, Poultry Grad and other capacity development projects
Industry liaison	R&D liaison program	Proactive extension	Ensure researchers and regulators have access to industry information	<ul style="list-style-type: none"> Liaison activities between industry and researchers to support targeted research Liaison activities between industry and regulators to promote better understanding of key issues

KEY PROJECTS

VALUE FOR MONEY

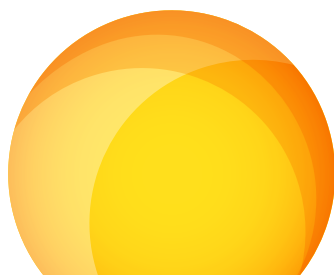
PROJECT	PROGRAM	KEY FOCUS AREA	PURPOSE	OUTCOME
Council of Rural Research & Development Corporations	Stakeholder focus program	Stakeholder focus	Maximise efficiency and meet Government R&D priorities through collaboration	<ul style="list-style-type: none"> • Contribute to Council and CEO meetings • Contribute to Business Managers and R&D Managers meetings
Corporate Management	Efficient, well resourced team program	Efficient well resourced team	Ensure Australian Eggs management have resources to work efficiently	<ul style="list-style-type: none"> • Maintain office premises, IT, equipment and resources to best serve the need of the Company • Financial and management accounting information • Digitalisation of all project paper records currently held
Project Evaluation	Clear work program	Clear work program	Perform evaluation on key Australian Eggs programs	<ul style="list-style-type: none"> • Assessment of performance against indicators • BCA analysis on specific research projects • Reporting to stakeholders

Ensure Australian Eggs management have resources to work effectively



INCOME AND EXPENDITURE

FINANCIAL YEAR	2017/18
Cash Reserves Opening Balance	\$7,789,555
OPERATING INCOME	
Marketing Levy	\$5,654,124
R&D Levy	\$2,400,541
R&D Government Contribution	\$2,619,339
Assoc. Membership Subscriptions	\$68,800
Interest Income	\$190,844
Grant income	\$25,000
Royalties	\$41,000
Training income	\$12,800
Other Income	\$114,800
sub-total	\$11,127,249
less levy collection costs	\$30,675
	\$11,096,574
OPERATING EXPENDITURE	
Value for Money	\$1,340,128
Increased Consumption	\$5,534,158
Sustainable Production	\$2,287,691
Effective Engagement	\$2,733,234
Egg Farmers of Australia	\$65,000
	\$11,960,211
Operating surplus /Deficit	-\$863,637
Capital Purchases	\$85,000
Cash reserves Closing Balance	\$6,840,918



Australian Eggs Limited

Level 4, 107 Mount Street North Sydney NSW 2060

T 02 9409 6999 **F** 02 9954 3133 **W** australianeggs.org.au

