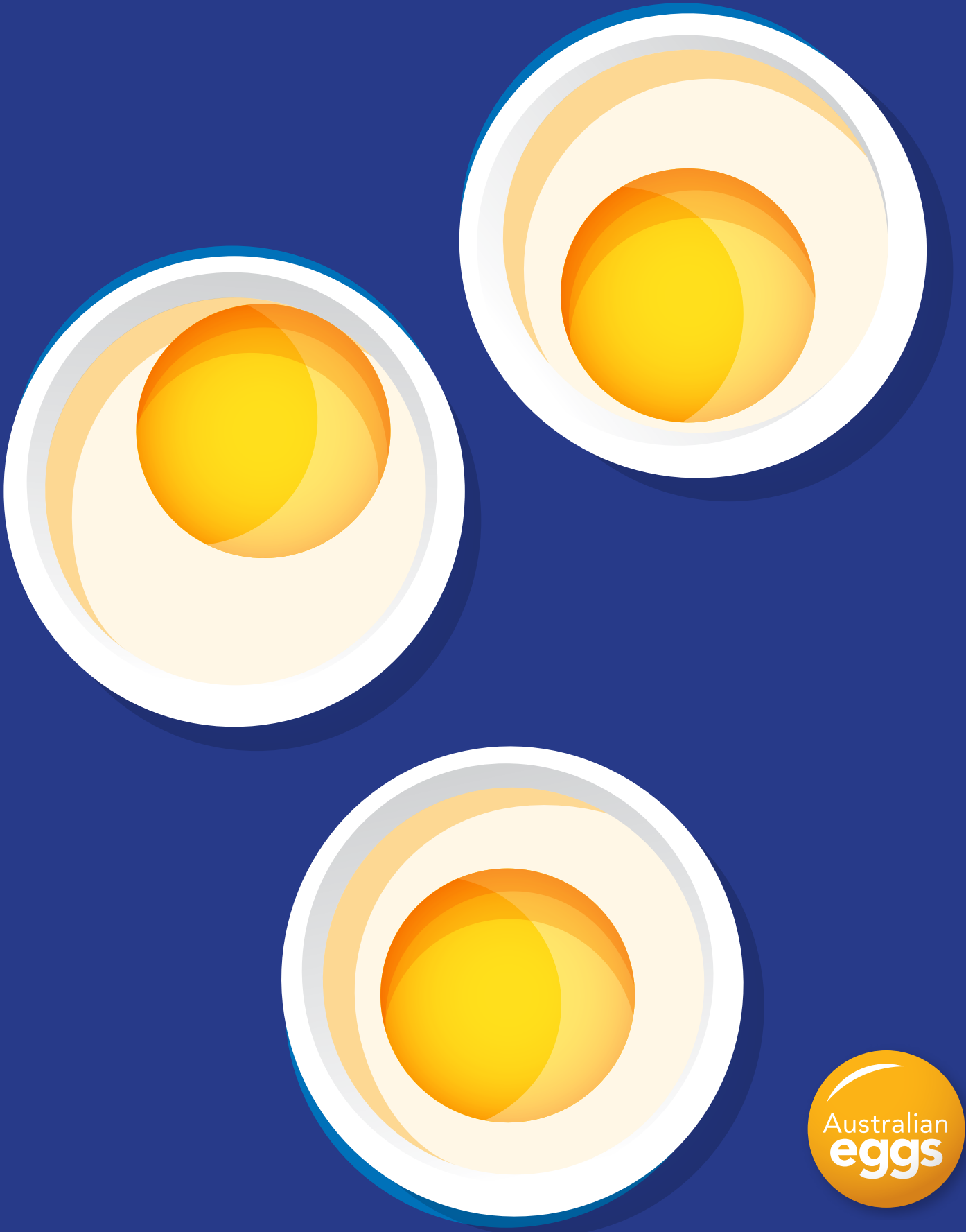


EVALUATION FRAMEWORK



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OVERVIEW

The Statutory Funding Agreement requires Australian Eggs to develop an evaluation framework which:

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

Australian Eggs exercises judgement in deploying levy funds and it is important that the Evaluation Framework provides a practical basis for scrutinising that judgement that can be clearly understood by Australian Eggs' stakeholders. This will be achieved by applying a combination of questions that test the basis upon which resources have been deployed and collating available evidence to ascertain whether outcomes have been achieved.

In response, the Australian Eggs Evaluation Framework has been structured in a manner that reflects our work program including:

- key performance indicators applied to each Goal to test Australian Eggs primary objectives;
- performance measures for each Australian Eggs Program; and
- a reporting framework that demonstrates the basis upon which project resources have been deployed.



WORK PROGRAM

The Australian Eggs Strategic Plan 2017 - 2021 sets out the Goals and Key Focus Areas that will guide Australian Eggs' work program over the next five years.

The Australian Eggs Annual Operating Plan 2017-18 was developed with reference to programs which brought to life each Key Focus Area with reference to specific objectives.

An overview of the Programs which form the Australian Eggs Annual Operating Plan is set out below.

GOAL	KEY FOCUS AREA	PROGRAM
Increased consumption	Matching market cycles	Market cycles program
		Consumer tracking program
	Next generation	Schools program
		Families program
	Nutrition	Nutrition advice program
		Dietitians and GPs program
	Eating eggs	Advertising program
		PR program
Sustainable production	Flock Health/Biosecurity	Biosecurity program
		Flock health program
		Spotty liver program
	Food safety	Salmonella management program
		Salmonella control program
	Hen Welfare	Internal welfare program
		External welfare program
	Research collaborations	Research strategies program
		Nutrition program
Effective engagement	Farmer consultation	Farmer feedback program
		Farmer engagement program
		Public engagement program
	Proactive extension	Capacity building program
		Quality assurance program
		R&D liaison program
		Environmental program
	Market development	Market development program
	IRB consultation	IRB consultation program
Value for Money	Stakeholder focus	Stakeholder focus program
	Efficient, well resourced team	Efficient, well resourced team
	Clear work program	Clear work program

KEY PERFORMANCE INDICATORS

The key performance indicators are the primary measures of Australian Eggs' performance as they are directly linked to our four primary Goals. As a result, they encapsulate the collective outcomes achieved through Australian Eggs Programs and Projects.

GOAL	KEY PERFORMANCE INDICATORS
Increased consumption	Egg consumption per capita This is calculated by using hatchery information and production assumptions to determine the level of egg industry production, accounting for egg exports and dividing by the Australian population
Sustainable production	Average benefit cost ratios achieved for selected R&D projects This is calculated by applying Benefit Cost Analysis to completed projects based on the Council of Rural Research Development Corporations Impact Assessment Guidelines and averaging outcomes
Effective engagement	Number of effective engagements with stakeholders This is calculated by tracking the number of engagements with the egg industry from which positive feedback has been collected
Value for money	Ratio of administration services to Program expenses This is calculated based on the ratio of total corporate and program administration costs over total program area expenses



PROGRAM PERFORMANCE INDICATORS

INCREASED CONSUMPTION

PROGRAM	OUTCOME	PERFORMANCE INDICATORS
Matching market cycles		
Market cycles program	Maximise the effectiveness of our marketing activities by providing information and processes to improve our responsiveness to market developments	Percentage consumer recall and attitudes for key next generation, nutrition and eating eggs campaign messages
Consumer tracking program	Understand consumption behaviour by systematically collecting and analysing market information	Percentage recall and attitudes of consumers, GPs, Dieticians towards egg consumption
Next generation		
Schools program	Engage and educate school children on the benefits of eggs and build an awareness of egg farming	Numbers of school classes participating in 'All about Eggs'
Families program	Promote the life-long enjoyment of eggs by Australian families	Percentage of grocery buyers (25-54) aware of campaign
Nutrition		
Nutrition advice program	Ensure the accuracy of information on the benefits of eggs	Percentage of news media coverage related to egg nutrition that is 'positive'
Dietitians and GPs program	Ensure key opinion leaders have awareness and information on the benefits of eggs	Level of community awareness that eggs can be eaten everyday
Eating eggs		
Advertising program	Develop campaigns to deliver strategic messages and drive egg consumption	Average personal egg consumption per week
PR program	Support campaigns through events and point of sale material that increase consumer awareness of eggs	Number of events undertaken and reach of content

PROGRAM PERFORMANCE INDICATORS

SUSTAINABILITY PROGRAM

PROGRAM	OUTCOME	PERFORMANCE INDICATORS
Flock Health/Biosecurity		
Biosecurity program	Improve biosecurity adoption by egg farmers and address specific biosecurity issues	Average benefit cost ratios achieved for R&D projects
Flock health program	Develop tools to provide for improved management of health conditions	Average benefit cost ratios achieved for R&D projects
Spotty liver program	Explore vaccines and feed additives to more effectively address spotty liver disease	Average benefit cost ratios achieved for R&D projects
Food safety		
Salmonella management program	Develop cost effective detection systems and risk management processes	Average benefit cost ratios achieved for R&D projects
Salmonella control program	Explore the potential for probiotics and feed additives to reduce salmonella in laying flocks	Average benefit cost ratios achieved for R&D projects
Hen Welfare		
Internal welfare program	Support animal husbandry through an increased understanding of welfare dynamics in housing systems	Average benefit cost ratios achieved for R&D projects
External welfare program	Explore improvements to management of on-range welfare issues	Average benefit cost ratios achieved for R&D projects
Research collaborations		
Research strategies program	Maximise efficiency by collaborating with other agencies on poultry, animal welfare and biosecurity research	Proportion of R&D projects attracting co-investment
Nutrition program	Identify practical nutrition management strategies to improve feed efficiency and egg quality	Average benefit cost ratios achieved for R&D projects



PROGRAM PERFORMANCE INDICATORS

EFFECTIVE ENGAGEMENT

PROGRAM	OUTCOME	PERFORMANCE INDICATORS
Farmer consultation		
Farmer feedback program	Provide structured mechanisms for egg farmers and other stakeholders to provide input on activities	Number of engagement opportunities facilitated and egg farmers contacts
Farmer engagement program	Create and distribute engaging content about our key marketing and R&D activities to egg farmers	Number of publications distributed
Public engagement program	Create and distribute engaging content about the egg industry to the public	Number of publications distributed
Proactive extension		
Capacity building program	Build capacity in the egg industry by providing workforce development and specialist veterinary and research expertise	Number of participants in AECL developed training courses
Quality assurance program	Enable the egg industry to demonstrate food safety, animal welfare and biosecurity outcomes to customers and the public	Proportion of egg production covered by ESA
R&D liaison program	Build an understanding between farmers and researchers as an input to more adoption of research outputs	Number of engagements with egg farmers on R&D outputs
Environmental program	Increase adoption of environmental research outputs by egg farmers	Number of engagements with egg farmers on environmental research outputs
Market development		
Market development program	Support the egg industry in exploring domestic and export market growth opportunities	Level of egg exports and domestic growth



PROGRAM PERFORMANCE INDICATORS

VALUE FOR MONEY

PROGRAM	OUTCOME	PERFORMANCE INDICATORS
IRB consultation program		
IRB consultation program	Work cohesively with representative bodies and obtain input to the development and implementation of activities	Number of engagements with IRBs
Stakeholder focus		
Stakeholder focus program	Ensure consideration of the broad range of stakeholders is considered in undertaking activities	Number of engagements with non-farmer stakeholders
Efficient, well resourced team		
Efficient, well resourced team	Ensure appropriate resources to deliver on the work program	Ratio of non-staff corporate expenses to Program costs
Clear work program		
Clear work program	Provide robust decision making processes and evaluation of activities	Level of compliance with applicable ASX Corporate Governance principles



REPORTING FRAMEWORK

The Program reporting framework has been developed to provide a basis for demonstrating Australian Eggs performance regarding the quality of Programs undertaken in circumstances where the value generated by specific projects can be difficult to evaluate.

The reporting framework is assessed internally by Australian Eggs and does not purport to generate verifiable evidence as to Australian Eggs performance in relation to each project. However, it does provide:

- transparency over our decision making processes;
- an assessment of the quality of each Program and Australian Eggs portfolio of Programs; and
- a mechanism for monitoring the quality of Australian Eggs Programs over time.

The reporting framework involves a qualitative assessment of Programs in two phases in which:

- an assessment is made of the value created by each project; and
- the value of each project is then compared with the resources deployed for that project.

The value created by each project is assessed in terms of:

- the extent of the benefit to the industry (minor, moderate or major);
- the timeframe in which the benefit will be realised (long – over 4 years, medium – 2 to 4 years or short – 1 to 2 years); and
- the certainty that the benefit will be realised (potential, indirect or direct).

To maintain simplicity, the total score out of a possible 9 is then converted to a value rating of either 1, 2 or 3 based on whether it falls with the bands of 1 to 3, 4 to 6 or 7 to 9. The process for determining the value rating for a project is set out in the hypothetical example below.

PROJECT	
Extent	<i>moderate - 2</i>
Term	<i>short - 3</i>
Certainty	<i>direct - 2</i>
Total/9	<i>7</i>
Value rating	<i>3</i>

The comparison of value generated to resources deployed is achieved by plotting the value rating of each project against the annualised cost for that project (high – over \$150,000, medium – \$50,000 to \$150,000 or low – under \$50,000). The process for plotting value to resources is set out in the hypothetical example below.

Cost	Low			
	Medium			✓
	High			
		1	2	3
		Value rating		

This example demonstrates the manner in which the reporting framework can be used to assess our performance across our Programs against our fundamental objective of providing high value, low cost services.

It is intended that by providing transparency over our decisions, Australian Eggs will be in a much stronger position to obtain valuable feedback from stakeholders on our performance and priorities for the future.

MONITORING AND REPORTING

The effectiveness of the Evaluation Framework will be achieved by ensuring that relevant information is maintained, monitored and analysed for the purpose of preparing annual Evaluation Reports published on the Australian Eggs website.

The Evaluation Report will include details of the Goal Key Performance Indicators, Program Performance Indicators and Reporting Framework that cover all Australian Eggs activities. This information will be provided in summary, narrative and numerical formats to ensure that the Evaluation Report is accessible and easily understood by stakeholders.

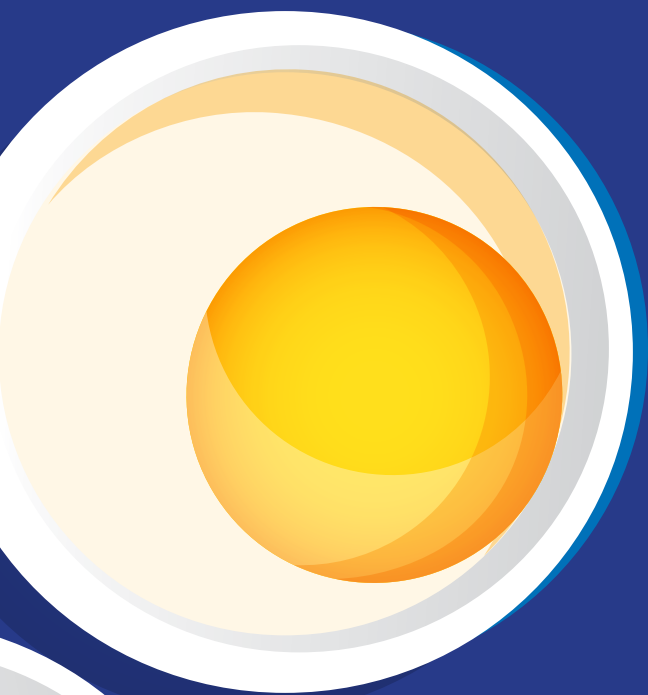
This process will provide Australian Eggs with valuable feedback on the appropriateness of its work program as well as providing a high level of transparency which will inform stakeholders as to the nature of our services and drive ongoing engagement.

The Evaluation Report will also be supplemented over time by other useful performance information which is less frequently obtained such as egg farmer surveys on

- the extent to which improvements to industry practice have been implemented ;
- egg farmer preferences as to how they would like to engage with Australian Eggs; and
- the level of satisfaction regarding Australian Eggs services.

In addition to ongoing feedback collection, Australian Eggs proposes to conduct a major stakeholder survey every two years to inform the development of our work program.





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