



2009 annual report

from the farm to the table



AUSTRALIAN EGG
CORPORATION LIMITED



annual report



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This 2009 Annual Report is prepared by the Australian Egg Corporation (AECL). AECL is a producer-owned, public, unlisted Company that integrates marketing, communications, research and development and policy services for the benefit of the Australian egg industry. AECL is a not-for-profit entity and is funded by egg producer statutory levies collected by Government and matched R&D contributions from the Australian Government.

our values



Industry Vision statement:

A cohesive, profitable and growing Australian egg industry meeting the needs of consumers while operating in a socially and environmentally sustainable fashion.

AECL Vision statement:

A responsible and proactive industry service provider supporting the Australian egg industry to achieve its vision.

AECL Mission statement:

To develop and drive integrated on-farm solutions and through chain and market services – through R&D and promotional levy investments – that maximise benefits and revenue for the Australian egg industry and the community while minimising barriers and costs for Australian egg producers.



Industry overview*



Production – Australia:	333.9 million dozen eggs per annum - 2008/09 (Source: Australian Egg Corporation Limited)		
Flock size (including pullets):	19.693 million birds - as at 30 June, 2009 (Source: Australian Egg Corporation Limited)		
State flock percentages:	NSW/ACT 34% Victoria 34% Queensland 20% WA/NT 6% SA 5% Tasmania 1% (Source: Australian Bureau of Statistics, cat. no. 7121)		
Retail prices (average):	\$4.47 per dozen - June quarter, 2009 (Source: Australian Bureau of Statistics, cat. no. 6403)		
Number of egg farms:	417 - as at 30 June, 2008 (Source: Australian Bureau of Statistics, cat no. 7121)		
Gross value of production at farm gate:	\$463.5m per annum - 2007/08 (Source: Australian Bureau of Statistics, cat. no. 7501)		
Grocery/retail sales volume:	109.805m dozen - 2008/09 (Source: AZTEC)		
Grocery/retail sales value:	\$444.5m - 2008/09 (Source: AZTEC)		
Grocery/retail production system market share 2008:		volume	value
	Cage eggs:	67.8%	54.3%
	Barn Laid eggs:	5.5%	7.1%
	Free Range eggs	26.8%	38.6%
	(Source: AZTEC)		
Grocery/retail branding market share 2007:		volume	value
	Generic labels:	58.5%	46.1%
	Proprietary labels:	41.5%	53.9%
	(Source: AZTEC)		
Grocery/retail pack weight market share 2008:		volume	value
	<=350g:	8.1%	11.2%
	351g – 600g:	15.4%	15.2%
	601g – 700g:	46.9%	39.9%
	701g – 800g:	3.8%	4.9%
	>=801g:	2.3%	2.5%
	(Source: AZTEC)		
Grocery/retail pack size market share 2008:		volume	value
	6 (half dozen) pack:	11.4%	16.5%
	10 pack:	1.7%	2.5%
	12 (dozen) pack:	84.8%	78.9%
	15 pack:	1.2%	1.4%
	Other pack sizes:	0.8%	0.8%
	(Source: AZTEC)		
Egg product exports 2008:		volume	value
	egg pulp:	246mt	\$0.560m
	shell eggs:	172mt	\$1.495m
	egg powder	13mt	\$0.115m
	(Source: Australian Bureau of Statistics)		
Egg product imports 2008:		volume	value
	egg powder:	1,038mt	\$8.763m
	egg pulp:	305mt	\$0.907m
	eggs preserved/cooked:	417mt	\$1.034m
	(Source: Australian Bureau of Statistics)		

* This overview is provided for the information of the Australian egg industry and should not be used as a basis to deduce additional information. Data sources may vary and may include substantial error rates.

Chairman's message



The operating environment for the 2009 fiscal year was characterised by continued increases in egg consumption, growing industry consolidation, more integrated market supply and the continual adoption of new technologies by a number

of egg producers. While there are numerous positive outcomes and industry enhancements that have occurred during the year, there have also been some industry-generated issues that have emerged, tarnishing the egg industry's integrity and reflecting negatively on hard-working and honest egg producers.

The Australian Egg Corporation Limited (AECL) continued to fulfil its primary business objective during the year, to grow egg consumption and hence the size of the market for all egg producers despite their size, type of operation or location. Egg consumption for the 12 months ending June 2009 reached 195 eggs per capita, up from 183 eggs recorded the previous year reflecting a 6.5% increase. This result and ongoing market growth is testament to egg producer investments, via the levy process, working hard to increase market opportunities for all. However, AECL can only create market opportunities. It is then up to individual egg producers to take advantage of this increased consumer demand by competitively positioning their business and brand offering to customers on an ongoing basis to maintain or increase their share of the growing market.

At year end, the industry was producing a record volume of eggs, with average daily production totalling in excess of 11 million eggs reflecting the increased egg consumption recorded during the year. Retail sales were also very strong with food service growth continuing among most market segments. Chick placements have also increased to now average over 1 million chicks per month, up from the trend during the early 1990s of around 750,000 per month.

The growth we have witnessed in the market is a direct result of AECL programs, additional egg industry investments and egg producer efforts to get eggs back on the menu at home, in restaurants and other catering facilities. This has been achieved by dispelling previous negative health associations with cholesterol, promoting the many nutritional benefits of eggs, continuing to highlight the versatility and convenience of eggs for time-poor consumers and emphasising the great value proposition as a natural high quality source of bio-available protein. This has all helped to ensure eggs play a vital part in the meal repertoire of all consumers on a daily basis.

Consolidation of the egg production sector is also continuing as some businesses seek economies of scale through acquisitions, capital growth and investment programs or partnering with other suppliers to further integrate supply and hence cater to this growing market demand. Despite this, there will continue to be other egg producers who maintain their current business structures, be they large or small, thereby servicing customers in their own way to an ever changing and dynamic market place. No one business model is right as there is room for all types of egg production businesses no matter their size or location. AECL continues to support and service all egg producers.

Our Research & Development (R&D) portfolio continues to address flock health and disease management, feed availability and bird nutrition, hen welfare, on-farm extension and training, Quality Assurance (QA) and the industry's environmental footprint. However, these R&D efforts continue to reduce over time due to the loss in 'purchasing power' of the egg industry's Laying Chicken (R&D) levy. This levy has not changed for over 10 years while research, development and extension costs increase at a faster rate than inflation thereby reducing our service capability to all egg producers. At year end, AECL had not heard from the Australian Government in response to the proposal submitted in late February 2009 to increase this levy to a more appropriate and prudent investment level to help ensure industry productivity, competitiveness and hence sustainability over the longer term. The industry is losing critical research talent and resource capacity and this situation must be addressed in the new year.



The egg industry continues to invest in new and emerging technologies on-farm by replacing or adding to production capacity, generating increased efficiencies and consolidating business processes using new Information Technology (IT) platforms and overall enhanced business systems to assist lower unit production costs to remain competitive. AECL will continue to assist protect this investment to ensure a viable industry environment into the future.

Despite the many industry positives, there have been a number of issues that the egg industry has had to confront during the year, some of which have been promulgated by a select few egg producers to suit their own ends and 'promoted' further by the media thereby tarnishing the egg industry's reputation among the community and threatening the hard work of many egg producers. These issues have included egg producers' right to farm, the industry's ability to provide freedom of choice to consumers and truth-in-labelling.

Our 'right to farm' was threatened during the year as further pressure was placed on cage egg production systems largely by extreme animal activist groups and minority political parties seeking to ensure birds are no longer farmed in cages. This is the greatest threat to our industry and threatens the economic viability of all egg farmers, no matter their production system. We will continue to ensure the health and welfare of all our birds is maintained by supporting the current suite of recognised egg production systems thereby allowing freedom of choice for all consumers. AECL believes this position should be non-negotiable.

Another key issue that emerged during the year were allegations of product misrepresentation and deceptive conduct. AECL supports the full weight of the law coming down on any egg producer who deceives consumers through compromising truth-in-labelling requirements and implores any person who suspects such behaviour to inform the relevant government or legal authorities as soon as any evidence is found. Such allegations or suggestions have a significant impact on the integrity of the egg industry which would take countless years to rebuild.

AECL policies, programs and actions continue to support all egg producers no matter their size, production method or location for the long term betterment of the Australian egg industry. This remained our goal during 2009 and will continue to reflect our efforts into the new year and beyond.

Finally, I would like to acknowledge the efforts of all AECL directors who continue to tirelessly contribute their time and efforts to ensure the effective investment of levy funds for all egg producers. We must also acknowledge that this can only be achieved through the passion and active interest shown by the AECL management team which remains ongoing and resolute.



Board of Directors

Jeff Ironside^{FAICD} AECL Chairman

Jeff Ironside has been a non-executive 'elected' Director and the Chairman of AECL since its incorporation on 18th November 2002.

Jeff has been a medium-sized egg producer in North Queensland since 1976 investing technology and innovation into his egg production system. Jeff was elected to the Board of Sunny Queen Limited in 1993 became Chairman in 1996, and resigned in 1999.

Jeff was elected President of the former Australian Egg Industry Association (AEIA) in November 2000 a post he held until June 2003 when the functions of the AEIA were subsumed by the Australian Egg Corporation Limited (AECL).

Jeff is a Fellow of the Australian Institute of Company Directors, Past President and Paul Harris Fellow of the Rotary Club of Port of Townsville and a member of the Defense Reserves Support Committee (North Queensland).

Russell Ware^{LL.M. (Hons.)} AECL Deputy Chairman

Russell Ware is a non-executive 'specialist' director of AECL, Deputy Chairman and Chairman of the Finance & Audit and Governance & Risk Committees, fulfilling the requirements of the corporation's agreement with the Commonwealth that "the board specifically include a director who can demonstrate from his or her experience that he or she is highly skilled in corporate governance".

A former Sydney commercial lawyer and now living on a farm, Russell is a professional company director who was chairman of three publicly listed companies over a twelve year period. Currently he is a non-executive director of the Greater Building Society Ltd, one of the largest building societies in Australia. Russell also consults to and advises business owners, specialising in succession and strategic planning for family-owned businesses, particularly in the agribusiness sector.

John O'Hara^{BBus (Comm), MAICD} AECL Director

John O'Hara is a non-executive 'specialist' director of AECL and is the Chief Executive Officer of Sunny Queen Pty Ltd, one of Australia's largest egg marketers.

Before joining the egg industry John had accumulated over twenty years management, marketing and sales experience in the food industry. He has worked with some of the largest food companies in Australia, including Nestle, Dairy Farmers and National Foods.

In August 2004, John and his team won four gold and one silver award in the 2004 Australian CREAM awards for advertising effectiveness. John then won the International Egg Commission's 2004 Crystal Egg Award for marketing excellence, followed by two gold awards in the Marketing Effectiveness Awards held in New York. In 2005, the Company won the prestigious Campaign of the Year Award from the Australian Marketing Institute.

John is a Member of the Australian Institute of Company Directors and is currently a Vice Patron of Surf Life Saving Queensland.

Frank Pace AECL Director

Frank Pace is a non-executive 'elected' Director of AECL and is the founder and Managing Director of Pace Farm Pty Ltd – the largest producer, marketer and distributor of eggs in Australia.

Frank is the Chairman of the International Egg Commission (IEC) and was awarded the Dennis Wellstead Memorial Trophy for International Egg Person of 2004.

Frank Pace was previously the Chairman of the Seven Hills branch of the Livestock and Grain Producers Association (LPGA) and a member of the NSW Farmers' Association Egg Committee. He was also a previous committee of management member and Vice President of the former Australian Egg Industry Association (AEIA).

Frank has also made an active contribution to the Sydney community and was honoured by being named a life member and Paul Harris Fellow of the Rotary Club of Mount Druitt.



Zelko Lendich B Ec (Hons), MBA AECL Director

Zelko Lendich is a non-executive 'elected' Director of AECL and is the Managing Director of Farm Pride Foods Limited, the only publicly listed egg producer in Australia.

During his 15 years experience in the egg industry, Zelko has held several directorship positions including the W.A. Egg Marketing Board, West Coast Eggs, NOVO Foods as well as Executive Chairman of Farm Pride Foods Limited.

Zelko also offers wide ranging experience in commerce, government and the education sector both within Australia and internationally. He has held senior positions at the University of Western Australia's Management Development Institute, Australian Leather Holdings, Jennings Industries Ltd, Wilson Parking International Pty Ltd, McKinsey and Co and with Asea Brown Boveri in the U.K., Sweden and Canada. Whilst with the Western Australian Government he was the principal advisor to the Minister for Transport and a key economic advisor to the Premier of Western Australia.

Zelko has an Economics Degree and a Masters of Business Administration from the University of Western Australia.

James Kellaway B App Sci (Agr), GDMM, MBA, GAICD, AFAIM AECL Managing Director

James Kellaway is the executive director of AECL and has extensive experience in rural commodity and product marketing with industry organisations including Horticulture Australia Limited, the former Australian Horticultural Corporation, Meat & Livestock Australia, the former Australian Meat & Livestock Corporation and the NSW Meat Industry Authority. James has been responsible for implementing industry-based marketing communication programs and member services. These roles had a key focus on delivering commercial results to all company stakeholders.

James has a Master of Business Administration (MBA) from the Graduate School of Business at the University of Technology Sydney, a Graduate Diploma in Marketing Management from the Graduate School of Management at Macquarie University and a Bachelor of Applied Science in Agriculture from the University of Western Sydney. James is also a Graduate Member of the Australian Institute of Company Directors and an Associate Fellow of the Australian Institute of Management.

He is also Chairman of the Animal Health Australia (AHA) Industry Forum, a director of the Australian Poultry Co-operative Research Centre (CRC) and the Australian Livestock Export Corporation Limited and on the board selection committees of AHA and the Primary Industries Education Foundation.



John O'Hara

Jeff Ironside

Zelko Lendich

James Kellaway

Russell Ware

Frank Pace

Managing Director's report



During the 08/09 operating year, the AECL management team continued to streamline program delivery and outcomes for all stakeholders in line with the AECL Strategic Plan for 2008-2012.

All projects and activities planned and undertaken

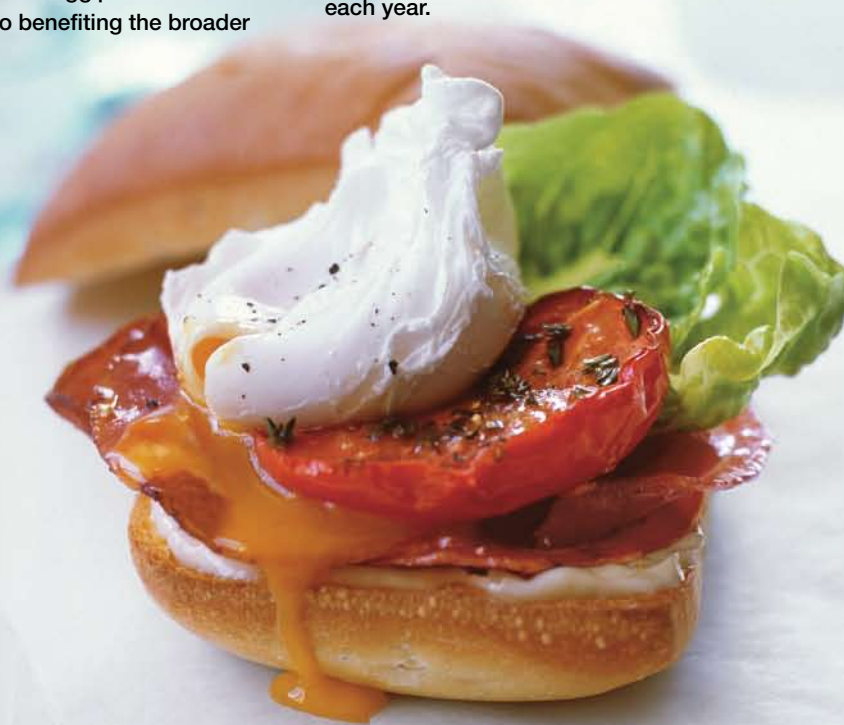
during 08/09 responded to the suite of strategies and outcomes that directly address the company's Mission Statement and AECL Vision to be a "responsible and proactive industry service provider supporting the Australian egg industry to achieve its vision." From an operational perspective, AECL is addressing the six agreed strategies through the adoption and implementation of operating pillars that directly reflect the outcomes to be delivered. These pillars are market awareness, market education, supply chain enhancement, on-farm innovation & efficiency and public affairs & stakeholder relations.

With the assistance of the five Industry Consultative Committees (ICCs) and the four appointed expert groups in formulating program design and implementation, AECL was able to ensure its projects and activities were commercially-responsive to the needs of egg producers and the egg consuming market while also benefiting the broader community during the year.

2009 operating results

Some key benchmark results for the 2009 year show continued growth across the industry and include:

- Laying chicks hatched totalled 12.383 million, up by 0.1% on 2008 levels and up by 10.1% on the 5-year average.
- Laying chickens in production at year end totalled 19.777 million, up by 9.1% on 2008 levels and up by 12.9% on the 5-year average.
- Retail egg sales volume totalled 109.805 million dozen, up by 6.8% on 2008 levels and up by 12.8% on the 5-year average.
- Retail egg sales value totalled \$444.497 million, up by 10.3% on 2008 levels and up by 28.3% on the 5-year average.
- Egg consumption on a per capita basis at year end totalled 195 eggs per person, up from 185 eggs on 2008 levels and up on the 5-year average of 180 eggs. Egg consumption on a linear basis since 2000 totalled 190 in 2009, up from 187 in 2008.
- Return on invested funds increased to total 27.6% as at June, up from the 2008 position of 21.4%. Returns generated since the inception of AECL average 15.8% each year.





Market awareness

During the year, AECL moved to the next phase of increasing egg consumption by migrating our marketing communications strategy from building 'permission' to consume more eggs to one that actually generates a behavioural response among consumers to eat more eggs.

After 5 years of debunking long-held myths mainly associated with cholesterol, AECL has been able to place eggs back onto the shopping list. Consumer attitudes now suggest that 5.1 eggs per week is healthy to eat, up from 3.8 in 2004 (please see graph 1 below).

Our new creative advertising and promotion campaigns have raised the appetite appeal of eggs by giving consumers simple yet tasty meal solutions with three quick preparation steps suggesting that eggs are 'as easy as' which directly reflects our new brand positioning and the important role eggs can play in consumers' busy lifestyles. Four new executions were developed during the year and placed in carefully selected national media titles to communicate directly with our target markets. To enhance our market presence and take advantage of the increased frequency and use of digital media channels, AECL upgraded our consumer recipe website www.eggs.org.au and launched the campaign site www.EggsAsEasyAs.com.au at an event which attracted editors, key opinion leaders and other community influencers.

Our below-the-line media work is integral to complement the above-the-line print advertising and our consistent media release campaign resulted in 415 editorial pieces amounting to 71.6 million reader impressions. This is up on the previous year by a staggering 21% and 99% respectively.

We were also able to secure Howard Helmer the 'omelette king' who holds the world record for the most number of omelettes, 427 in 30 minutes. Howard visited Australia for a media tour at the beginning of the year coinciding with our 11th Industry Forum and the World Poultry Congress (WPC). Howard was featured on morning radio and television shows attracting a further 85 pieces of coverage with the campaign realising an ROI of 6:1.

World Egg Day was celebrated on 10 October during the year with AECL launching a consumer promotion titled 'Crack the big one' where the lucky winner was able to secure a round-the-world ticket with dinner at Gordon Ramsay's restaurant in London linking in with one of our creative advertising executions. Thousands of entries were received with 4.6 million impressions being recorded. The competition was also promoted through the new electronic Direct Mail (DM) newsletter to all interested consumers.

Continual input from the PR & Promotions ICC, the development and distribution of the 2009 egg calendar and the associated poster campaign and recipe leaflet dispatch to egg producers all assisted to ensure an integrated market awareness campaign was executed throughout the year. Touch points and regular business development work with the main publishing houses also ensured the media message was on track and conducive to increasing consumption.

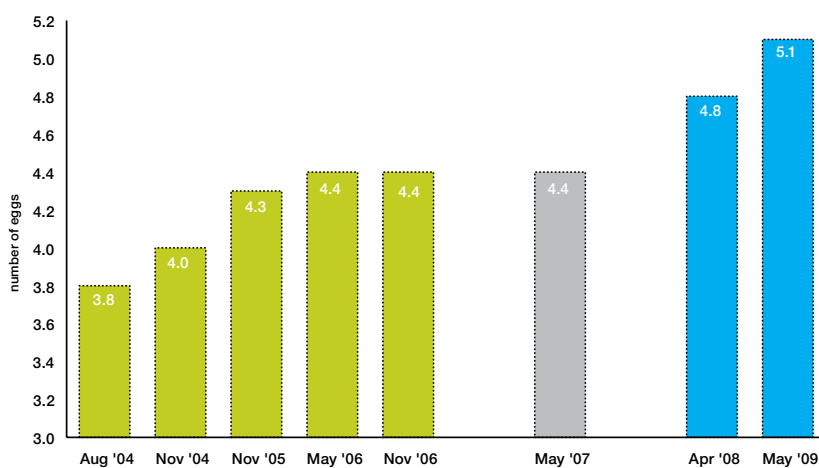
To ensure maximum exposure, we also re-pitched the PR account during the year and the same agency was re-appointed. This process was 'healthy' for AECL providing a litmus test for the incumbent agency with AECL realising maximum return on the invested funds.

In partnership with industry, AECL continues to change attitudes towards eggs and influence behaviour while lifting egg purchases and consumption.

Graph 1

How many eggs is healthy

"If you were to think about eggs that are prepared on their own or as part of a meal, about how many eggs do you personally think a healthy person should eat per week?"



Managing Director's report (cont'd)

Market education

Educating the market as it relates to new science, information and research on eggs was another key part to achieving market growth during the year. While we are having successes in this area, the industry still has a long way to go in generating a national 'groundswell' of support for eggs by all health care professionals. In terms of General Practitioners (GPs), their attitudes towards their patients consuming eggs have become more positive with 17% now suggesting 'up to an egg a day' is healthy, up from only 10% in 2005 (please see graph 2 below).

Media tours with such experts as Dr Don MacNamara from the Egg Nutrition Centre (ENC) in the US; the formation and tactical use of the Egg Nutrition Advisory Group (ENAG); gaining the Heart Foundation 'Tick' of approval for eggs; and communicating health and medical research findings on a regular basis directly with healthcare professionals such as General Practitioners (GPs) over the last 5 years have all helped to achieve put eggs back onto the menu and prescription list for patients.

We continued our relationships with the Heart Foundation of Australia, our licensee arrangements with the Heart Tick and membership of the Dieticians Association of Australia (DAA) where ENAG statements and Heart Tick approved recipes were uploaded onto the DAA website. We also formed associations with Diabetes Australia, the Stroke Foundation and the Omega-3 Centre all being positive about the use of eggs in diets of people with different medical conditions. We assisted the Heart Foundation celebrate their 50th anniversary during the year which also reflected the 20th year of the Heart Tick in Australia.

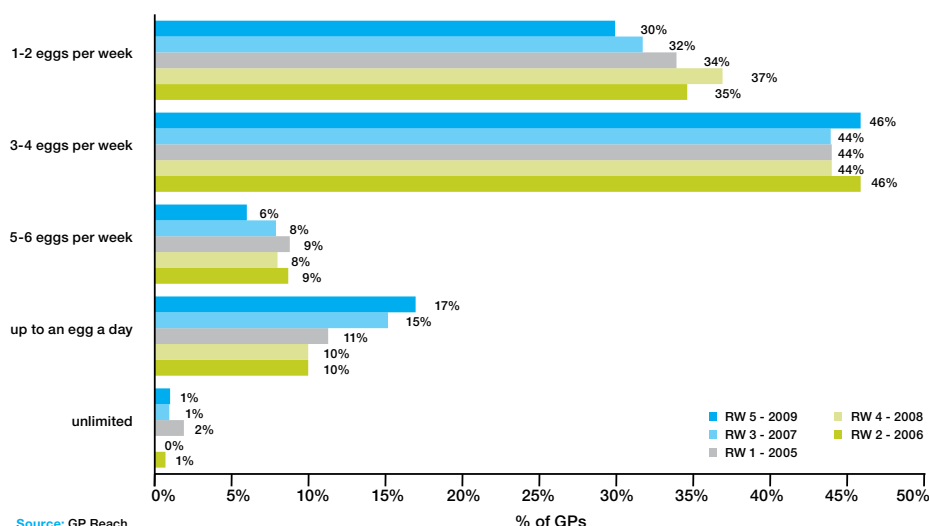
The Heart Foundation's decision to release a new statement on 'dietary fats and dietary sterols for cardiovascular health' was great news for the egg industry which recommends six eggs a week. As a result, PR activities initiated by AECL included six reasons to eat more eggs and a media tour by Dr Don MacNamara which generated significant national coverage. We now have Don as a honorary Associate Professor in the Faculty of Health at the University of Sydney. We also took the liberty of awarding Don membership of ENAG to assist bolster the impact of this Group among the healthcare professionals community. In terms of ENAG, 14 positioning statements were reviewed, updated and uploaded onto the ENAG web page at www.enag.org.au with the Group also progressing their involvement in the CSIRO Healthy Heart program.

We continued our healthcare professionals newsletter The Good Egg with distribution to all DAA members highlighting the good news about eggs on a consistent and regular basis. Additionally, monthly nutritional updates on eggs from Food & Nutrition Australia and exhibiting at the Heart Foundation and DAA annual conferences all helped to spread the good word on eggs.

Graph 2

Weekly egg consumption

"What do you believe to be a healthy level of egg consumption per week in the majority of people?"





Supply chain enhancement

Cost reduction and increasing efficiencies within the supply chain is critical for the egg industry to improve product quality and reduce the adverse effects of ullage or waste. We continued our relationships with the major retailers, wholesale markets and smaller independent retailers also building relationships with some of the major food service suppliers such as McDonalds and other quick service restaurants. We progressed the egg handling guide for back-of-store employees and other retail staff including operators within central storage or distribution facilities. Among other things, the Guide will address stock receipt, rotation, pallet handling and shelf stacking.

AECL also rolled out the new carton stencil and artwork for all outer cartons ensuring the key outcomes and suggestions from the ullage or wastage research were implemented. This ensures that all points throughout the distribution process recognise that eggs need to be treated and handled in a proper way. Our work with the Supply Chain Industry Consultative Committee (ICC) ensured a uniform approach to this task addressing stock rotation, a clear handle with care message, row stacking requirements and storage temperature parameters all being a part of the new stencil. This carton is now available for use by all egg producers.

The industry's supply forecasting continued on a monthly basis this year with an increasing number of egg producers contributing and receiving the benefits of this critical service. The forecasts are compiled with information from over 75% of the market with input from up to 45 egg producers as it relates to layer and egg supply forecasting.

On-farm innovation & efficiency

Our on-farm research portfolio continued to deliver results albeit diminishing over time due to the reduced 'purchasing power' of the stagnant income available for investment. During the year, we received a record 33 proposals to undertake research from 14 different research institutions. We were also able to attract 19 egg farms to participate in the Australian Government sponsored AgFund project to assist on-farm egg production which resulted in 78 free-range egg farmers attending a seminar convened in Brisbane earlier in the year.

Composting trials were also undertaken on 13 different farms as part of our environmental work in the egg industry which involved layer hen manure analysis, further uses and disposal techniques. This resulted in the development and

distribution of fact sheets on developing an Environmental Management System (EMS) on-farm. Bird nutritional work associated with improving lupins and lathyrus for egg layers using enzyme treatment, disease-related research on the development of a real-time PCR test to quantify IBV, composting everyday mortality and other wastes all contributed to the development of new technology and information to increase productivity on-farm. The further development of egg production software will all be made available in the new year now that the research has been completed. We have also commenced research to ensure permits are provided for the ongoing use of medicines commonly used to treat sick birds in the industry.

In terms of Egg Corp Assured, the national industry's quality assurance program, it continues to be enhanced based on new information, audit reviews and feedback received from licensees, accredited auditors and customers. This year, we commenced the formation of an egg labelling panel, rolled out our 'spot' audits among licensees, convened ECA producer workshops, updated the egg labelling guide, renewed the accreditation of all auditors and convened meetings of the ECA Industry Consultative Committee (ICC). We also convened our annual ECA auditor roundtable event. The program's certification rules were updated and provided to the ACCC for approval as well as a new edition of the business audit report and auditors' evidence guide. The management, systems and governance of the program will be independently reviewed in the new year as will the perceptions of the program among consumers all in preparation for a pro-active launch of the QA program to the Australian market. AECL continues to seek opportunities to bolster the integrity of the program where possible.

Our membership and close collaboration with the Poultry CRC was rewarded during the year as we were part of the re-bid team seeking another 7 years of research funding which was successful after an exhaustive effort by all. This will assist the further development and adoption of new production technologies in the industry over the longer term.

Finally, we have initiated the development of a national poultry Research, Development and Extension (R,D&E) strategy with the chicken meat sector to drive further efficiencies in our research program and assist guarantee the availability of human capital and infrastructure to maintain a viable research portfolio for the egg industry into the future. This strategy will be finalised in the new year.

Managing Director's report (cont'd)

Public affairs & stakeholder relations

During the year we continued our close liaison with egg producers and other stakeholders through our suite of communication tools. This included our new-look quarterly Eggstra magazine, our fortnightly EggCorp EggsPress newsletter, our 11th and 12th industry forums convened in Sydney and Perth respectively, the 2008 AGM, ad-hoc workshops and one-on-one visits by AECL management. AECL sincerely believes we 'punch above our weight' as it relates to stakeholder relations and ongoing communication with the egg industry. This is apart from the range of Industry Consultative Committees (ICCs), such as the Public Affairs ICC, that AECL management convene to assist ensure our programs are commercially realistic and meaningful to egg producers. Ongoing communication initiatives with our stakeholders is essential and will not abate into the new year.

We developed the first of many Emergency Action Notices (EANs) during the year and established a 1300 egg emergency number for egg producers to contact as issues arise such as an outbreak of a disease on-farm, trespassers or a food safety outbreak. Further EANs will be produced in the new year. We also upgraded our suite of websites and launched additional pages and information as it became available for egg producers to utilise within their respective businesses. The launch of the EggBiz software is one such example.

AECL commenced its baseline production systems research to determine the views and concerns that consumers may have about various aspects of the egg industry in the face of perceived animal welfare issues and truth-in-labelling concerns.

Many industry issues emerged during the year including biosecurity threats, animal welfare and cruelty claims, food safety breaches and animal health scares and the AECL management team reacted swiftly to ensure all media and industry issues were managed in a timely fashion. We have a clear policy of being totally transparent, responsive, up-front and straight with handling any industry issues. This includes continual liaison with all state and territory governments, the Australian Government and government authorities such as FSANZ, the NSW Food Authority, Safefood Queensland and non-government organisations such as the RSPCA and Animal Health Australia where AECL remains the chair of the cross-industries forum group.

The egg industry became exposed to a draft Bill in the ACT to ban the production of cage eggs which will be tabled and debated in the new year. The egg industry must fully defend the right for consumers to freely choose the eggs they so wish to purchase without governments or customers such as major retailers dictating what eggs they can or cannot buy.

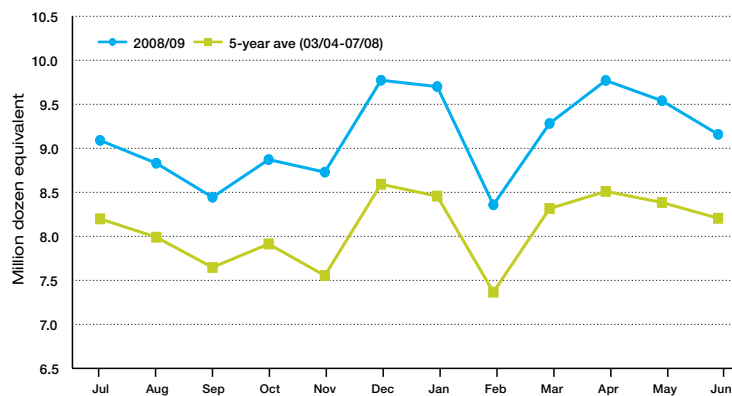
Activities included the management and delivery of science-based positioning statements and papers on hen welfare from the Hen Welfare Advisory Group (HWAG) and on food safety from the Food Safety Taskforce (FSTF) all of which are available on the company's targeted websites. These statements are risk-based and do reflect the science undertaken as part of our basic and applied research program.

Finally, we completed the Business Case proposing an increase in the Laying Chicken (R&D) levy rate from the current 7.2 cents per chick purchased to 10 cents from 1 July 2009 and then to 13.5 cents from 1 July 2010. This Business Case was dispatched to all known egg producers in Australia prior to a series of consultative workshops and a formal ballot to determine the willingness of levy payers and egg producers to accept the rationale for the increase. At year end, the Minister had yet to determine his position on the submission and hence proposal to help ensure a productive and sustainable future for the Australian egg industry.

It is pleasing to note that the dedication of all staff during the year has helped service the egg industry in a way that has 'set the stage' for continued growth of the egg industry. I would like to thank them all for their unwavering support and commitment. The efforts and dedication of all staff has delivered positive and tangible results for the direct benefit of all egg producers and the Australian community. I would also like to thank the AECL Board for their guidance and vision in ensuring the company delivers the maximum benefit to all stakeholders to assist drive industry productivity and sustainability.

Graph 3

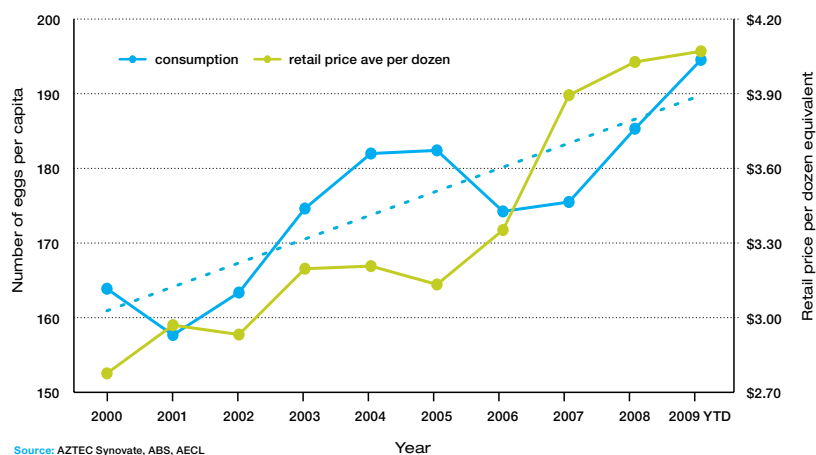
Egg Volume Sales - Australia
2008/09 compared to 5-year monthly averages



Source: AZTEC Synovate, ABS, AECL

Graph 4

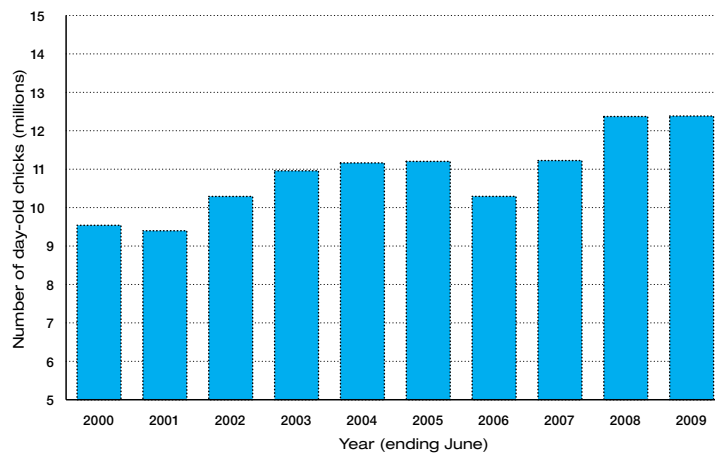
Egg consumption - annual average



Source: AZTEC Synovate, ABS, AECL

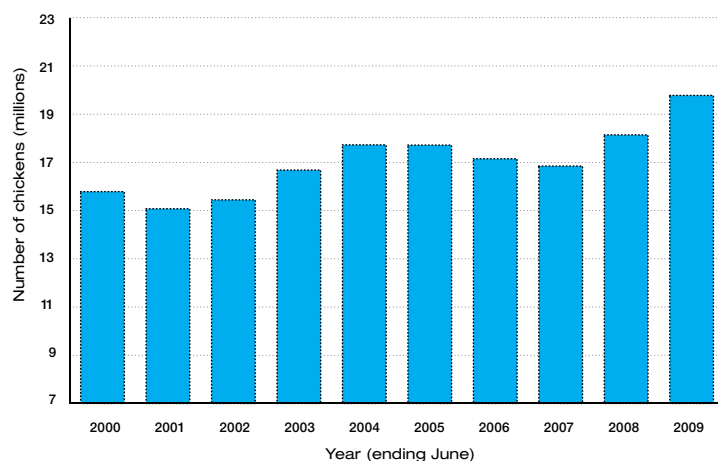
Graph 5

Laying chicks hatched during year



Graph 6

Laying chickens in production at year end



Australian Government R&D priorities

The Australian egg industry recognises that to meet its Vision, annual investment in Research & Development (R&D) and industry/product innovation is vital. This will also assist in the ongoing growth and improvement in the profitability and long term sustainability of the egg industry.

R&D embraced by the egg industry delivers benefits to egg producers and other industry stakeholders, to the operating environment and the wider Australian community. The industry's commitment to R&D and innovation is demonstrated by the higher productivity growth that has been occurring as a result of long term investment in R&D at the farm level, throughout the supply chain and in developing the market. To sustain productivity gains continual investment, coordination and linkage of R&D throughout the supply chain and marketing system is critical.

AECL is cognisant of the Australian Government being a key funding source matching R&D funds collected from egg producers. As part of the Australian Government's broader R&D policy, the egg industry currently receives one government dollar for every industry dollar invested in eligible R&D projects/activities.

To help guide the egg industry's broad investment in R&D, new government priorities have been identified which map the challenges to be faced over the next five years by the agribusiness sector. The priorities focus on five challenges:

- Boosting industry productivity and adding value.
- Effective operation of supply chains and markets for existing and new products.
- Supporting effective natural resource management.
- Building resilience to climate variability and climate change.
- Protecting Australia from biosecurity threats.

To meet these challenges and support the egg industry research effort, continued investment must also be made in building skills and advancing technology throughout the industry.

AECL is also an active participant in the Council of Rural Research & Development Corporation Chairs group which enables the egg industry to share information and outcomes across industry groups as well as seek opportunities to co-invest in broader industry research initiatives.

AECL will report against the above R&D priorities on an annual basis as part of the organisation's ongoing contribution to the Innovating Rural Australia publication on R&D outcomes.





NATIONAL RESEARCH PRIORITY	RURAL R&D PRIORITY	2008/09 R&D FOCUS	
		PROJECTS	INVESTMENT
Promoting and maintaining good health (through strengthening Australia's social and economic fabric and preventive healthcare – healthy food production)	Productivity and adding value (Improve the productivity and profitability of existing industries and support the development of viable new industries.)	8	\$356,633
	Supply chain and markets (Better understand and respond to domestic and international market and consumer requirements and improve the flow of such information through the whole supply chain, including to consumers.)	7	\$430,886
An environmentally sustainable Australia	Natural resource management (Support effective management of Australia's natural resources to ensure primary industries are both economically and environmentally sustainable.)	0	0
	Climate variability and climate change (Build resilience to climate variability and adapt to and mitigate the effects of climate change.)	2	\$18,000
Safeguarding Australia	Biosecurity (Protect Australia's community, primary industries and environment from biosecurity threats.)	6	\$173,968
Frontier Technologies for Building and Transforming Australian Industries	Innovation skills (Improve the skills to undertake research and apply its findings.)	6	\$469,500
	Technology (Promote the development of new and existing technologies.)	2	\$81,056

Corporate governance / compliance

The Australian Egg Corporation Limited (AECL) is committed to conducting its business in a way that is open and accountable to all stakeholders. Corporate governance is the system of management and controls exercised in the stewardship of AECL. AECL is a public company limited by guarantee and as a result, is not listed on the Australian Stock Exchange (ASX) but has developed its framework for corporate governance in line with the 'Principles of Good Corporate Governance and Best Practice Recommendations' as developed by the ASX Corporate Governance Council. AECL believes its corporate governance practices are rigorous and of a high standard.

AECL's responsibilities to stakeholders

AECL's task is to achieve the delivery of stakeholder value through the sustainable and efficient operation of the company in achieving its objectives of growing demand for eggs in the Australian market, and enhancing the competitiveness of stakeholder businesses.

Sound reporting and risk management practices are the mechanisms to measure achievement of strategic business objectives.

Directors will use their best efforts to ensure the company is properly managed so as to protect and enhance members' interests and to meet the company's obligations to all parties.

Membership of AECL

A person is eligible to be a member of AECL if they are an Australian egg producer and a levy payer and the owner of laying hens over the age of 18 weeks, owned at the end of the previous financial year, for the purposes of the production of eggs for human consumption. Members have the number of votes determined by the number of laying hens over the age of 18 weeks and may vote at any General Meeting on any resolution, including the election of directors, the ratification of 'specialist' director appointments and the total remuneration payable to the directors of the company.

The AECL Board

The Board is responsible for ensuring that the management of the company is conducted in a manner that ensures the long term benefit of levy paying egg farmers and more broadly, all stakeholders, consistent with the Statutory Funding Agreement with the Australian Government and the Constitution. It strives to create member value by constructively engaging with management to ensure the appropriate development, execution and monitoring of the company's agreed strategies in line with the Strategic Plan.

The AECL Board's functions include:

- Setting company policies;
- Approving major strategies, plans and budgets;
- Responding to management recommendations on major initiatives, including significant investments, capital and funding proposals, senior appointments, executive remuneration and succession plans, financial results, performance against plans, and issues relating to internal controls and the management of risk;
- Approving significant capital expenditure;
- Ensuring the company acts legally and responsibly on all matters and that the highest ethical standards are maintained; and
- Ensuring the company operates within the requirements of the Statutory Funding Agreement with the Australian Government.

The AECL Board carries out its functions in accordance with the Australian Institute of Company Directors (AICD) Code of Conduct.

Composition of the AECL Board

The AECL Board comprises up to four 'elected' directors, and up to a maximum of three 'specialist' directors, one of whom will be the Managing Director. Specialist directors are appointed by the AECL Board to ensure a balance of skills and expertise in accordance with the criteria set out in the Statutory Funding Agreement between the Australian Government and AECL and the Constitution.

Board remuneration

Total remuneration for non-executive directors has been set in the company's Constitution at a maximum of \$150,000 per annum. Aggregate Board remuneration can only be increased with the consent of the company's members.

AECL's Constitution also provides for non-executive directors to be paid additional remuneration where they perform services outside the scope of the ordinary duties of an AECL director.

AECL committees

In addition to the AECL Board, the Finance and Audit Committee was constituted to review the financial information that will be provided to members and others, the independence and performance of the company's external auditor and the review of financial investments. The company has also established a Governance & Risk Committee to review all internal control and policies, the practice of good governance, management procedures employed and the systems of risk management employed by the company.



AECL Board Performance

The AECL Board conducts regular reviews its performance in the following areas:

- Roles and responsibilities
- Timeliness of advice and direction to management
- Effectiveness of Board meetings
- Interaction with management
- Contribution to the ongoing performance of the company

Resources will be provided where appropriate and approved by the AECL Board to enable directors to update their professional skills and knowledge as company directors.

Business approach

The AECL Board has put in place appropriate systems and controls to ensure that AECL acts within the law at all times, avoids conflict of interest and acts honestly and ethically in all business activities. AECL has developed key corporate controls, including risk management, fraud control and intellectual property management programs.

Conflict of interest

Relevant interests of all directors are reviewed on an annual basis, as well as notified as and when they arise in relation to any issues.

Independent advice

After consultation with the Chairman, directors may obtain independent professional advice on matters arising in the course of their board duties. Such advice would be made available to all directors.

Consultation with stakeholders

A stakeholder is defined as any business, including government that invests with AECL. The majority of funds are sourced from levy-paying egg producers and as a result, this stakeholder group will be the core focus for AECL consultation. The Australian Government is also a major stakeholder.

Recognition and alignment with government's R&D priorities

The Australian Government provides matching contributions to AECL for eligible R&D expenditure to a limit of 0.5% of the industry's gross value of production. As a result, the Australian Government is a key stakeholder of AECL.

Components of the AECL Strategic plan are consistent with a number of the government's national and rural R&D funding priorities. The plan reflects the dynamic

and competitive nature of the Australian egg market and recognises the emergence of new developments and trends in research and production, quality assurance, vertically integrated supply chains and an increasing consumer emphasis on product quality and integrity.

Ongoing program development will be cognisant of all government R&D priorities as they pertain to the issues prevalent in the Australian egg industry.

The investment of AECL in the Poultry Cooperative Research Centre (CRC) supports the efforts of government authorities and commercial partners in improving disease preparedness, biosecurity, animal welfare, education and training for the Australian egg industry.

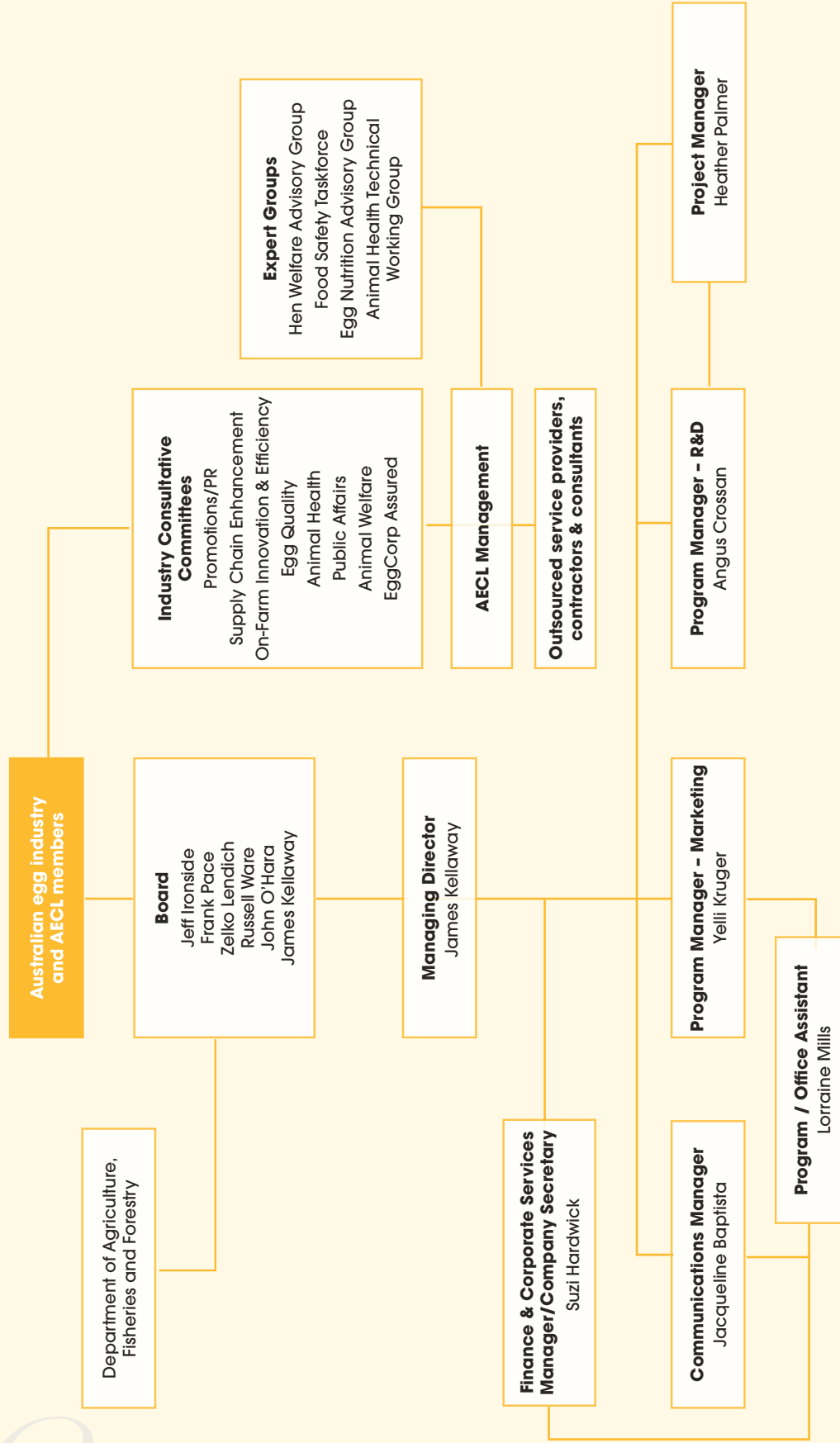
Strategies to address sustainable management and maintenance of Australia's natural resources remain a priority. Poultry farms have a smaller more intensive environmental 'footprint' than many other more extensive agricultural enterprises in Australia and environmental impacts are closely regulated by both State and local governments. As part of a holistic production strategy, AECL continues to assist develop environmental operating guidelines in close consultation with all regulators.

Business best practice

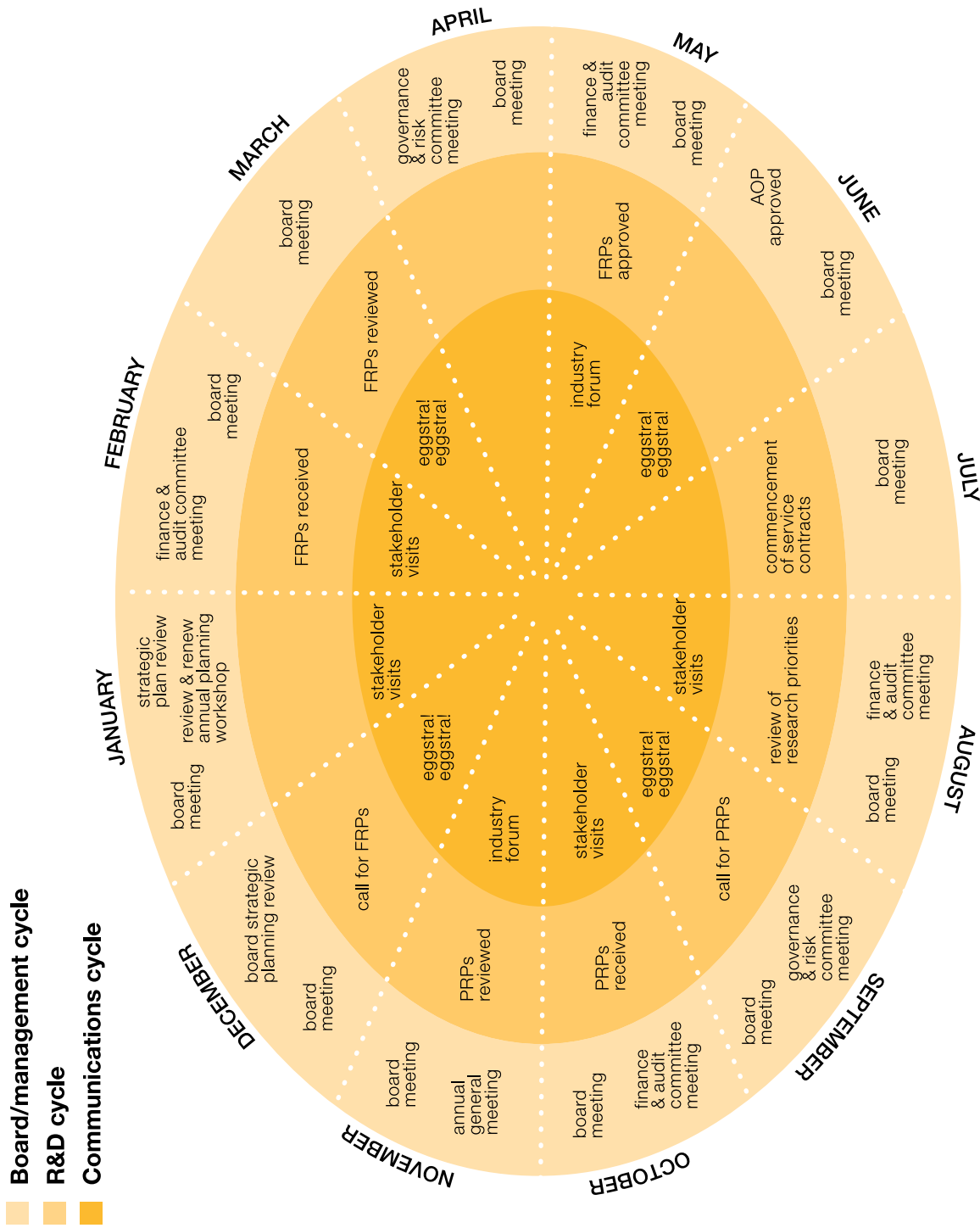
AECL as an organisation adopts best business practice, including adherence with relevant Australian standards and leading organisational management models. Key aspects include:

- Adherence to all relevant Australian accounting standards.
- Development and adoption of a strategic plan covering a period of 3 to 5 years.
- Development and implementation of a risk management plan in accordance with Australian standards.
- Development and implementation of a fraud control plan.
- Development and implementation of an intellectual property management plan.
- Development and compliance with annual operation plans.
- Measurement of organisational performance against specified strategic actions/outcomes and annual key performance measures.
- Adoption of best practice in human resource and diversity management.
- Adoption of best practice in managing compliance with legislative and regulatory requirements.
- Development of internal policies and procedures in key areas such as Equal Employment Opportunities (EEO), Occupational Health and Safety (OHS) and privacy.

AECL organisational structure



AECL business planning cycle



financial report



financial **financial report**



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Directors' Report

Your directors submit their report for the year ended 30 June 2009.

Directors

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

Jeff Ironside

Frank Pace

Philip Steel - resigned November 2008

Zelko Lendich - elected November 2008

Russell Ware

John O'Hara

James Kellaway

Directors qualifications

Directors qualifications are detailed in the Annual Report.

Directors meetings

During the year to 30 June 2009 there were 13 meetings of directors, 3 Finance & Audit committee meetings and 1 Governance & Risk committee meeting.

	Board Meetings		Finance & Audit Committee Meetings		Governance & Risk Committee Meetings	
	2008-2009	2007-2008	2008-2009	2007-2008	2008-2009	2007-2008
Jeff Ironside	12	13	3	4	1	-
Frank Pace	12	12	3	4	1	-
Philip Steel	6	9	1	2	-	-
Zelko Lendich	7	-	2	-	1	-
Russell Ware	13	12	3	4	1	-
John O'Hara	13	12	3	3	1	-
James Kellaway	13	13	2	4	1	-

Corporate information

Australian Egg Corporation Limited is a Company limited by guarantee that is incorporated and domiciled in Australia. The registered office of the Company is :

Suite 4.02, Level 4
107 Mount Street
North Sydney NSW 2060

The entity employed 7 employees at 30 June 2009 (2008 : 7).

Principal Activities

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

There have been no significant changes in the nature of these activities during the year.

Results

The surplus of the entity for the year ended 30 June 2009 was \$nil (2008 : \$nil).

Significant Changes in the State of Affairs

There have been no significant changes in the state of affairs of the Company during the period.



Significant Events after the Balance Date

There have been no significant events occurring after balance date which may affect either the Company's operations or results of those operations or the Company's state of affairs.

Future Developments and Results

The Company does not expect changes to the principal activities in the coming year.

Environmental Regulation and Performance

The Company is not subject to any particular or significant environmental regulation.

Indemnification and Insurance of Directors

During the financial year the Company has paid premiums in respect of a contract to indemnify the directors and insure against liability for the costs or expenses to defend legal proceedings.

The Company is not permitted to disclose information regarding indemnification and insurance for directors and officers as it is prohibited under the terms of the insurance contract.

Auditor's independence declaration

The Auditor's Independence Declaration for the year ended 30 June 2009 has been received and can be found following the Directors' Report.

Signed in accordance with a resolution of the directors.

Jeff Ironside
Chairman

James Kellaway
Managing Director

Sydney
Date : 20 August 2009



Chartered Accountants
& Business Advisers

Auditor's Independence Declaration

As lead auditor for the audit of Australian Egg Corporation Limited for the year ended 30 June 2009, I declare that to the best of my knowledge and belief, there have been:

- (a) no contraventions of the auditor independence requirements of the *Corporations Act 2001* in relation to the audit; and
- (b) no contraventions of any applicable code of professional conduct in relation to the audit.

PKF

Arthur Milner
Partner

Sydney, 20 August 2009

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Liability limited by a scheme approved under Professional Standards Legislation

directors'

Directors' declaration



In accordance with a resolution of the directors of Australian Egg Corporation Limited, we state:

In the opinion of the directors:

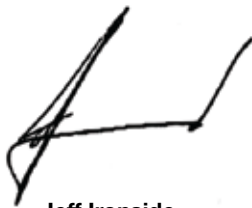
(a) the financial statements and notes of the Company are in accordance with the Corporations Act 2001, including:

(i) giving a true and fair view of the Company's financial position as at 30 June 2009 and of its performance for the year ended on that date; and

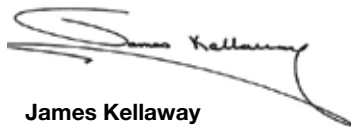
(ii) complying with Accounting Standards (including the Australian Accounting Interpretations) and Corporations Regulations 2001; and

(b) there are reasonable grounds to believe that the Company will be able to pay its debts as and when they become due and payable.

On behalf of the Board

A handwritten signature in black ink, appearing to read 'Jeff Ironside', located above the name and title.

Jeff Ironside
Chairman

A handwritten signature in black ink, appearing to read 'James Kellaway', located above the name and title.

James Kellaway
Managing Director

Sydney

Date : 20 August 2009

income Statement

	Notes	30 June 2009	30 June 2008
Revenues from Operating Activities	2	4,836,712	4,933,967
Expenditure			
Market Awareness	3a	1,543,878	645,634
Market Education	3b	464,389	1,521,051
Supply Chain Enhancement	3c	254,348	370,596
On-Farm Innovation & Efficiency	3d	1,413,407	1,283,601
Public Affairs & Stakeholder Relations	3e	804,405	600,437
Corporate Costs	3f	356,285	512,648
Total Expenses		4,836,712	4,933,967
Net Surplus	3g	-	-

Balance Sheet



	Notes	30 June 2009	30 June 2008
Current Assets			
Cash & Cash Equivalents		2,095,211	938,635
Trade & Other Receivables	4	743,560	530,869
Total Current Assets		2,838,771	1,469,504
Non-Current Assets			
Financial Assets (AEEL)	5	1	1
Property, Plant and Equipment	6	71,397	89,374
Total Non-Current Assets		71,398	89,375
Total Assets		2,910,169	1,558,879
Current Liabilities			
Trade & Other Payables	7	2,853,482	1,494,951
Provisions	8	16,610	31,490
Total Current Liabilities		2,870,092	1,526,441
Non-Current Liabilities			
Provisions	9	40,077	32,438
Total Non-Current Liabilities		40,077	32,438
Total Liabilities		2,910,169	1,558,879
Net Assets		-	-
Equity			
Retained Surplus	10	-	-
Total Equity		-	-

Cashflow Statement

	Notes	30 June 2009	30 June 2008
Cash Flows from Operating Activities			
Receipts from funding and other sources		5,703,244	5,366,390
Payments to Suppliers and Employees		(2,556,236)	(3,159,086)
Interest Received		65,759	63,780
Research and Development expenditure		(2,054,421)	(2,031,971)
Net Cash Flows used in Operating Activities		1,158,346	239,113
Cash Flows from Investing Activities			
Advances to Related Parties		(472)	(412)
Purchase of Property, Plant and Equipment		(1,298)	(13,845)
Net Cash Flows used in Investing Activities		(1,770)	(14,257)
Net Increase (Decrease) in Cash Held		1,156,576	224,856
Add opening cash brought forward		938,635	713,779
Cash & Cash Equivalents Carried Forward	11	2,095,211	938,635

Notes to the Financial Statements



1. Summary of significant accounting policies

The financial report is a general purpose financial report which has been drawn up in accordance with Accounting Standards, other authoritative pronouncements of the Australian Accounting Standards Board, Australian Accounting Interpretations and the Corporations Act 2001.

The financial report covers the Australian Egg Corporation Limited, a Company limited by guarantee, incorporated and domiciled in Australia, as an individual entity.

The financial report is presented in Australian dollars which is the Company's functional and presentation currency.

The financial report was authorised for issue by the Directors on 20th August 2009. The Company's Directors have the power to amend and re-issue the financial report.

The financial statements of Australian Egg Corporation Limited have been prepared in accordance with the Australian Equivalents to International Financial Reporting Standards (AIFRS).

This financial report has been prepared on an historical cost basis with the exception of financial assets and liabilities to which the fair value basis of accounting has been applied.

A number of new Australian Accounting Standards and amendments to existing Standards have been issued but which are not yet effective. The Directors are of the opinion that these new Standards and amendments will not have a significant impact on the financial report in the period of initial application.

Principles of Consolidation

The Company holds 100% of the issued ordinary shares in Australian Egg Export Pty Limited. The Directors have elected not to prepare consolidated accounts due to materiality of this Company to the group. The Directors believe that there would be no benefit to the users in preparing consolidated financial statements at this stage.

Classification of Expenses

For the year ended 30 June 2009 the directors have elected to reclassify expenses in order to give more information about the nature of expenditure incurred. The classification structure chosen reflects the strategies and operating pillars developed to implement the programs undertaken and generate outcomes as detailed in the AECL Annual Operating Plan each year. A proportion of salary, employee benefits and administration costs continue to be allocated across each of the expense pillars, based upon each employee's relative utilisation in that function. For improved presentation purposes comparative figures have been adjusted to conform with the change in presentation for the current year.

Cash and Cash Equivalents

Cash on hand and in banks is stated at nominal value.

For the purposes of the Cashflow Statement, cash includes cash on hand and at bank.

Receivables

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

Receivables from related parties are recognised and carried at the nominal amount due.

Recoverable Amount

Non-current assets measured using the cost basis are not carried at an amount above their recoverable amount and where carrying values exceed this recoverable amount, assets are written down.

Plant and Equipment

Plant and equipment is measured at cost less accumulated depreciation and any identified impairment loss.

Plant and equipment is depreciated on a straight line basis over its useful life.

Notes to the Financial Statements (continued)

Depreciation

	2009	2008
Office Equipment	2 - 10 yrs	2 - 10 yrs
Leasehold Improvements	Term of Lease	Term of Lease

Trade and Other Payables

Liabilities for trade creditors and other amounts payable 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 entity.

Operating Leases - Rental Premises

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.

The Company renewed its operating lease regarding its premises at Level 4, 107 Mount Street, North Sydney NSW 2060, commencing 1 October 2008. Under the terms of the lease agreement, the entity was entitled to receive the first three months of the lease term free from rent. A lease incentive liability has been raised to record the rental expense payable in relation to the rent free period. Lease payments are allocated between the rental expense and the reduction of the lease incentive liability over the lease term (5 years). This lease expires on 30 September 2013. Rental payments will be expensed in the financial year in which they occur. Contingent rentals for the year end 30 June 2009 are recognised as an expense in the financial year incurred.

Provisions

Provisions are recognised when the entity has a legal, equitable or constructive obligation to make a future sacrifice of economic benefits to other entities as a result of past transactions or other past events. They are also recognised when it is probable that a future sacrifice of economic benefits will be required and a reliable estimate can be made of the amount of the obligation.

Revenue Recognition

Revenue is recognised when the Company has established the right to receive the revenue which is at the point of expenditure. Interest revenue is recognised on a proportional basis taking into account interest rates applicable to the asset.

Australian Government Matching Funds

The Australian Government matches funding on a dollar for dollar basis on approved research and development funded projects, up to a level of 0.5% of the gross value of the industry's production, and not exceeding the cumulative amount of contributions provided by the industry. A claim on the Government may only be made when the Company has already spent the amount that forms the basis of the claim.

Levy Receipts

The Levies Revenue Service of the Department of Agriculture, Fisheries and Forestry Australia collects statutory levies (research and development levies and promotion levies) on behalf of the Company.

Application of Funds

In accordance with the Statutory Funding Agreement between the Government and the Company the Company must spend the statutory levies collected in a manner that is consistent with the Strategic Plan and Annual Operating Plans approved by the Australian Government.

Research and Development payments and Government matching payments may only be applied by the Company for research and development activities related to the industry, for the benefit of the industry and in the case of the Government matching funds, also for the benefit of the Australian community generally.



The Company must ensure there is a clear distinction between expenditure on research and development activities and other activities.

This distinction is noted via the Annual Operating Plans approved by the Government and tracked via the accounting system.

Unearned Income

The Company has a policy of investing all R&D levy funds received each year in valid research and development projects as per Clause 5.3 and 5.5 of the Statutory Funding Agreement. The Company may overspend in this account due to the number of valid research and development projects budgeted. As a result any deficit is funded by Unearned Income - promotion levy.

To ensure the transparency of expenditure on R&D projects the Company has chosen to show the actual deficit amount as part of Note 7 - Trade and Other Payables.

Taxes

Income Taxes

The Australian Egg Corporation Limited is exempt from Company income taxation.

Goods and Services Tax (GST)

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

- * the net amount of GST recoverable from, or payable to, the taxation authority is included as part of other assets or other liabilities in the Balance Sheet.
- * cash flows are included in the Cashflow Statement 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 authority 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.

Employee Entitlements

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. 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.

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 profits on a net basis in their respective categories.

Economic Dependency

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

Critical Accounting Estimates and Judgements

In the application of the Company's accounting policies, management is required to make judgements, 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 judgements. Actual results may differ from these estimates.

The estimates and underlying assumptions are reviewed on an ongoing basis. Revision 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)

2. Revenue from Operating Activities

	Notes	30 June 2009	30 June 2008
Revenues from Operating Activities		\$	\$
Promotion Levies		2,704,210	2,749,695
Research and Development (R & D) Levies		1,094,997	1,140,899
Government Contributions		909,986	827,268
Other Income	2a	216,308	312,435
		4,925,500	5,030,297
Less Levy Collection Costs (Promotion)		66,962	71,795
Less Levy Collection Costs (R & D)		21,826	24,535
Total Revenue		4,836,712	4,933,967

2a. Other Income

Associate Membership	10,200	18,545
Government Grants	73,355	173,915
Interest	65,759	63,780
Royalties	35,897	32,930
Sales Publications & other income	31,096	23,265
Total	216,308	312,435



3. Program Expenses by Operating Pillar

3a. Market Awareness

The programs run within the Market Awareness pillar are:

30 June 2009 30 June 2008

Consumer program

Media Relations program

Food Service program

The strategic purpose of these programs is to raise awareness, demand and consumption levels of eggs among the 4 low consuming target markets by positively reinforcing the fact that eggs provide a creative meal & snack solution and are an essential part of a modern, healthy lifestyle in order to convert light users into heavy users.

Projects / activities		1,386,283
514,968		

Project travel	9,673	7,366
Program management costs	147,922	123,300
Total	1,543,878	645,634

3b. Market Education

The programs run within the Market Education pillar are:

Consumer program

Media Relations program

Health Care Professionals program

Student Educational program

The strategic purpose of these programs is to educate the 4 low consuming target markets by reinforcing the good health benefits of eggs while qualifying misconceptions associated with limiting egg consumption, giving permission to eat more eggs more often and thereby demonstrating how eggs are an essential part of a modern, healthy lifestyle and balanced eating plan in order to convert light users to heavy users.

Projects / activities	307,246	1,386,700
Project travel	9,221	11,051
Program management costs	147,923	123,300
Total	464,389	1,521,051

3c. Supply Chain Enhancement

The programs run within the Supply Chain Enhancement pillar are:

Retail Services program

Supply Chain program

The strategic purpose of these programs is to enhance the effectiveness, transparency and efficient movement of eggs through the supply/demand chain from point-of-lay to the point-of-purchase including logistics and development of value-added propositions to provide product choice for consumers.

Projects / activities	81,708	261,998
Project travel	103	3,850
Program management costs	172,538	104,748
Total	254,348	370,596

Notes to the Financial Statements (continued)

3d. On-Farm Innovation and Efficiency

The programs run within the On-Farm Innovation and Efficiency pillar are:

30 June 2009 30 June 2008

Basic and Applied Research program

Egg Quality program

Egg Producer Research, Innovation & Development program

Poultry CRC program

The strategic purpose of these programs is to innovate commercially-responsive and production efficient solutions to enhance industry and stakeholder competitiveness and sustainability of egg businesses and communities over the short and long term.

Projects / activities	1,117,360	1,042,617
Project travel	41,380	74,544
Program management costs	254,666	166,440
Total	1,413,407	1,283,601

3e. Public Affairs & Stakeholder Relations

The programs run within the Public Affairs & Stakeholder Relations pillar are:

Government Relations program

Corporate Communications program

Issues Management program

The strategic purpose of these programs is to ensure effective industry communication, media relations and policy formulation/management to enhance the operating environment, community knowledge and understanding of the egg industry and its associated service delivery programs and outcomes.

Projects / activities	494,783	311,131
Project travel	79,571	104,398
Program management costs	230,051	184,908
Total	804,405	600,437

3f. Corporate Costs

Accounting and Administration	38,669	57,449
Premises	29,480	36,522
Board/AGM expenses	43,793	77,937
Employment expenses	244,343	340,740
Total	356,285	512,648

3g. Net Surplus

The net surplus has been arrived at inclusive of these items:

Depreciation	19,274	16,591
Employee costs	956,989	871,520
Lease Expenses	111,982	108,402



4. Trade & Other Receivables (Current)

	Notes	30 June 2009	30 June 2008
Trade Debtors		593,395	394,934
Other Debtors		4,381	912
Prepayments		10,289	0
Security Deposit	19	132,000	132,000
		<u>740,065</u>	<u>527,846</u>
Amounts other than trade debts receivable from related parties :			
Wholly owned Subsidiary :			
AEEL		3,495	3,023
Related Entity :			
AEIA		-	-
		<u>3,495</u>	<u>3,023</u>
Total		743,560	530,869

5. Other Financial Assets

Controlled Entities - unlisted			
AEEL		1	1
		<u>1</u>	<u>1</u>

As at 30 June 2009 Australian Egg Corporation Limited owned 100% of the capital in Australian Egg Export Pty Ltd being 1 fully paid ordinary share (2008 : 1)

6. Property, Plant and Equipment

Office Equipment			
At Cost		74,313	73,015
Accumulated Depreciation		(42,795)	(32,380)
		<u>31,519</u>	<u>40,635</u>
Leasehold Improvements			
At Cost		88,620	88,619
Accumulated Depreciation		(48,741)	(39,880)
		<u>39,879</u>	<u>48,739</u>
Total Property, Plant and Equipment			
At Cost		162,933	161,634
Accumulated Depreciation and Amortisation		(91,535)	(72,260)
Total Written Down Amount		71,397	89,374
Reconciliations			
Office Equipment			
Carrying Amount at Beginning		40,635	35,783
Additions		1,298	13,845
Disposals		-	(1,264)
Depreciation		(10,414)	(7,729)
		<u>31,519</u>	<u>40,635</u>
Leasehold Improvements			
Carrying Amount at Beginning		48,739	57,601
Additions		-	-
Depreciation		(8,860)	(8,862)
		<u>39,879</u>	<u>48,739</u>

Notes to the Financial Statements (continued)

7. Trade & Other Payables (Current)

	Notes	30 June 2009	30 June 2008
Trade Creditors		326,076	175,337
Other Payables		246,397	95,857
Unearned Income - Promotion Levy		2,510,719	1,280,274
Unearned Income - R & D		(283,465)	(98,454)
Unearned Income - Government Grant		30,000	33,812
Lease Incentive		23,755	8,125
		2,853,482	1,494,951

8. Provisions (Current)

Employee Entitlements	12	16,610	31,490
		16,610	31,490

9. Provisions (Non-Current)

Employee Entitlements		40,077	32,438
	12	40,077	32,438

10. Equity

Retained Surplus

Balance at Beginning of Year	-	-
Net Surplus	-	-
Balance at End of Year	-	-

11. Cashflow Information

(a) Reconciliation of net cash flows from operations

Net Surplus	-	-
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Non-cash Items

Depreciation of non-current assets	19,274	16,591
Net loss on disposal of fixed assets	-	1,264

Changes in Assets and Liabilities

(Increase)/decrease in trade and other receivables	(212,691)	68,963
Increase/(decrease) in trade and other payables	1,358,532	150,576
Increase/(decrease) in provisions	(7,241)	1,307
(Increase) in other assets	472	412
Net cashflow used in operating activities	1,158,346	239,113

(b) Reconciliation of Cash

Cash balance comprises :

Cash on hand	250	249
Cash at bank	2,094,961	938,386
Closing Cash Balance	2,095,211	938,635



12. Employee Entitlements

	30 June 2009	30 June 2008
Employee Entitlements		
Provisions (Current)	16,610	31,490
Provisions (Non-Current)	40,077	32,438
	<u>56,687</u>	<u>63,928</u>

13. Expenditure Commitments

Lease expenditure commitments

Operating Leases (non-cancellable)

Minimum lease payments

-not later than one year

90,156 91,501

-later than one year and not later than five years

316,666 419,305

Aggregate lease expenditure contracted for at balance date

406,823 510,806

14. Contingent Liabilities

There are no contingent liabilities as at 30 June 2009.

15. Subsequent Events

There have been no significant events that have occurred since 30 June 2009 that require separate disclosure.

16. Remuneration of Directors and Key Management Personnel

Income paid or payable, or otherwise made available, in respect of the financial year to 30 June 2009, to all directors and key management personnel of Australian Egg Corporation Limited, directly or indirectly, from the entity or any related party.

Remuneration - Short-term Benefits	425,903	382,470
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17. Remuneration of Auditors

Amounts received by PKF for :

-an audit or review of entity

21,500 16,227

-other services

- -

21,500 16,227

Notes to the Financial Statements (continued)

18. Related Party Disclosures

(a) The directors of Australian Egg Corporation Limited during the financial year were :

Jeff Ironside
 Frank Pace
 Philip Steel - resigned in November 2008
 Zelko Lendich - appointed in November 2008
 Russell Ware
 John O'Hara
 James Kellaway

(b) Interests in subsidiaries

As at balance date Australian Egg Corporation Limited owned 100% of the issued capital in Australian Egg Export Pty Limited being 1 ordinary share fully paid at \$1 (2008 : 1).

(c) The following related party transactions occurred during the financial year :

(i) Wholly owned group transactions

	30 June 2009	30 June 2008
Amounts loaned to Australian Egg Export Pty Limited	472	412

19. Receivables - Security Deposit

Australian Egg Corporation Limited is obliged to maintain a security deposit for the rental of the business premises at Mount Street, North Sydney. Accordingly, these funds are not available for general use.

132,000	132,000
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20. Segment Information

Segment products and locations

The Company operates predominantly in a single industry and geographical segment, being the provision of marketing and research and development programs for the egg industry within Australia.



21. Financial Risk Management Policies

The Company's financial instruments comprise cash, cash equivalents, accounts receivable and accounts payable.

The main risks arising from the Company's financial instruments are interest rate risk, liquidity risk and credit risk.

The Company does not hold financial instruments denominated in foreign currencies and does not use derivative instruments to manage risks associated with its financial instruments. The Company is not exposed to fluctuations in foreign currency.

The Company's policies for managing each of these risks are summarised below. The policies are approved by the Board and are reviewed regularly.

Interest rate risk

The Company is exposed to interest rate fluctuations on its cash at bank and cash on deposit. The Company actively monitors interest rates for cash at bank and on deposit to maximise interest income.

The Company maintains cash reserves to a level considered prudent to offset any fluctuations in interest rates received.

The Company received total interest for the year of \$65,759 (2008 : \$63,780). These amounts represent the maximum exposure to interest rate fluctuations faced by the Company during the respective periods.

The Company's exposure to interest rate risks and the effective interest rates of financial assets and financial liabilities, both recognised and unrecognised at the reporting date, are as follows:

The net fair values of all financial instruments approximates their carrying values.

Liquidity risk

The Company manages liquidity by monitoring forecast cash flows and ensuring that adequate liquid funds are maintained.

The Company does not hold overdraft facilities.

The majority of amounts receivable from Trade Debtors are under a Statutory Funding Agreement with the Australian Government.

The Company maintains cash reserves to a level considered prudent to offset any fluctuations in the Government's collection of and distribution to the Company of levy funds.

The Company also earns income from the sale of marketing or R&D resources to various parties. Credit evaluations are not conducted on these parties as the amounts in question are not considered material. For the year end 30 June 2009 the total income from these sources was \$31,131 (2008 : \$23,265)

notes

Notes to the Financial Statements (continued)

21. Financial Risk Management Policies (continued)

At 30 June 2009 no Trade Debtors were considered to be impaired.

Ageing of receivables is as follows:

	30.06.09	0-30 days	31-60 days	61+ days
Total Trade Debtors	593,395	581,953	11,277	165
	30.06.08	0-30 days	31-60 days	61+ days
Total Trade Debtors	394,934	393,572	1,362	0

Credit risk

Credit risk arises from exposures to customers as well as through deposits with financial institutions.

The Company is exposed to two main sources of credit risk - amounts receivable in respect of levy funds collected and distributed to the Company by the Australian Government and funds on deposit with banks.

The Board of Directors monitors credit risk by actively assessing the rating quality and liquidity of counter parties.

Funds are deposited only with those banks and financial institutions approved by the Board. Such approval is only in respect of banks that hold an A rating from Standard and Poor's or an equivalent rating from another reputable ratings agency.

The Company's maximum exposure to credit risk at reporting date in relation to each class of financial asset is the carrying amount of these assets in the balance sheet.

	30 June 2009	30 June 2008
Trade and other payables are expected to be paid as follows:		
Less than 6 months	626,228	313,131
6 months to 1 year	2,227,254	1,181,820
1 year to 2 years	-	-
	2,853,482	1,494,951

Price risk

The Company is not exposed to any material commodity price risk.

Net Fair Values

The net fair values of all financial instruments approximates their carrying values.

Sensitivity Analysis

The Company has performed a sensitivity analysis relating to its exposure to interest rate risk at balance date. This sensitivity analysis demonstrates the effect on current year results which could result in a change to these risks.

At 30th June 2009, the effect on interest received, with all other variables remaining constant would be as follows:

Change in total revenue received		
Cash	2,095,211	938,635
- Increase in interest rate by 2%	41,904	21,413
- Decrease in interest rate by 2%	(41,904)	(21,413)

This change would then be written back to income/unearned income at the end of the financial year.



INDEPENDENT AUDITOR'S REPORT

To the members of Australian Egg Corporation Limited

Report on the Financial Report

We have audited the accompanying financial report of Australian Egg Corporation Limited (the company), which comprises the balance sheet as at 30 June 2009, the income statement and cash flow statement for the year ended on that date, a summary of significant accounting policies, other explanatory notes and the directors' declaration.

Directors' Responsibility for the Financial Report

The directors of the company are responsible for the preparation and fair presentation of the financial report in accordance with Australian Accounting Standards (including the Australian Accounting Interpretations) and the *Corporations Act 2001*. This responsibility includes establishing and maintaining internal controls relevant to the preparation and fair presentation of the financial report that is free from material misstatement, whether due to fraud or error; selecting and applying appropriate accounting policies; and making accounting estimates that are reasonable in the circumstances.

Auditor's Responsibility

Our responsibility is to express an opinion on the financial report based on our audit. We conducted our audit in accordance with Australian Auditing Standards. These Auditing Standards require that we comply with relevant ethical requirements relating to audit engagements and plan and perform the audit to obtain reasonable assurance whether the financial report is free from material misstatement.

An audit involves performing procedures to obtain audit evidence about the amounts and disclosures in the financial report. The procedures selected depend on the auditor's judgement, including the assessment of the risks of material misstatement of the financial report, whether due to fraud or error. In making those risk assessments, the auditor considers internal control relevant to the entity's preparation and fair presentation of the financial report in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the entity's internal control. An audit also includes evaluating the appropriateness of accounting policies used and the reasonableness of accounting estimates made by the directors, as well as evaluating the overall presentation of the financial report.

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

Independence

In conducting our audit, we have complied with the independence requirements of the *Corporations Act 2001*.

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Liability limited by a scheme approved under Professional Standards Legislation

auditor

Independent Auditor's Report



Chartered Accountants
& Business Advisers

Auditor's Opinion

In our opinion the financial report of Australian Egg Corporation Limited is in accordance with the *Corporations Act 2001*, including:

- a) giving a true and fair view of the company's financial position as at 30 June 2009 and of its performance for the year ended on that date; and
- b) complying with Australian Accounting Standards (including the Australian Accounting Interpretations) and the *Corporations Regulations 2001*.

A stylized signature of the PKF firm, written in black ink.

PKF

A handwritten signature in black ink, appearing to read 'Arthur Milner'.

Arthur Milner
Partner

Sydney, 20 August 2009

Project report



STRATEGY 1:	Monitor, analyse, understand and address market attitudes, behaviour, consumption and preferences of eggs and perceptions of the egg industry in the Australian market.
OUTCOME:	Industry is aware of and addressing consumer attitudes, behaviour and preferences for eggs while the community respects and recognises all egg production systems and minimal food safety risks associated with egg consumption.

Projects / Activities	Outcome	AECL Pillar	R&D Priority
Market research – ACNielsen 'Homescan' data	Understand and track the purchasing behaviour of market segments to better target campaigns, maximise ROI and measure program/sales performance.	Market Awareness	2
Consumer attitudes and behaviour research	Consumer attitudes and behaviour research	Market Awareness	2
GP Reach – research	Benchmark outcomes from previous research to quantify and qualify shifts in attitude of opinion leaders so as to better target market promotional and PR campaigns.	Market Education	2

STRATEGY 2:	Execute integrated and market-responsive product marketing campaigns to assist raise awareness, demand, purchase and consumption of eggs in the Australian market among identified target market segments.
OUTCOME:	Continual growth in egg sales as per the outcomes of the 'Freebairn model' providing an effective return on invested funds and positive growth trend in egg sales each year.

Projects / Activities	Outcome	AECL Pillar	R&D Priority
National consumer print advertising campaign "eggs, as easy as."	Change egg consumption behaviour of the low-consuming market segments and positively impact the purchase cycle by reinforcing the fact that eggs are easy to prepare and are an essential part of a modern, healthy lifestyle.	Market Awareness	2
National consumer digital marketing campaign "eggs, as easy as."	Change egg consumption behaviour of the low-consuming market segments and create word-of-mouth promotion by engaging consumers via interactive mobile phone SMS and online activity.	Market Awareness	2
National consumer media-buy (ATL)	Remind low-consuming market segments of how easy eggs are to prepare and incorporate into a healthy lifestyle.	Market Awareness	2
National consumer media & PR	Increase demand and purchase of eggs nationally by showing all 4 low consuming segments the ease of incorporating eggs into their diet and reminding them of the specific health and nutrition benefits of eggs for their families.	Market Education	2
National HCP education campaign	Influence egg endorsement and recommendation from healthcare professionals by promoting the health and nutritional benefits of eggs as it relates to their patients and clients.	Market Education	2
National HCP media campaign	Directly communicating with influential healthcare professionals and key opinion leaders in nutrition and food choice on the role eggs play in a healthy and balanced diet.	Market Education	2

Project Report (cont'd)

Projects / Activities	Outcome	AECL Pillar	R&D Priority
Student education	Educating primary-aged school children, related teachers and parents how eggs are easy fun, creative and healthy so that this natural, nutritionally dense food is demanded during a crucial time of childhood development.	Market Education	2
Nutrition advice and dietetics review	Help influence egg endorsements and communications to HCPs and KOLs in nutrition and food choice.	Market Education	2
NHF 'Tick' license fee	Greater awareness of positive health benefits arising from the consumption of eggs while ensuring cost effective access and use of the NHF 'Tick' trademark by egg producers (sub-licensees) and ensuring consistency of use.	Public Affairs & Stakeholder Relations	2

STRATEGY 3: Enhance egg distribution channels and the merchandising environment to drive supply efficiencies throughout the value chain.

OUTCOME: Greater level of transparency throughout the supply/demand chain is achieved with enhanced product merchandising and management of the egg category at the Point-Of-Sale (POS).

Projects / Activities	Outcome	AECL Pillar	R&D Priority
Implementation of egg industry standard for outer egg packaging and fragile labelling	Decreased egg ullage throughout the supply chain by identifying eggs as fragile, including increased awareness of eggs by operators in the through-chain environment.	Supply Chain Enhancement	1
Egg handling manual	Provision of tools to egg producers, marketers, retailers and other stakeholders enabling correctly handled egg boxes and pallets to minimise ullage within the supply chain.	Supply Chain Enhancement	1

STRATEGY 4: Identify, measure and address inefficiencies in the Australian egg production and supply chain through benchmarking, research and analysis.

OUTCOME: On-farm and supply chain inefficiencies understood, monitored and addressed through consultation with egg producers and resolved or minimised through the application and adoption of research.

Projects / Activities	Outcome	AECL Pillar	R&D Priority
Poultry Cooperative Research Centre (CRC) (ongoing)	Maintain and enhance the egg industry's investment in R&D as it relates to hen nutrition, health, welfare and the environment for community benefit.	On-Farm Innovation & Efficiency	6



STRATEGY 5:	Initiate the development and uptake of innovations and industry information that will enhance industry competitiveness and sustainability.
OUTCOME:	Industry information and innovation needs identified, researched and adopted to provide a more competitive and sustainable egg industry.

Projects / Activities	Outcome	AECL Pillar	R&D Priority
EggCorp Assured (ECA) national egg quality assurance program	Differentiate egg producers by identifying egg producers who comply to 'best management practice' and gain uptake by egg businesses.	On-Farm Innovation & Efficiency	2
EggCorp Assured (ECA) national egg quality assurance program	Differentiate egg producers by identifying egg producers who comply to 'best management practice' and gain uptake by egg businesses.	On-Farm Innovation & Efficiency	2
Egg Producer Research, Innovation & Development (ongoing)	Establish pro-active involvement of egg producers in R&D levy-funded initiatives driving the uptake of producer initiated innovations to increase egg producer and industry competitiveness.	On-Farm Innovation & Efficiency	6
Development of a real-time PCR test to quantify infectious bronchitis virus in tissues of chickens (ongoing)	Development of a fully quantitative diagnostic test to improve the ability to distinguish between vaccine and challenge strains of Infectious Bronchitis Virus (IBV).	On-Farm Innovation & Efficiency	5
Egg quality testing and identification of quality risk factors (ongoing)	Epidemiological survey of egg quality and identification of risk factors contributing to declining internal and shell quality.	On-Farm Innovation & Efficiency	2
Egg production software (extended)	Development and uptake of the second version of a flock management software package for egg producers to increase on-farm management efficiency.	On-Farm Innovation & Efficiency	7
Occurrence and control of fatty liver haemorrhagic syndrome (FLHS) in caged hens (ongoing)	Identify predisposing factors relating to FLHS in Australian layer flocks to minimise disease occurrence and identify control measures.	On-Farm Innovation & Efficiency	1
IBV in Australian layer flocks, a focus on egg quality (ongoing)	Improve the egg industry's knowledge regarding the contribution of IBV to declining egg quality.	On-Farm Innovation & Efficiency	5
Improved control measures for infectious bursal disease virus (ongoing)	Improve the egg industry's knowledge regarding gene mutations of IBDV (Infectious Bursal Disease Virus) to better manage the disease.	On-Farm Innovation & Efficiency	5
Improvement of lupins and lathyrus for egg layers by enzyme treatment (ongoing)	Improve usefulness of lupins and lathyrus as an ingredient in poultry diets to increase feed cost effectiveness.	On-Farm Innovation & Efficiency	1
The welfare of laying hens in cages (ongoing)	Improve industry knowledge about hen welfare in relation to the use and adoption of nests for laying hens by closely studying and analysing hen behaviour.	On-Farm Innovation & Efficiency	1
Non-invasive assessment of stress in commercial housing systems.	Industry information on the relative effects of production system on physiological stress indicators	On-Farm Innovation & Efficiency	7
Test to differentiate Rispens CVI988 vaccine from wild type MDV.	Development of a diagnostic test differentiating between wild type and vaccine strains of MDV – improving the industry's ability to manage MDV	On-Farm Innovation & Efficiency	1
Vaccination and infectious bronchitis virus (IBV) challenge in mature laying hens.	Improved knowledge of the effects of IBV - determination of the effects of vaccine and wild type strains of IBV on tissues of laying hens and egg quality	On-Farm Innovation & Efficiency	5

Project Report (cont'd)

STRATEGY 6:	Build industry resources to deliver stakeholder-responsive programs and information in a timely manner.		
OUTCOME:	An adequately resourced egg industry and service provider thereby allowing the provision of technical, market and production-based skills to be engaged on demand.		
Projects / Activities	Outcome	AECL Pillar	R&D Priority
Egg Nutrition Advisory Group (ENAG)	Create and update scientific positioning statements on the health and nutritional benefits of eggs to increase the demand for eggs.	Market Education	2
Layer & egg supply forecasting model & report	Inform egg businesses of industry forecasts so that they can make better decisions on flock replacements and egg supply thereby minimising volume and price variations.	Supply Chain Enhancement	1
Local scientific and research seminar and conference support	Improved dissemination of egg industry R&D results and professional development of local researchers.	On-Farm Innovation & Efficiency	6
Travel grants for scientific conference attendance or study tours	Communication of AECL funded R&D outcomes and improving knowledge and network base of local researchers & stakeholders.	On-Farm Innovation & Efficiency	6
R&D levy review business case, industry consultation and vote	Establish a business case and ensure the delivery of appropriate funding to maintain appropriate levels of R&D levy income for company operations.	Public Affairs & Stakeholder Relations	N/A
Corporate communications	Inform egg producers on AECL programs and activities maintaining and enhancing stakeholder relationships in addition to improving access to products and publications designed to enhance business opportunities.	Public Affairs & Stakeholder Relations	N/A
Egg industry issues and crisis management	Protection and where possible enhancement of the reputation of the Australian egg industry through the timely identification and effective management of egg industry issues.	Public Affairs & Stakeholder Relations	N/A
Egg industry welfare reputation	Improved positive perception of the Australian egg industry and increased understanding of role and importance in the Australian economy among key media and consumers, particularly by improving consumer and stakeholder awareness of facts around animal welfare.	Public Affairs & Stakeholder Relations	2
Food safety reputation	Improved consumer awareness of eggs and food safety and improved industry preparedness to deal effectively with a food safety or exotic disease outbreak.	Public Affairs & Stakeholder Relations	2
Livestock Feed Grain Users Group and Feed Grain Partnership	Progress towards the security and availability of feed grain at internationally competitive prices.	Public Affairs & Stakeholder Relations	1
Liaison with Animal Health Australia (AHA)	Better informed egg industry on animal health matters with secure funding arrangements under the Emergency Animal Disease Response Agreement (EADRA).	Public Affairs & Stakeholder Relations	5
Rural R&D Chairs Committee (RRDCC)	Maintain the egg industry's consultation and relationship with government on R&D matters to assist demonstrate community benefit.	Public Affairs & Stakeholder Relations	6



Projects / Activities	Outcome	AECL Pillar	R&D Priority
Meetings with the Federal Minister and DAFF personnel	Better informed Australian Government regarding the programs and activities of AECL and the Australian egg industry as per the Statutory Funding Agreement (SFA).	Public Affairs & Stakeholder Relations	N/A
Egg industry meetings & conferences	Better informed AECL, egg producers and service providers through exposure to international markets, industries, concepts and ideas.	Public Affairs & Stakeholder Relations	N/A
Stakeholder relations – egg producers	Egg industry involvement in AECL activities and full knowledge on program outcomes and levy investments to appease stakeholder issues as they relate to AECL operations.	Public Affairs & Stakeholder Relations	N/A
On-Farm Innovation & Efficiency ICC	Better informed AECL from stakeholder and expert feedback and management of industry expectations.	Public Affairs & Stakeholder Relations	N/A
Public Affairs ICC	Better informed AECL from stakeholder and expert feedback and management of industry expectations.	Public Affairs & Stakeholder Relations	N/A
Animal Health ICC & TWG	Better informed AECL from stakeholder and expert feedback and management of industry expectations.	Public Affairs & Stakeholder Relations	5
Promotions & PR ICC	Better informed AECL from stakeholder and expert feedback and management of industry expectations.	Public Affairs & Stakeholder Relations	N/A
Supply Chain Enhancement ICC	Better informed AECL from stakeholder and expert feedback and management of industry expectations.	Public Affairs & Stakeholder Relations	2
CARMA media analysis – research	Improve tracking of issues, program success and media perceptions incorporating results into issues management response and ongoing program development.	Public Affairs & Stakeholder Relations	2

notes

Notes



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