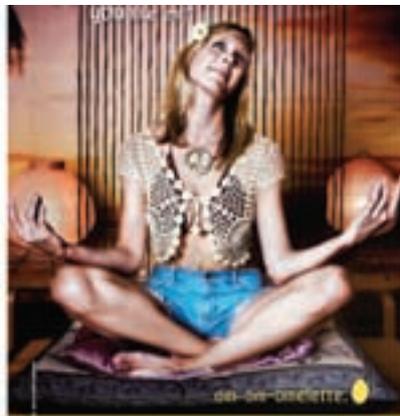
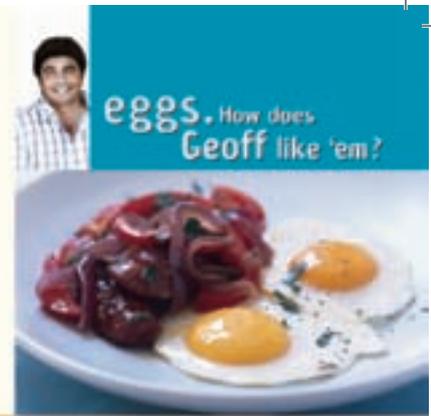




it all starts
with an **egg**..



IT ALL STARTS WITH AN EGG...



eggs. How does
Geoff like 'em?



Eggs will make kids feel
as full as a googs.



it all starts
with an **egg**...



Eggs and cholesterol.
The closer you look the less you'll find.



*I will never spill myself
with the offer of a free
bottle of Cola and garlic bread.*



*it all starts
with an egg...*

*You don't have to
be #1@!!*#!
Gordon Ramsay
to make this.*



eggs
as easy as 



Omelette a la idiot.

2008 annual report

Five years on . . .

AUSTRALIAN EGG
CORPORATION LIMITED



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This 2008 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 not-for-profit and is funded by egg producer levies collected by Government and matched R&D contributions from the Australian Government.

Our values

AUSTRALIAN EGG
CORPORATION LIMITED



Egg industry vision statement

A sustainable, profitable and cohesive Australian egg industry meeting the needs of consumers.

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, through chain and market services that maximise benefits and revenue for the Australian egg industry and the community while minimising barriers and costs for Australian egg producers.

“AECL has made a 32 cent levy a very sound investment for the egg industry. The organisation has shown exceptional leadership that has provided a strict and systematic approach to egg production that we have never seen before. James Kellaway was the first to identify the need to grow the category rather than brands, marketing from a top down approach.”

– Bede Bourke
NSW egg farmer



Industry overview

Production – Australia:	236.4 million dozen eggs per annum - 2006/07 <small>(Source: Australian Bureau of Statistics, cat. no. 7121)</small>		
Flock size (approx):	15.271 million hens - as at 30 June, 2007 <small>(Source: Australian Bureau of Statistics, cat. no. 7121)</small>		
State flock percentages:	Victoria	30%	
	Queensland	28%	
	NSW/ACT	27%	
	WA/NT	10%	
	SA	3%	
	Tasmania	2%	
	<small>(Source: Australian Bureau of Statistics, cat. no. 7112)</small>		
Retail prices (average):	\$4.44 per dozen - June quarter, 2008 <small>(estimate based on ABS flock size, cat. No. 6403)</small>		
Number of egg producers:	440 - as at 30 June, 2007 <small>(Source: Australian Bureau of Statistics, cat no. 7121)</small>		
Gross value of production at farm gate:	\$398.0m per annum - 2006/07 <small>(Source: Australian Bureau of Statistics, cat. no. 7501)</small>		
Grocery/retail sales volume:	78.887m dozen - 24 December 2006 to 22 December 2007 <small>(Source: ACNielsen)</small>		
Grocery/retail sales value:	\$268.8m - 24 December 2006 to 22 December 2007 <small>(Source: ACNielsen)</small>		
Grocery/retail production system market share 2007:		volume	value
	Cage eggs:	74.9%	63.2%
	Barn Laid eggs:	5.1%	6.7%
	Free Range eggs	20.0%	30.1%
	<small>(Source: ACNielsen)</small>		
Grocery/retail production system market share 2007:		volume	value
	Regular eggs:	95.4%	93.7%
	Vegetarian eggs:	2.6%	2.8%
	Organic eggs:	1.3%	2.3%
	Specialty eggs	0.7%	1.2%
	<small>(Source: ACNielsen)</small>		
Grocery/retail branding market share 2007:		volume	value
	Generic labels:	61.9%	53.2%
	Proprietary labels:	38.1%	46.8%
	<small>(Source: ACNielsen)</small>		
Grocery/retail pack weight market share 2007:		volume	value
	Jumbo (68g & over):	1.2%	1.2%
	Extra Large (58g to 67g):	73.7%	72.6%
	Large (50g to 57g):	23.9%	25.4%
	Other sizes:	1.2%	0.8%
	<small>(Source: ACNielsen)</small>		
Grocery/retail pack size market share 2007:		volume	value
	6 (half dozen) pack:	8.1%	12.4%
	12 (dozen) pack:	89.8%	85.2%
	Other pack sizes:	2.2%	2.2%
	<small>(Source: ACNielsen)</small>		
Egg product exports 2007:		volume	value
	egg pulp:	233mt	\$0.519m
	shell eggs:	90mt	\$0.937m
	<small>(Source: Australian Bureau of Statistics)</small>		
Egg product imports 2007:		volume	value
	egg powder:	1,002mt	\$7.159m
	egg pulp:	345mt	\$0.910m
	eggs preserved/cooked:	134mt	\$0.441m
	<small>(Source: Australian Bureau of Statistics)</small>		

Chairman's message

During the 07/08 year, AECL recorded its 5-year anniversary since commencing operations in February 2003. This milestone should not go unnoticed as we reflect on the efforts of all egg producers and the outcomes achieved by AECL to grow the egg market and sustain the egg industry into the future.

Earlier this decade, the egg industry was characterised by low market demand, reducing egg consumption levels; minimal capital infrastructure re-investment; limited co-ordinated activity at the national level; and an under-resourced industry service capability. Through the efforts of all egg producers and the industry's initiative to establish AECL, we can now review the results achieved to date. These include average periodic retail egg volumes increasing by 7.995 million eggs with annual retail sales increasing by 45%; egg consumption growing from a low of 148 eggs per person to now reach 173 eggs per person; a significant capital re-investment program among free range, barn and caged egg producers to realise increased efficiencies; the establishment of a national market driven mainly through the completion of deregulation in all states and territories; and the establishment of and investment in an industry Company owned by egg producers to service the industry's needs into the future.

This year also witnessed the commencement of the Company's second Strategic Plan. Developed in close consultation with egg producers during 2007, the Plan enunciates the key industry challenges that all egg producers will face over the next 5 years. The operating environment into the future will be characterised by increasing costs among all suppliers; more competition for eggs among alternative food sources at the retail level as we battle for a greater share-of-stomach; greater quality assurance requirements and impediments across the spectrum of all egg producing functions; and scarce resources associated with skilled labour, transport costs, packaging, feed and environmental considerations. These threats are just some of the challenges that are on the horizon for the egg industry.

I am pleased to report that the Company's operating pillars across market awareness; market education; supply chain enhancement; on-farm innovation and efficiency; and public affairs and stakeholder relations continue to address the key pressure-points and identified threats for the Australian egg industry.

AECL efforts continued to pay dividends during the year as long term positive changes to consumer attitudes and behaviour were realised as they relate to the role eggs play in good health and nutrition. Coupled with this, the independently assessed Return-On-Investment (ROI) analysis clearly shows a 5% return on invested levy dollars for egg producers. Over the first 5 years of operations, the annual trend has averaged 8% and the growth trend is very positive.

The Company's efforts on-farm and throughout the supply chain continue to deliver effective results as it relates to bird nutrition, animal health, disease management and through-chain logistics. Of note are the efforts of AECL to commence objective research and data analysis relating to the industry's environmental stewardship and waste disposal. While this work has only just begun, continued development and adoption of outcomes by egg producers will help ensure our sustainability into the future.

January 2008 marked the commencement of new animal welfare legislation in most state and territory jurisdictions pertaining to layer hen housing requirements for cage, barn and free range production-based systems. First mooted in August 2000, the 4th edition of the Model Code of Practice for the Welfare of Animals - Domestic Poultry was endorsed by Government in May 2002. This Code and the ensuing legislation outline requirements for all egg production systems. It is critical that the egg industry supports these standards and requirements to ensure our ability to continue to operate and defend any further changes when the Code is reviewed in 2010.

A well resourced, targeted and industry-supported research program on an ongoing basis will be critical to ensure continued scientific research into the welfare of laying hens in all systems. Additionally, ongoing market research among our consumers will be vital to monitor changes in attitudes, sentiment and buying behaviour so that egg producers can react accordingly.

AECL communications among all Company stakeholders on program objectives, projects and associated outcomes continues to be a priority and is undertaken by AECL management in many forms. The ongoing review and improvement of our communication is important for effective stakeholder engagement and producer buy-in to Company operations.

As we look forward to the next 5 years of egg industry enhancement through the provision of promotion and R&D services, I would like to acknowledge the efforts of all fellow AECL directors who continue to tirelessly contribute their time and efforts to ensure the effective investment of levy funds and Australian Government dollars for all egg producers and the community. 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.

Only through the collaborative and coordinated efforts of all egg producers will this small industry be able to continue the growth path and improved market conditions realised over the first 5 years of AECL operations. Upon reflection, the egg industry can be proud of its achievements to date and be comforted that the industry structures and programs are in place to ensure its sustained growth.

Board of directors

Jeff Ironside ^{GAICD}

AECL Chairman

Jeff Ironside has been a non-executive 'elected' director and the Chairman of AECL since its incorporation on 18 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). In 2008 Jeff was awarded the Lindsay Bell award.

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 Defence 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 Audit Committee. He was initially elected by the AECL Board in 2003 .

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. He also consults to and advises business owners, specialising in succession and strategic planning for family-owned businesses, particularly in the agribusiness sector.



FROM LEFT: PHILIP STEEL, JOHN O'HARA,
FRANK PACE, RUSSELL WARE, JAMES
KELLAWAY, JEFF IRONSIDE

John O'Hara ^{B Bus (Comm), MAICD} **AECL Director**

John O'Hara is a non-executive "specialist" director of AECL, a position he has held since being ratified by members on 14 March 2005 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 Chair of The Heart Research Institute Queensland Association. John is also a Vice Patron of Surf Life Saving Queensland.

Frank Pace **AECL Director**

Frank Pace has been a non-executive "elected" director of AECL since incorporation 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 in 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.

Philip Steel ^{B App Sci} **AECL Director**

Philip Steel has been a non-executive 'elected' director of AECL since 16 December 2002.

Philip is the Chief Executive of Golden Egg Farms in WA, a position he has held since 1993. Before joining Golden Egg Farms, he gained experience with several food Companies, both here and in the UK, working in the areas of production, quality assurance and marketing of a variety of food products. Phil established the peak Food Industry Association in WA and was the inaugural Chairman 2007/2008.

Philip was a committee of management member of the former Australian Egg Industry Association (AEIA) from 1996 and became President in 1998 until November 2000. During his tenure, Philip contributed to the AEIA in areas relating to food safety, quality assurance and public relations.

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 members.

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, an Associate Fellow of the Australian Institute of Management and a Board member of the Australian Poultry Co-operative Research Centre (CRC) and the Australian Livestock Export Corporation Limited.

Managing Director's report

During the 07/08 operating period, the AECL management team continued to enhance program delivery and outcomes for all stakeholders in line with the newly-developed and industry-agreed AECL Strategic Plan for 2007-2011 which is available from the AECL corporate website.

All projects and activities planned and undertaken responded to the suite of strategies and outcomes that directly address the Company's Mission Statement and AECL Vision to be a "responsible and pro-active industry service provider supporting the Australian egg industry to achieve its vision." From an operational perspective, AECL is addressing the industry strategies through the adoption and implementation of operating pillars which include 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, AECL was able to ensure its projects were commercially-responsive to the needs of egg producers, the community and the market during the year.

Market awareness

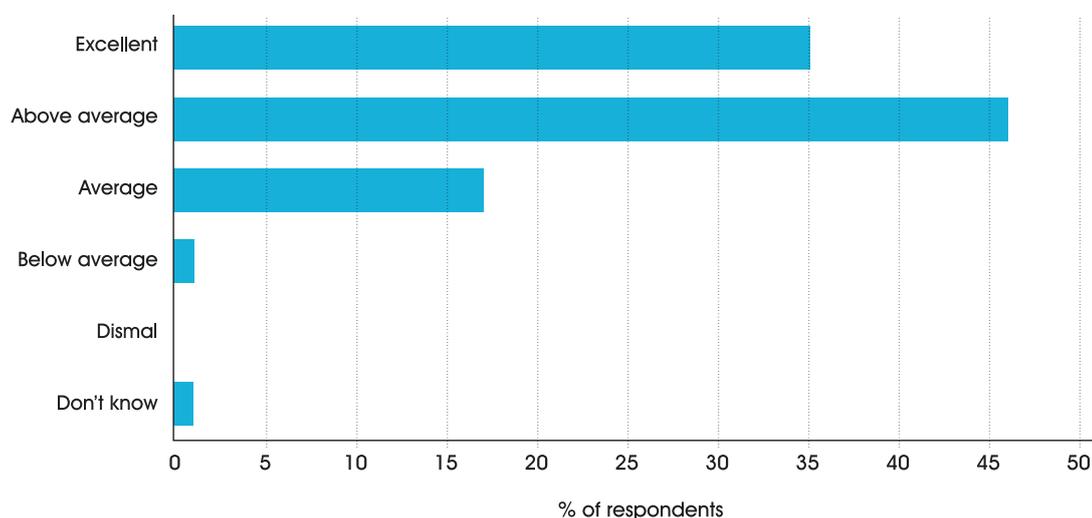
This year's projects, activities and associate campaigns continued to build 'permission' among consumers and opinion leaders to consume more eggs. Since the egg campaigns commenced, AECL has aimed to enhance the relevance of eggs among consumers through our creative print advertising. Advertisements this year totalled four new executions that increased the media weight, and hence reach and frequency, among the top-selling magazines read by our target audience defined through the Usage & Attitudinal (U&A) market research completed in the previous year.

To enhance the print media advertising, a tactical radio campaign titled 'Egtober' among 19 radio stations nationally was launched during October to assist move more eggs during this traditional period of slow sales and stock build-up. Over 1,000 radio spots were recorded with visits to the refreshed AECL consumer website www.eggs.org.au increasing by 37% during this period.

Our below-the-line media work is integral to complement the above-the-line print advertising and our consistent media release campaign resulted in 344 editorial pieces reaching 26.9 million reader impressions. This is up on the previous year by 38% and 12% respectively.

AECL initiated the industry's involvement in the Red Cross Good Start Breakfast Club during the year with egg producers volunteering to deliver eggs to over 300 schools nationwide on a weekly basis to assist generate a new generation of egg lovers. This 'on the ground' activity will result in eggs being part of a daily meal repertoire among new egg consumers.

HOW WOULD YOU RATE THE OVERALL LEVEL OF SERVICE, RESPONSIVENESS AND PROFESSIONALISM AS IT RELATES TO AECL STAKEHOLDER COMMUNICATIONS?



New recipe development, the production of our annual consumer wall calendar, activities surrounding World Egg Day and our continual presence among the food service sector through the circulation of the newsletter titled On The Boil, all assisted to reinforce and make consumers aware of the versatility, convenience and importance of eggs as part of an ongoing weekly meal plan.

Towards the end of the year, the time was ripe to change 'tack' with our advertising and promotional strategy from generating 'permission' to generating actual consumption. As a result, our advertising account was put out to tender.

By year's end and on an MAT basis, retail egg sales had increased by 5.2% on the record high volumes recorded during the 06/07 period. In partnership with industry, AECL is now changing attitudes and influencing behaviour while lifting egg purchases and consumption.

Market education

Our efforts in educating the market about the health and nutritional benefits of eggs was ongoing during the year and to assist us communicate with the healthcare professionals, an appropriately weighted print media campaign titled 'eggs and CVD, all clear' over the October and November period was instigated with Australian Doctor magazine. This campaign further assisted to dispel and debunk cholesterol claims associated with eggs and its direct effect on cardiovascular disease.

AECL continued to support the Egg Nutrition Advisory Group (ENAG) which provided professional and independent advice and regular global updates regarding the health and nutritional benefits of eggs. To this end, AECL supported the ENAG initiated study with the CSIRO titled 'heart health benefits of eggs in weight control in overweight people with type 2 diabetes' that clearly outlined the role that eggs can play in weight management.

A major review undertaken during the year was the Nutrition Information Panel (NIP) for eggs. This review resulted in a new analysis being conducted for the first time by an Australian accredited laboratory. As a result, all egg producers are now able to make additional health claims and statements about Australian eggs such as thiamine and vitamin D rather than solely relying on outdated international data.

We continued our partnership with the Dieticians Association of Australia (DAA) during the year joining with them to direct mail the first edition of our bi-annual newsletter for healthcare professionals titled The Good Egg to all DAA members. Additionally, our direct mail campaign among General Practitioners (GPs) continued unabated reaching over 6,000 GPs and up to 32.8 million patient impressions nationwide.

Our 4th wave of market research among healthcare professionals completed during the year revealed that 15.2% of GPs now prescribe a healthy level of egg consumption per week being up to an egg a day, up from 11.2% in 2007, and a corresponding decline in the percentage of GPs who only prescribe 1-2 eggs per week. Additionally, 60.1% of GPs now believe egg intake has little to no effect on cholesterol levels, up from 55.4% in 2007.

We also further refined our national approach to student education to further roll-out and cross-promote our teachers resource kit on eggs that directly addresses the Key Learning Areas for students in primary schools.

Supply chain enhancement

Increased efficiencies and co-ordination across the national supply chain for eggs is essential to drive down costs and assist to ensure product quality. AECL commenced building relations with the major wholesale markets and retailers to assist demonstrate the effects of poor handling, storage and distribution processes associated with eggs. To this end, AECL further developed the Egg Handling Manual which will be finalised and distributed throughout the major market channels in the new year. Among other things, the Manual will address stock receipt, rotation, pallet handling and shelf stacking.

AECL also finalised 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. This carton is now available for use by all egg producers.

To assist the egg industry understand the issues contained within the supply chain, AECL commissioned a research study to assess the effect of four supply chain scenarios on egg quality. This includes variances in temperature, humidity and vibration from production to the retail store. Egg quality parameters assessed include weight and density, Haugh units, pH, yolk colour and crack detection.

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 70% of the market with input from 40 egg producers as it relates to layer and egg supply forecasting.

On-farm innovation & efficiency

At the production level, AECL continued to deliver tangible research outcomes for adoption by the egg industry. Research into flock uniformity on productivity, egg shell quality and bird welfare concluded as did work focussing on IBDV and the importance of nests in the welfare of laying hens. Courtesy of research grants AECL received from the Australian Government, AECL stepped up the number of producer workshops convened around the country during the year to discuss research outcomes on composting and by-products, waste management, environmental sustainability and quality assurance.

Our EggCorp Assured (ECA) program was further enhanced during 07/08 with 128 licensees registered at year end which represents close to 70% of total egg production. Activities undertaken during the year included ECA training for auditors, ECA workshops for egg producers, the development of ECA brochures, an updated ECA manual with program improvements and the development of a master logo for licensees with multiple farm sites. Additionally, AECL conducted 'spot' audit checks among all licensees during the year to ensure program integrity and the maintenance of the QA standards.

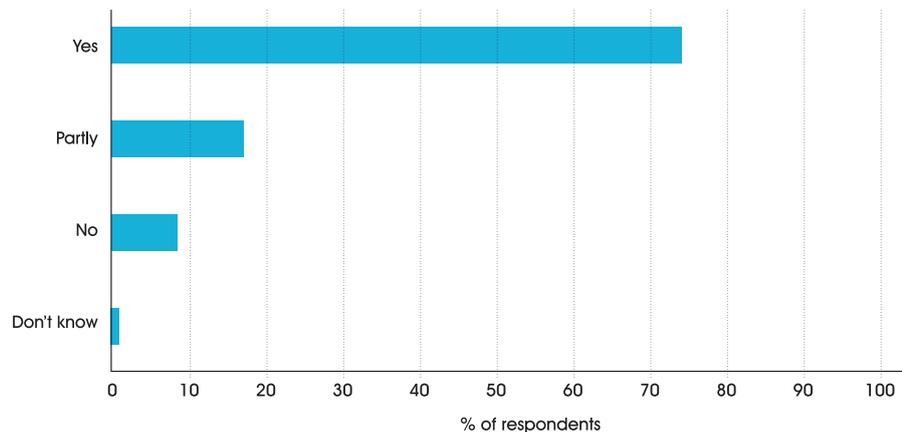
AECL continued its core partner status with the Poultry Co-operative Research Centre (CRC) during the year delivering on flock health, animal nutrition, hen welfare and environmental management standards for the egg industry. Additionally, it further developed the educational program at all levels for the long-term benefit of the egg industry.

Other key areas of involvement included the revision of Newcastle Disease (ND) management plans, the development of a generic biosecurity code of practice and the co-ordination of efforts to determine best management practices for free range egg producers.

AECL instigated an independent assessment of the R&D levy during the year resulting in a substantial return being generated for egg producers on the investment of levy funds. It is clear that the Benefit Cost Ratio (BCR) and Net Present Value (NPV) calculations on some major projects were sufficient enough to justify the investment in all other projects in the R&D program. It must be noted though that the ongoing effectiveness of future R&D will depend on the egg industry's willingness to increase levy investment made over the short term.



DOES AECL KEEP YOU INFORMED OF EGG INDUSTRY ISSUES, MARKET OPPORTUNITIES AND AECL PROGRAMS?



Public affairs & stakeholder relations

Early in the year, AECL published and reflected on the results of our second stakeholder survey to assist with the development of the Company's second Strategic Plan. It was pleasing to note that when asked "how would you rate the overall level of service, responsiveness & professionalism as it relates to AECL stakeholder communications?" 81% responded as either 'excellent' or 'above average'. While this is a well-deserved 'pat on the back' by egg producers, we remain resolute in continuing our efforts to improve stakeholder relations and program outcomes wherever possible.

The 07/08 operating period consolidated on maintaining and ensuring effective outcomes from the programs that have been developed over the recent past as they relate to stakeholder relations, membership services, corporate communications and issues management. 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.

AECL continued its position as being the licensee of the Heart Tick on behalf of the egg industry with 65 egg businesses becoming sub-licensees of the Tick during the 2007/2008 year. This high profile healthcare endorsement remains critical to consumers and central in debunking cholesterol myths associated with eggs.

Key issues such as Salmonella poisoning, ongoing animal welfare issues and egg freshness concerns have all generated increased involvement with Governments and egg producers to overcome these issues throughout the year. This has resulted in the development of crisis plans, the distribution of food safety advice notices for foodservice and the commencement of a national food safety scheme for eggs as AECL continues to work with the state food safety authorities and FSANZ, the national agency.

We also maintained our production and distribution of the quarterly Eggstra magazine, the fortnightly EggCorp EggsPress e-mail and fax service and one-on-one egg producer visits. This is in addition to ad-hoc producer workshops or seminars and our six-monthly program of industry forums which were held in conjunction with the Poultry Information Exchange (PIX), World's Poultry Congress (WPC) and the 2007 AGM. Ongoing communication initiatives with our stakeholders is essential and will not abate into the new year.

Finally, I wish to thank all staff for their unwavering support and commitment shown towards the Australian egg industry over the last 12 months. Their efforts and dedication has delivered positive and tangible results for the direct benefit of egg producers and the Australian Government. The support, direction and vision provided by the AECL Board provides an optimal mix to seek further successes over coming years for the growth and sustainability of the Australian egg industry.



Market awareness

Increasing egg sales



Pillar objective

Raise awareness, demand and consumption levels of eggs among the target market by positively reinforcing the fact that eggs provide a creative meal and snack solution and are an essential part of a modern, healthy lifestyle in order to convert low consumers into high consumers.

Challenges

The key challenges of the 2008 program were:

- Ensuring eggs are top of mind when consumers are grocery shopping
- Educate teachers and children about eggs and their nutritional value
- Encourage 'fickle lovers' to eat more eggs, more often.

Highlights

Highlights of the 2008 program were:

- Positive stories about eggs directly generated by AECL
- Launch of the updated Nutritional Information Panel based on Australian research
- Marketing workshops in all of the major production areas.

Objective

Result

Increase retail egg purchases	Additional 37.3 million eggs sold - up by 7.8% ¹
Provide consumers with accessible usage solutions	Egg recipe website www.eggs.org.au attract a record 139,414 web hits, in the second full year of operation ²
Inspire consumer usage through food media	352 media pieces generated where egg usage solutions were the focus of the coverage ³
Communicate the benefit of eggs through food industry opinion leaders	AECL conducted in-house visits to the 3 major magazine houses to introduce them to the new Nutritional Information Panel (NIP) and a media event held in Sydney to launch new consumer campaign
Change consumer attitudes	Total number of people actively restricting their egg intake contracts by 14%, from 45% down to 31% ⁴
Roll-out national print awareness campaign	Consumer campaign, Eggs As Easy As, rolled out across key lifestyle magazines with a readership of over 8.5 million Australians. This campaign reached over 85% of the target audience ⁵

SOURCE:

¹ ACNielsen Homescan data - cumulative period 7 (June/July) 2007 to period against cumulative period 7 (June/July) 2008

² Webcentral - period: 1 July 2007 - 30 June 2008

³ CARMA Media Analysis July 2007 - June 2008

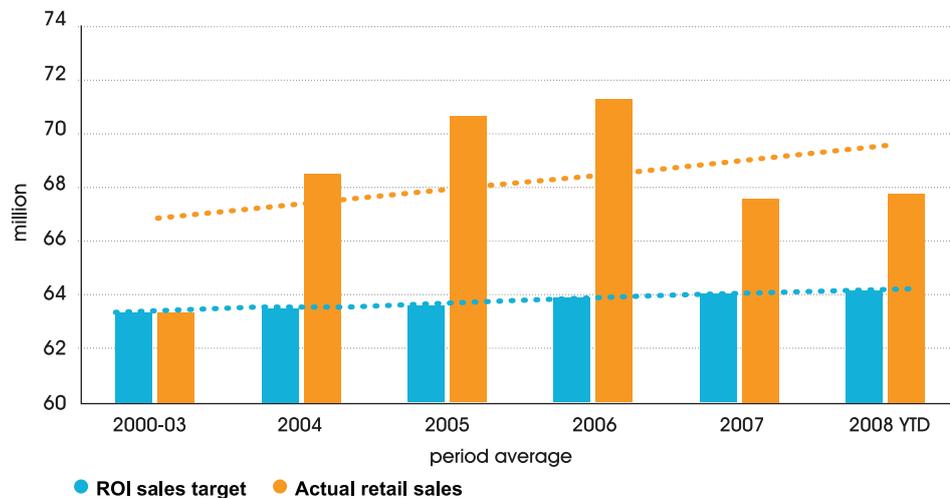
⁴ AC Nielsen Homescan data panel view result comparison November 2006 to July 2007

⁵ Campaign performance and media schedule, Fusion&Essence Media June 2008

Executive summary

The 2008 market awareness campaigns raised awareness of the fact that eggs are an essential part of a healthy diet and it also showcased the versatility and ease of eggs as a meal at any time of the day.

RETURN ON PROMOTION LEVY INVESTMENT -
RETAIL EGG SALES - ANNUAL BASIS



Expanding consumption

Since 2004, AECL has been successful in expanding egg consumption, primarily by promoting the nutritional benefits of eggs and dispensing with the negative myths which had caused many Australians to restrict intake of eggs.

A major Usage and Attitude Study in 2007 showed that Australian egg consumers had improved their attitudes towards eggs, but it also provided a new multi-dimensional insight into the minds of our purchasers.

The study showed that two in every three Australians loved eggs – they have a strong connection with the product, are positively disposed towards eggs and eat almost three-quarters of the eggs in the market. Only 20% of all egg lovers restrict their egg intake, mainly because of health concerns.

When questioned, the majority of egg lovers said they eat at least an egg a day – even people who say they restrict their egg intake. The greatest potential lies by moving the market segments who love eggs but who currently consume low levels to join the ideal market segment – the so-called, Egg Disciples. This segment actively incorporates eggs in their everyday diet and consumes almost half of all eggs in the market.

One market segment stands out as clearly offering the greatest potential to influence overall egg consumption – Fickle Lovers. This segment eats very few eggs – they eat less than half of the eggs consumed by Egg Disciples, for example. Yet Fickle Lovers **do not restrict their egg intake due to cholesterol.**

Fickle Lovers represent 13% of the Australian population but consume only 7% of eggs in the market. These consumers know they are not eating enough eggs and say that they will eat more eggs **if they are reminded about the ease of preparation and the nutrient benefits for their family.**

Fickle Lovers are family oriented and are generally younger than other egg lovers. Distracted by children and work commitments, this group is not as engaged with the product as other egg lovers and tend to view the product as a commodity.

This target market selection is primarily based on the potential of this market as a grocery buyer, family maker and decision maker for food purchases and consumption.

Positioning statement

The egg is the simplest and most complete food – essential for any diet. Delicious, nutritious, and effortless, eggs are the natural convenience food for every stage of life.

Key messages and approach

Eggs: Effortless and Essential for life marketing communications campaign focuses on the ease and simplicity of eggs – reinvigorating people’s emotional association with eggs as nurturing, comfort food, which is recognised as essential for a healthy life.

The target market segment has indicated that they need reminding on both **why** (eggs are essential for a healthy life) and **how** (eggs are effortless to prepare) to incorporate eggs into the diets of their families:

1. Eggs are essential for a healthy life

Eggs are remarkably nutrient dense and contain the essential vitamins and minerals that are necessary for life.

2. Eggs are effortless to prepare

Eggs are versatile and easy to prepare for every meal occasion. A range of simple, healthy and quick egg recipes should be a part of every culinary repertoire – no matter how busy your lifestyle.

Campaign Aim

The aim of this campaign is to allow the target market, the Fickle Lover segment, to rediscover eggs as an essential part of their diet – thus moving this group to the high consuming Egg Disciple market segment.

As the time-poor Fickle Lovers rediscover eggs and increase consumption of eggs in their family’s diets, there is **potential to increase Australian egg consumption by 11%**.

However, there are a lot of synergy opportunities between the four Egg Lover segments. Overall, reminders of eggs being effortless and essential for life will have a strong impact on all egg lover groups.

Eggs : Essential and Effortless for Life

A print advertising campaign was launched in line with the strategy to expand egg occasions and emphasise the nutritional benefits of eggs. This campaign was rolled out through 5 lifestyle magazines reaching a total audience of 8.5 million, more than 85% of the target audience.

Five advertisements were crafted around a specific egg dish in mind, and each execution was selected to match the profile of each of the five magazines chosen. Key statements such as ‘Boiled – simple is good’ and ‘Omelette – I will never sell myself with the offer of a free bottle of cola and garlic bread’ let the advertisements tell a great story about eggs, the ease and quickness of preparing eggs and the fact that eggs can be used for any meal occasion.

The success of each advertisement was tracked through the www.eggs.org website, which attracted more than 139,414 separate visitors to download egg recipes and nutritional information. This was an almost 20% increase in the number of visitors to the site recorded in the previous year.

To promote the website more and really establish it as the ‘go to’ place for egg recipes and nutritional information, AECL established a recipe of the month club with a new recipe being uploaded to the first page of the consumer website each month.

In November 2007 AECL was presented with results of research gathered by the Australian Women’s Weekly. The November 2007 issue carried the ‘Frittata’ print advertisement achieving a recall of 62% of readership and 52% of readers had been able to associate the advertisement with the advertiser.



Expanding egg usage solutions

To complement the advertising campaign, AECL invested heavily in a media communications program to drive the coverage of egg usage solutions in consumer media, while communication key health messages about eggs.

To ensure the effectiveness of the media communication campaign, AECL kept all the learnings from the previous years in mind whilst developing the 2008 campaign.

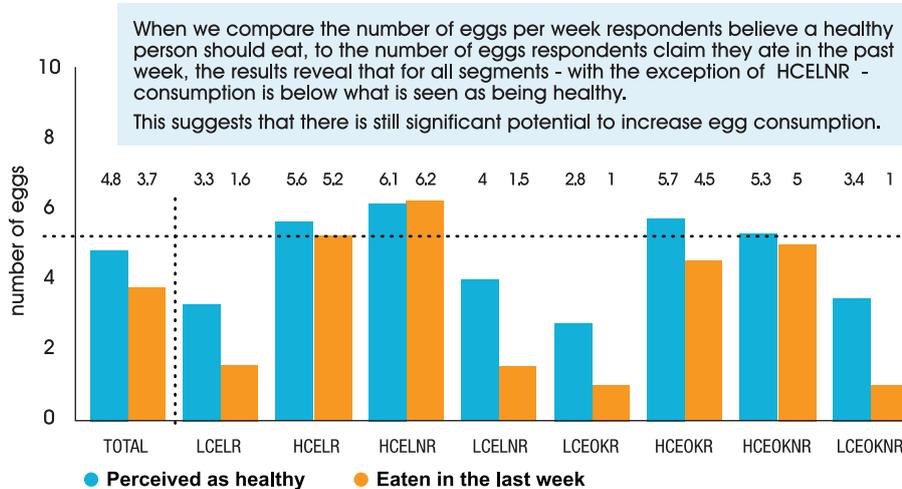
AECL's seasonal media release schedule was designed to encourage nutritional messages in national magazines, regional and suburban newspapers. A suite of 12 versatile egg recipes and images were released to the media over the year in response to demands for new egg recipe ideas.

According to independent analysis of media reports commissioned by AECL, positive stories about egg usage in printed media amounted to 352 positive stories in 2008. Even more impressive was the expansion of print stories about the nutrition and health benefits of eggs, which expanded from 306 in 2007 to 352 positive stories in 2008 – an increase of 15%.

The majority of these positive media stories were generated by the Corporation's media release schedule which incorporated monthly recipe solutions with nutrition updates. According to independent circulation figures, stories generated directly by AECL were circulated through the media to reach more than 36 million people. This is an increase of almost 25% in comparison to the results of last year's campaign.

NUMBER OF EGGS SEEN AS HEALTHY VS. NUMBER OF EGGS EATEN APRIL 2008

"If you were to think about eggs that are prepared on their own or as a part of meal, about how many eggs do you personally think a healthy person should eat per week?" and "Thinking specifically about the past week, how many eggs have you consumed in total at home and away from home?"



BASE: ADULTS AGED 18-64 NATIONALLY 2008 (n=1216); LCELR (n=87); HCELR (n=126); HCELNR (n=389); LCELNR (n=137); LCEOKR (n=91); HCEOKR (n=38); HCEOKNR (n=116); LCEOKNR (n=232)



LCEOKR - Low Consumption Eggs OK, Restrictor	LCEOKNR - Low Consumption Eggs OK, Non-Restrictor	LCELR - Low Consumption Egg Lovers, Restrictor	LCELNR - Low Consumption Egg Lovers, Non-Restrictor
6% of market, 2% of egg consumption	13% of market, 5% of egg consumption	7% of market, 3% of egg consumption	13% of market, 7% of egg consumption
Female, older, lower household income, older family (kids 16+)	Females, younger, higher household income, younger families (Kids <16)	Older, slight skew to older singles & couples	Female, Full Time worker, younger family, slight skew to younger couples with no kids

Reaching food industry leaders

Since 2005, AECL has been communicating with food journalists, restaurant chefs, caterers and other players in the food industry through a diverse range of projects, such as a 'foodie' newsletter, sponsorship and attendance at relevant industry events and one-on-one interaction with influential chefs and journalists.

In 2008, AECL continued to send out a quarterly 'foodie' newsletter called On the Boil to a database of over 2,000 contacts. The editions published during the year included egg news, events, profiles, give-aways and recipes.

During the past year, features on eggs appeared in magazines including: Vogue Entertaining + Travel, Cosmopolitan, Donna Hay and Australian Gourmet Traveller.

Results

Since 2004 the national omnibus provider Newspoll was commissioned to conduct six research waves among consumers to evaluate the effectiveness of ongoing marketing and promotion activities in relation to eggs. For the first five waves the study was conducted across Australia, among adults 40 years and over. In May 2007, this was expanded to include all adults aged 18+ and from November 2007, the survey was completed online instead of by phone.

There has been some movement since the previous wave in November 2007 in perceptions to how many eggs are healthy among adults 18+. The amount of eggs per week which people now consider to be healthy is 4.8 eggs, this is an increase of a whole egg from the first wave of research in 2004.

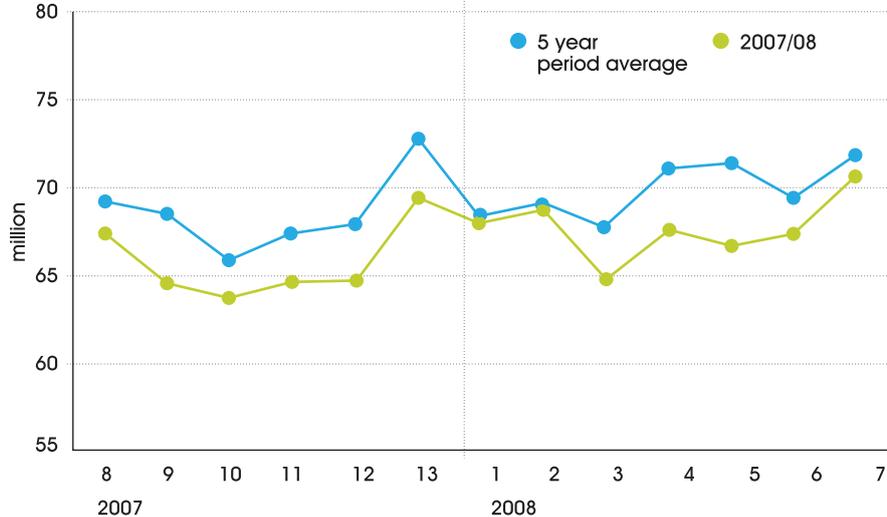
For the first time, AECL has also compared the total amount of eggs consumed in the last week with the amount of eggs which are perceived to be a healthy number and as you can see in the graph (over the page), there is still quite a lot of potential for growth.

Nielsen reports that in 2007/08 the volume of eggs sold was consistently above the 4 year average, with a small dip below the average in the May/June period due to supply issues. On average, the volume sales are about 10% higher than the 4 year average.

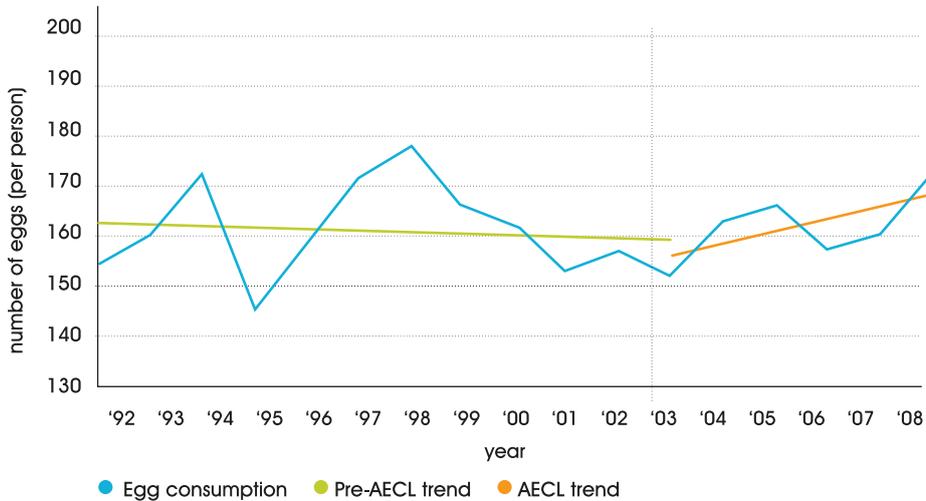
Nielsen's homescan panel consists of 10,000 households in Australian and AECL commissioned a survey among the panel in June 2007, asking them about their attitudes towards eggs. Since 2004 the egg lovers segments have grown by 30% whilst the number of consumers that restrict their egg intake has fallen by 31%.



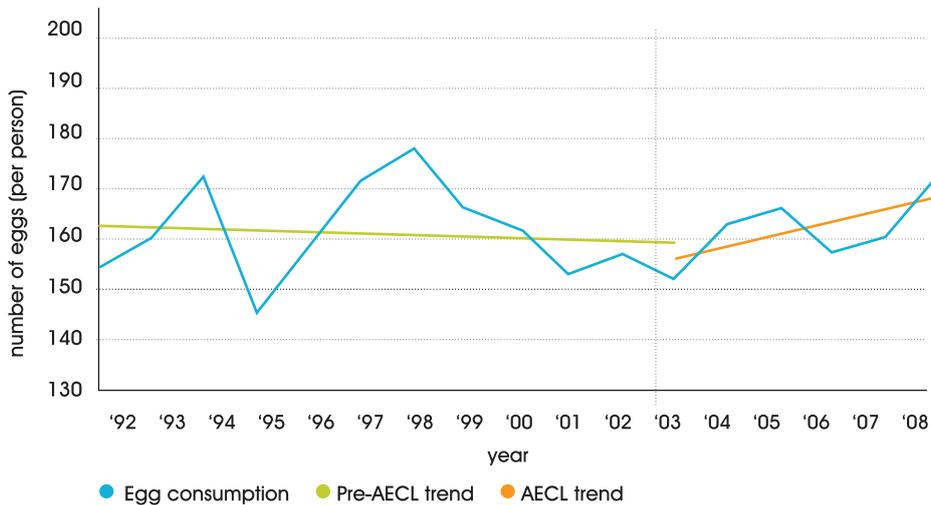
EGG VOLUME SALES - HOMESCAN DATA, NIELSEN
2007/08 PERIODS (4 WEEKLY)
COMPARED TO 5 YEAR PERIOD AVERAGE



EGG CONSUMPTION



MONTHLY EGG SUPPLY



Market education

Changing attitudes



Pillar objective

Educate the 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.

Challenges

The key challenges of the 2008 program were:

- Educate healthcare professionals who are still counselling patients to restrict egg intake
- Continue to positively alter the attitudes of consumers across all life stages.

Highlights

Highlights of the 2008 program were:

- Reduction of the number of consumers who actively restrict the number of eggs they eat from 35% to 29%
- Positive print stories about the nutrition and health benefits of eggs published in 181 articles – an increase of 51 articles since 2007
- New nutritional research on Australian eggs concluded which was widely published and workshoped to the 3 major publishing houses.

Objective

Result

Reduce the number of consumers actively restricting their egg intake due to unfounded cholesterol fears	Australian consumers consider 4.8 eggs per week to be healthy only 29% of adults now restrict their egg intake ¹
Change healthcare professionals negative beliefs and attitudes towards eggs	Similar to research waves in 2006 and 2007, over half of General Practitioners, 60.9%, believe that egg intake has little to no effect on cholesterol levels ²
Debunk health myths about eggs through strategic use of media	Corporation media campaign reaches 36 million ³

SOURCE:

¹ Newspoll Research Wave May 2008

² AC Nielsen Panel View November 2007

³ Carma Media Analysis July 2007 – March 2008

Executive summary

In 2008, the Egg Nutrition Advisory Group (ENAG) was introduced to a larger audience, with the launch of *The Good Egg* newsletter and the presence of ENAG at the Dieticians Association of Australia conference, which firmly established ENAG as the place to go to for any nutrition and egg related matter. In addition, all information supplied to healthcare professionals by ENAG are now based on Australian egg nutritional values.

Egg – Nutritional Information Panel (NIP)

For the first time in more than 20 years, the full nutritional profile of the classic Australian egg has been analysed and updated, with results for some nutrients previously not evaluated until now. In 2007, AECL commissioned the most comprehensive nutritional analysis of fresh shell eggs ever undertaken in Australia.

A sample of eggs from each state of Australia was sourced by AECL for analysis to ensure that the nutritional profile is representative of the entire Australian egg industry. The results confirm that eggs are a nutrient dense food that are a natural source of at least 11 different vitamins and minerals.

With increasing obesity rates among Australian adults and children, nutrient density is a concept that is increasing in interest in the food and healthcare professional industry. Nutrient dense foods have been defined as those with a high proportion of vitamins and minerals for the amount of energy (kilojoules) they provide. So foods that are relatively low in kilojoules but high in nutrients, like eggs, can be classified as 'nutrient dense'.

Why is it important to consume nutrient dense foods?

Having a balanced diet significantly impacts on a person's health and wellbeing. In the long-term, eating plenty of nutrient dense foods will assist with the prevention of chronic disease such as heart disease, type 2 diabetes and cancer. Alarmingly, many people consume excess amounts of kilojoules but miss out on essential vitamins and minerals from making poor food choices. This in turn may lead to poor health and excess weight gain.

People watching their weight or those with higher nutrient needs such as children, elderly people, pregnant women or athletes and people who exercise a lot will particularly benefit from choosing nutrient dense foods. These include eggs, wholegrains, fruits, vegetables, lean meat and low-fat dairy products as part of a healthy balanced eating plan.



NUTRITION INFORMATION PANEL (NIP)

Nutrients	Quantity per serve (2 large eggs = 104g)	RDI*
Phosphorus (mg)	208	21%
Iron (mg)	1.6	14%
Selenium (µg)	41	58%
Zinc (mg)	0.5	4%
Iodine (µg)	43	28%
Thiamin (mg)	0.12	11%
Riboflavin (mg)	0.5	29%
Vitamin B12 (µg)	0.9	43%
Vitamin B5 (Pantothenic acid) (mg)	2.1	42%
Folate (µg)	97	48%
Vitamin A (Retinol) (µg)	239	32%
Vitamin D (µg)	0.8	8%
Vitamin E (Alpha-tocopherol) (mg)	2.4	24%
Short chain Omega-3 (ALA) (g)	0.06	4-7% AI^
Long chain Omega-3 (DHA/DPA) (mg)	114	71-127% AI^
Omega - 3 (total) (g)	0.18	12-20% AI^
Omega-6 (g)	1.42	11-18% AI^
Lutein + zeaxanthin (µg)	530	-

* RDIs listed are those used for food labeling purposes: Reference values for recommended dietary intakes on food labels, Food Standards Code Standard 1.1.1, Schedule to column 3.

^ AI values from 2006 NHMRC Nutrient Reference Values.

The egg – a natural superfood

Key highlights from the egg analysis include the higher values identified for the long chain omega-3 fatty acids DHA and DPA. Results show that 2 large eggs (an average serve) provide 114 mg of the long chain omega-3 fats, representing 71-127% of the adequate intake (AI) for males and females respectively. Eggs therefore provide a good source of long chain omega-3 fats for ovo-vegetarians and people who choose not to eat fish or seafood. Testing the iodine content of eggs for the first time also revealed that eggs are a good source of this important mineral, providing 28% of the Recommended Daily Intake (RDI).

Please see below an overview of the NIP values that were introduced to the Australian egg industry in 2008 for use on nutrition panels and incorporation into national food databases.

The new NIP has been used to update all ENAG positioning statements and has been distributed to all accredited dietitians, fitness centres, relevant foundations such as Diabetes Australian and Government departments.



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Infomed – Direct to patient communications

Infomed is a direct patient communication medium that reaches both doctors and patients in General Practice. Patients can self-select the healthcare material of interest to them from the Information board, in an environment where health is top of mind.

The brochure Eggs and Cholesterol was distributed to over 4,000 GPs, reaching 23.5 million patients.

Raising awareness with healthcare professionals

A major part of the strategy to raise awareness of eggs was the continuation of a print advertising campaign in one of the two leading weekly doctor's publications, Australian Doctor. Reaching 95% of all 22,000 General Practitioners. It was an excellent channel to communicate messages on eggs and their nutritional benefits, as well as refuting existing cholesterol myths.

All print advertisements used, were endorsed by ENAG.

The result from the GP research conducted in May 2008 was encouraging. Similar to research in prior years, over half of GPs (60.9%) believe that egg intake has little to no effect on serum cholesterol levels.

AECL will continue to explore communication channels to doctors, including print and online advertising and other means of direct marketing to design effective strategies to raise awareness levels with eggs.

Beating the cholesterol myth

According to Newspoll research commissioned by AECL, Australian egg consumers are responding more rapidly to the message that egg consumption will not influence serum cholesterol levels in most healthy people. The research conducted in May 2007 shows very encouraging changes in perceptions of egg impact on cholesterol levels.

Among adults, the feeling that eggs have 'no effect' or 'little effect' on cholesterol has risen to over half, 56% and is now the highest level since Newspoll began tracking in 2004.



Supply chain enhancement



Pillar objective

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.

Challenges

The three key challenges of the 2008 program were:

- Generate increased uptake of all ullage reducing measures by supply chain partners including retailers and compare results to initial benchmark
- Maintain and build relationships between the egg industry and retailers
- Increase the participation in the egg supply forecasting model and reports to more accurately forecast egg production
- Pin-point key blockages to consistently improve egg quality and minimising the variability on key quality attributes as defined by consumers.

Highlights

Two highlights of the 2008 program were:

- Sign off on industry standard outer egg-cartons
- Industry's commitment to put ullage-reducing measures into place.

Objective

Result

Maintain a whole-of-chain approach to improving egg quality and its consistency	Facilitation, promotion and expansion of Egg Quality Program among egg producers
Generate increased uptake of all ullage reducing measures by supply chain partners	Confirmation from egg producers on implementation of ullage reducing measures, including new tape for pallet binding, 'fragile' labeling and stacking no more than 5 high
Maintain and build relationships between the egg industry and retailers	Continued dialogue to reduce ullage and wastage on retail end of the distribution chain
Promote utilization of Layer & Egg Forecasting report	18 reports published and distributed with an increase in egg producer participation reaching 74% of production

Executive summary

In 2008, AECL is proud to report that the egg industry has agreed upon using a standardised outer egg carton which is an important step in minimising the costs associated with ullage within the Supply Chain. AECL, as well as the industry, is committed to continue the ullage minimising work in coming years.

Retail Services program

A program targeted towards addressing retailer issues from a holistic or whole-of-industry perspective resulting in greater market power for the egg industry. Given that AECL is charged with growing the egg category, it is in the Corporation's interest to represent the egg industry as it relates to the category within retailer stores at the point-of-sale. Projects in this program will assist to generate greater egg sales and revenue from the category and ensure relationships with retailers are maintained and grown.

Supply Chain program: A program targeted towards enhancing the supply chain to drive cost efficiencies and develop new and innovative logistics solutions for the packaging, transport, labeling and display of eggs.

Fragile labelling

One of the recommendations of the research on ullage was to implement an industry standard for the outer packaging of eggs. In order to progress this project, AECL has commenced discussion with the two major suppliers of cartons to egg producers, to get a uniform carton adopted by the entire industry.

- The main issue that this project is trying to combat is that people at the retail level don't handle eggs as fragile and stack too many boxes on top of each other, which increases the pressure on the lower boxes and again causes a lot of breakages and waste to occur
- In order to minimize this, the main messages that need to be communicated on all 4 sides and the top of the boxes are:
 1. Boxes contain fragile eggs
 2. Image of cracked egg to complement "fragile" wording
 3. Boxes must not be stacked more than 5 rows high.

AECL is pleased to report that a uniform design has been agreed upon and will continue in the next financial year to get this universal standard adopted by the egg industry to help minimise the costs associated with egg ullage throughout the supply chain.



Egg Handling Manual

A second project which is a direct outcome of the ullage research is the production of an egg handling manual. This manual would be distributed throughout the supply chain to ensure that anyone who is part of the supply chain knows how to correctly handle egg cartons. Again, this initiative has been undertaken to decrease the costs associated with egg ullage.

AECL has been liaising with the Quality Assurance Department of the major supermarket chains in order to get feedback in terms of practicality and format of an egg handling manual. The purpose would be to provide some guidelines to the retail industry of how to handle eggs with the aim to reduce waste. This might be in the form of a 2-3 page summary (backed up by an 8-10 page detailed document) and some one-page information brochures for staff. Retailers will provide feedback on what format can be implemented the easiest into existing quality (assurance/control) processes (e.g. online training tool, CD, DVD, leaflets, posters etc.).

The manual would cover but not be limited to the following:

- Stock receiving (back of store/DC)
- Moving/unpacking pallets
- Stock rotation
- Stocking shelf in-store (from storage to shelf / from trolley to shelf)
- Isolation of damaged eggs.

The aim is to develop some simple guidelines for retail staff that are easy to follow and adhere to. AECL will continue the development and implementation of this project in 2009.

The Heart Foundation Tick – making healthier choices stand out from the crowd

AECL promoted the use of the Heart Foundation's Tick trade mark on egg labeling as the Tick trade mark emanates a trust in the product to consumers. In 2007 – 2008, 68 egg businesses held a License Agreement with AECL to use the trade mark on their promotional materials and in excess of 500 labels are now approved to include the trade mark on-pack.

The Heart Foundation's Tick trade mark can only be used in association with a food product that has been approved by the Heart Foundation and meeting a particular criteria, and in relation to which a valid License Agreement has been entered. AECL gained the Tick for eggs in 2005.

During the last financial year a project undertaken to sample Australian eggs for their nutritional information led to a revision and release of new Nutritional Information Panel (NIP) data.



EGGS HAVE THE TICK
BECAUSE THEY ARE
A NUTRITIOUS FOOD

CERT TM



Public affairs & stakeholder relations

Promoting best practice



Objective

Increase effectiveness of communications with industry stakeholders and secure policy management to improve the knowledge and understanding of the egg industry in the community.

Challenges

Key challenges of the 2008 program were:

1. Improving consumer confidence and knowledge in the safety and labelling of eggs
2. Communication on and implementation of new layer hen regulations across all states and territories of Australia
3. Improving the welfare of egg laying hens, promoting the economic and moral drivers of good husbandry practices.

Highlights

Highlights of the 2008 program were:

1. Issues management manual updated and made available on the AECL website
2. Crisis response sheets developed for producer workshops in 2009
3. Childrens education programs through the Sydney Royal Show, teacher resource kits and the Red Cross' Good Start Breakfast Club.

Objective

Result

Improve preparedness for issues that could effect the industry	Issue's Management Manual updated, crisis response sheets developed
Manage media issues as they arise	Food safety in Tasmania, two freshness enquiries by major publications and Jamie Oliver's "Fowl Dinners", with AECL maintaining a positive media trend analysis
Government interaction that yields real results	Land Transport Standards, National Animal Health Information Service, Australian Animal Welfare Strategy. Involvement with Government working and consultative groups
Proactively promote the image of egg producers in the community	Interacting with consumer press and welfare groups to improve the image and raise the profile of egg producers and their animal husbandry practices
Better involvement and communication with stakeholders	Industry newsletters and special release bulletins to increase the response to industry communications. Improved web access for members and stakeholders

Executive summary

Throughout 2008 AECL has continued to work with producers to improve consumer understanding of the Australian egg industry and its challenges. This progression has been achieved through open communications strategies, improved media relations and policy management.

Consulting with members

AECL's continued success is dependent on effective communication with egg producers and industry stakeholders.

In 2008, AECL extended its communications strategy to engage more producers and to enhance the range and frequency of existing information channels with industry. We have continued to adapt our successful industry publications based on member feedback, including the fortnightly electronic newsletter EggCorp Eggspress, and Eggstra! Eggstra, AECL's quarterly magazine, crammed with articles focusing on industry issues and information.

This year we have revised all of our websites and added www.EggsAsEasyAs.com to support the new consumer campaign and to bring all AECL materials into line with the look and feel of the new campaign. The aim of expanding the range of information available on-line is to; improve navigation and enhance the relevance of the information for egg producers, media, consumers, Government and researchers. Several new facilities, including the ability to search for individual documents and media releases will be added as part of this upgrade.

Hen welfare and issues management

The Australian egg industry continues to struggle with animal welfare issues both on-farm and the perceptions of the consuming public. AECL endeavours to educate egg producers in best practice on-farm to minimise any health or welfare issues within flocks, as well as enlightening the buying public in regards to good animal husbandry practices for laying hens across all egg production systems.

Several issues occurred during 2008 that brought welfare issues to the forefront of the public's consciousness. A food safety issue in Tasmania resulted in serious allegations of animal cruelty being levelled at the industry and individual producers in that state. Eventually this led to the closure of the production facility. This occurred without direct evidence of contamination from the farm, and with the cooperation of local Government departments who worked with AECL and the egg producer to eradicate previously identified welfare and food safety issues.

AECL management along with representatives from the Tasmanian Commercial Egg Producers Association, visited Hobart and met with the Minister of Primary Industry & Water and Government officials to discuss the issues and attempt to come to a clearer understanding of the challenges in the Australian egg industry. RSPCA Tasmania and key media representatives in Hobart were also approached for the purpose of assuring them of the continued safety and reputation of Tasmanian eggs.



Egg producers and Australian Kids

AECL appreciate that the younger age group generally do not have any health concerns about eating eggs and are therefore a generation with the most potential to become high egg consumers. AECL's focus on children encompasses a holistic approach by using education, crafts and activities as well as targeted egg recipes to teach children the health benefits of eating eggs, while also portraying them as a fun, tasty and versatile meal for any part of the day.

Teacher resource kits that have been developed are being matched to each of the states curriculum's so that primary school teachers can easily utilise education material that meets their teaching targets across subjects. The kits are teaching the kids about the life cycle of hens, egg production, egg quality and the health and nutrition of eggs in a balanced diet.

Activities including egg painting and decorating have been held at the Sydney and Hobart agricultural shows, where school groups and families have come to paint eggs, pick up nutritional and welfare information and even watch a DVD on where eggs come from. AECL runs these free activities as a relaxing and fun way to induce positive sentiments about eggs to the egg purchasers of the future, while providing health & welfare information plus recipes to their parents and teachers.

Interaction and consultation significant to the egg industry

Consultation between Government and AECL occurs frequently and openly on issues related to egg production and primary industry. Members of AECL management sit on departmental working and reference groups so that the egg industry has a voice on matters relevant to egg production such as land transport standards, animal welfare strategies, environmental programs and food safety. These are often opportunities to interact and confer with other industry representatives, animal activist groups as well as state and federal Government representatives.

Building relationships with relevant groups allows AECL some access to proposed changes to the structure of the industry as well as giving access to influential figures in related fields.

Continued consultation is essential to the success of AECL and all Australian egg producers so that we can establish and maintain communications with bodies that can impact on the structure of the industry and how business is conducted in it.



On-farm innovation & efficiency

Enhancing relevance for stakeholders



Pillar objective

Innovate commercially responsive and production efficient solutions to enhance industry and stakeholder competitiveness and sustainability of egg businesses.

Challenges

1. Increasing producer involvement in R&D activities aimed at addressing key industry issues
2. Improving R&D adoption through information transfer and activities strengthening relationships between researchers and producers.

Highlights

1. Increased producer participation in on-farm R&D projects supported by the EPRID Program
2. Improved uptake of R&D outcomes through enhanced communications and training initiatives.

Objective

Result

Develop strategies to detect and control disease	Completed the development of a new diagnostic for infectious bronchitis virus and monitored circulating strains of infectious bursal disease virus. Continued to support over 20 poultry health related projects through the Poultry CRC
Improve environmental outcomes across the egg industry	Convened five composting and waste management workshops across Australia, developed a series of eight waste management fact sheets and updated the environmental guidelines and legislative review for the egg industry
Evaluate welfare issues and enhance layer hen welfare	Completed the evaluation of behavioural requirements of hens relating to the use of nest boxes and commissioned a literature review of layer hen welfare in relation to commercial production systems
Actively involve egg producers and researchers in partnership programs with direct benefit to levy-payers	Completed on-farm composting studies involving nine farms across Australia and supported management studies for the free range sector involving 19 operations in south-east Queensland

Executive summary

In 2008, activities supported through the On-farm Innovation and Efficiency operating pillar have focused on increasing the involvement of egg producers in research and development projects that address issues relating to everyday on-farm operations. With greater producer participation in projects supported under the Egg Producer Research Innovation and Development (EPRID) Program, AECL has significantly increased the adoption of R&D outcomes to deliver greater benefits to egg businesses in the short term and greatly enhance the overall relevance of the R&D program.

Improving the industry's understanding of infectious bronchitis

Infectious Bronchitis Virus (IBV) has long been recognised as a threat to the Australian egg industry and linked to significant production and egg quality losses. Despite this, there has been little effort in the past to evaluate the effects of Australian strains on the mature oviduct of layer hens, largely due to limitations with available testing methods. This year, a project supported by AECL at the University of New England (UNE) has developed a rapid and sensitive real-time reverse transcriptase polymerase chain reaction test for detection of IBV in samples of tissue, body fluids or faeces of laying hens. In addition, the test distinguishes between vaccine and challenge strains of IBV on the basis of the levels of actual viral copy number detected. The PCR test will be used to increase our understanding of tissue localisation patterns of Australian strains of IBV and, following further optimisation in 2009, will be made available to industry through UNE on a fee-for-service basis.

Examining the importance of nests for the welfare of laying hens

A project supported by AECL and completed this year through the University of Melbourne has provided important information on the use of nest boxes in relation to the welfare of laying hens. The project focus has been an examination of layer hen behaviour and physiological welfare measurements with regards to nest box selection, use and design features. A key finding has been that a significant percentage of eggs (28%) were laid outside the nest box, raising questions as to the essential nature of nest boxes in commercial production systems. More importantly, once accustomed to a particular site, hens appear to have a strong preference to lay in the same site - whether on cage floor or in a nest box - suggesting a strong ability to adapt to different production environments.



Helping to ensure Australia's quarantine status

Continuing to demonstrate Australia's freedom from very virulent Infectious Bursal Disease Virus (vvIBDV) is crucial to maintaining our current quarantine status. vvIBDV is a problem in many countries and can be responsible for significant losses to both the layer and broiler industries. A project completed this year titled "Characterisation and modulation of virulence of endemic IBDV strains using reverse genetics" was jointly funded by AECL with the Rural Industries Research and Development Corporation (RIRDC) Chicken Meat program. The project has monitored circulating IBDV strains in Australian poultry flocks over the last four years and detected an increasing number of genetic changes. Importantly, the study has confirmed that Australia remains free of very virulent IBDV strains and helps protect the industry's position in relation to egg imports.

“I'm pleased at the achievements that have been delivered to the industry during the last 5 years by the industry organisation, Australian Egg Corp Limited. It's been encouraging watching the profile of "eggs" lifted through the market research and promotion. If we don't promote what we do, others will not only poach our market but also seek to mislead at every opportunity. I understand that "eggs" are an excellent food source that for a long time has been misrepresented. One of the challenges moving ahead will be the balancing of the Vegan and extreme animal welfare groups as their campaign focuses against all animal farming. These groups are not only well funded but also receive significant celebrity and media support as they peddle their emotional misinformation.”

– John Gronewold
Tasmanian egg farmer

Egg Corp Assured: guaranteeing a quality food product for the Australian consumer

Egg Corp Assured (ECA) is the national egg quality assurance program developed specifically for Australian egg producers. The key modules of ECA are hen welfare, biosecurity, food safety, egg labelling and environmental management. The scope of ECA is pullet rearing, egg production and egg grading and packing. The inclusion of hatchery and breeder establishments will be a target for future incorporation into this quality program to embrace a full chain approach to quality assurance for the egg industry.

Egg industry uptake of ECA has maintained its growth over the last financial year with 166 Certificates of License being issued since the program inception. 34 new licenses were issued in the last financial year. The total number represents 84% of egg businesses registered with AECL and approximately 90% of the egg industry flock.

'Spot' check audits were implemented as part of the ECA program during 2007 - 2008. The 'Spot' check audits were fully funded by AECL, enabling a large percentage of licensed farms to undergo this activity in its initial year as part of the ECA program. Although not always welcome, the end outcome was encouraging with feedback from egg producers as to the value that the audits provided by having a fresh set of eyes over their farm practices. 'Spot' check audits are to remain as an ongoing requirement of the ECA program in an effort to gain national consistency.

Master ECA logo's were introduced into the ECA program in the last financial year. Where a number of licensed farms are partially or wholly part of one egg business, the Corporation has issued one identification number ('Master ID') to be used by the egg business. One condition in this regard is that the egg business has in place and maintains at all times a traceability system which ensures that the location and the date-of-lay of the eggs can be readily and easily identified. Three Master ECA logo's have been issued in the last financial year.

ECA workshops for egg producers took place in all States early in 2008. The interactive day acted as an open forum for egg producers, giving the opportunity to contribute to the program content and structure from a practical perspective going forward. ECA is a living program, hence feedback on and review of the program content promoted continued improvements and updates for the audit criteria.

ECA retained 16 accredited auditors for 2007 - 2008 with a new ECA auditor training session being undertaken at the end of the financial year with the aim of encouraging new participants to gain their ECA accreditation. Current RABQSA qualifications are a requirement to be an accredited ECA auditor along with attendance at ECA training days and a minimum number of ECA audits undertaken during each year of accreditation.

AECL continues to encourage involvement in Egg Corp Assured, the national egg quality assurance program, as one means of exhibiting 'best management practice' by the egg industry.



Australian Government R&D priorities

Executive summary

The Australian egg industry recognises that continual investment in Research & Development (R&D) and industry/product innovation is vital for ongoing growth and improvement in the profitability and sustainability of the egg industry.

R&D has been embraced by the egg industry and 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. It is critical to sustain productivity gains continual investment, coordination and linkage of R&D throughout the supply chain and marketing system.

“AECL has created some very positive developments for Australian egg producers, with extensive promotion and research programs that would not be possible without a peak industry body. The corporation has supplied farmers with a structured and commercial outlook that has revolutionized the way eggs are produced in Australia.”

To help guide the egg industry's investment in R&D, new government priorities have been identified which map the challenges to be faced over the next five to ten 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 environmental variability and climate change.
- Protecting Australia from biosecurity threats.

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



Australian Government R&D priorities

NATIONAL RESEARCH PRIORITY	RURAL R&D PRIORITY	2007/08 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.)	7	\$443,100
	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.)	9	\$399,800
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.)	1	\$100,000
	Environmental variability & climate change (Build resilience to climate variability and adapt to and mitigate the effects of climate change.)	0	0
Safeguarding Australia	Biosecurity (Protect Australia's community, primary industries and environment from biosecurity threats.)	3	\$135,700

SUPPORTING THE RURAL RESEARCH AND DEVELOPMENT PROCESS

Frontier Technologies for Building and Transforming Australian Industries	Innovation skills (Improve the skills to under take re search and apply its findings.)	6	\$515,900
	Technology (Promote the development of new and existing technologies.)	1	\$15,000



Corporate governance

AECL's Responsibilities to Stakeholders

AECL's task is to deliver stakeholder value through the sustainable and efficient operation of the Company in achieving its mission 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 that the Company is properly managed so as to protect and enhance members' interests and to meet the Company's obligations to all parties.

Role of 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 strategies in line with the agreed five year 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
- 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.

Membership of AECL

A person is eligible to be a member of AECL if they are an Australian egg producer 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 "elected" directors of the Company.

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. Directors will normally serve a term of two years, and retire in rotation. However as per the terms of the Constitution, they are eligible for re-election.

Board Remuneration

Total remuneration for all 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 Board Meetings

The AECL Board meets monthly or as otherwise required to perform its duties and requires a quorum of a majority of directors eligible to vote. Each director has one vote. To meet operational needs, the Board may convene by using electronic methods.

AECL Committees

In addition to the AECL Board, the Audit Committee was constituted to review the financial information that will be provided to members and others, the systems of risk management and internal controls that management and the Board have established, and the audit process including the independence of the Auditor.

AECL Board Performance

The AECL Board conducts regular reviews of 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

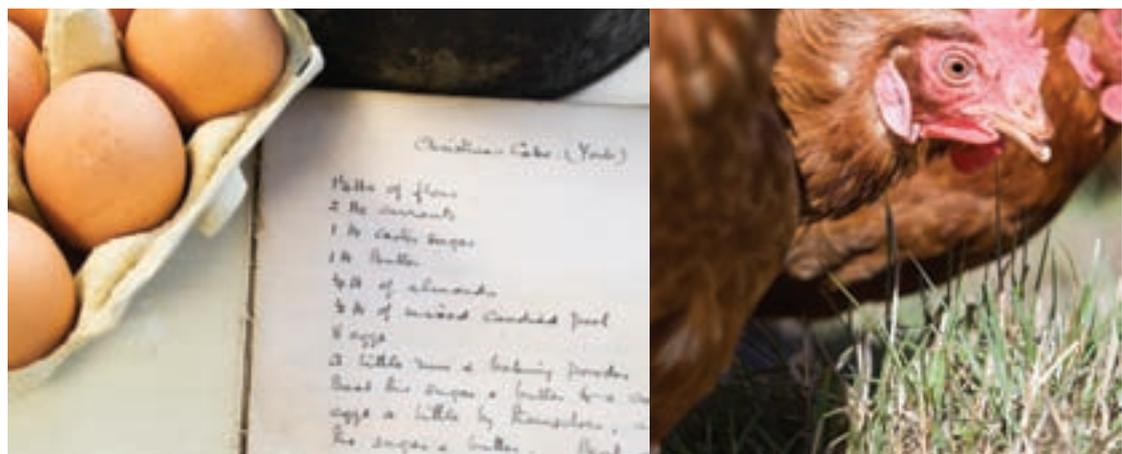
Relevant interests of all directors are reviewed on an annual basis, as well as notified as and when they arise in relation to a particular issue.

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 the Australian Government and any egg producer that provides funding to 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 AECL Egg Corp Assured (ECA) Accreditation program, the National auditing program for egg production and grading, gives support and security to producers and consumers alike. This will assist in increasing egg consumption as consumers will be reassured in the egg they are purchasing with the (ECA) logo attached.”

– Shelley Green
Victorian egg farmer

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.

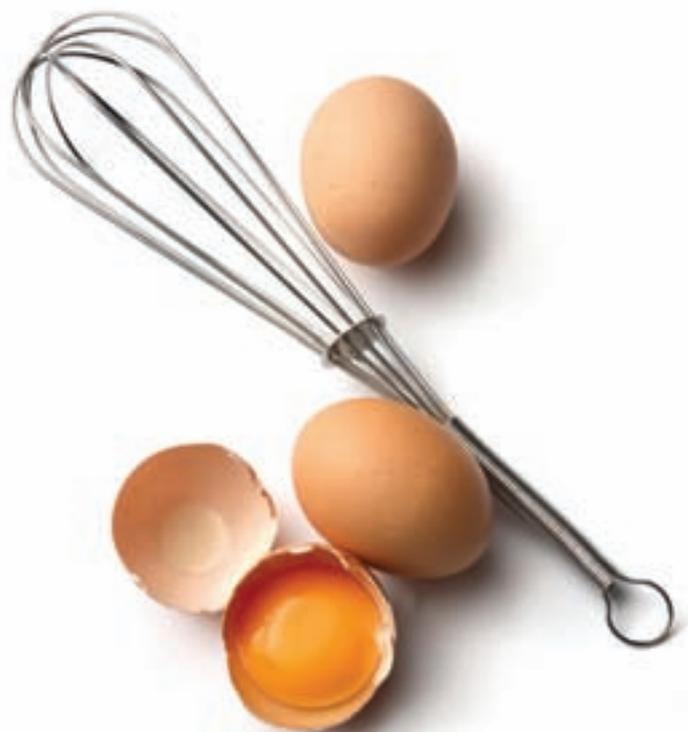
“AECL was set up to promote eggs to the consumer, the food industry and retailers. This it has done by showing the benefits that including eggs in a healthy diet brings to Australians.”

– Meg Parkinson
Victorian egg farmer

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 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.



Financial report

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Directors' report

Your directors submit their report for the year ended 30 June 2008.

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
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 2008 there were 13 meetings of directors and 4 audit committee meetings and the number attended by each director was:

	Board meetings		Audit committee meetings	
	2007/2008	2006/2007	2007/2008	2006/2007
Jeff Ironside	13	12	4	4
Frank Pace	12	12	4	4
Philip Steel	9	12	2	4
Russell Ware	12	12	4	4
John O'Hara	12	12	3	4
James Kellaway	13	12	4	4

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, N.S.W., 2060

The entity employed 7 employees at 30 June 2008 (2007 : 7).

Principal activities

The principal activities during the year were the provision of marketing and research and development activities 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 2008 was \$nil (2007 : \$nil).

Directors' report

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.

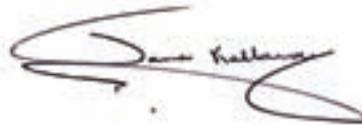
Auditor's independence declaration

The Auditor's Independence Declaration for the year ended 30 June 2008 has been received and can be found following the Directors' Report.

Signed in accordance with a resolution of the directors.



Jeff Ironside
Chairman



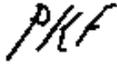
James Kellaway
Managing Director

Sydney
Date : 14 September 2008

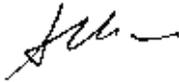
Auditor's Independence Declaration

As lead auditor for the audit of Australian Egg Corporation Limited for the year ended 30 June 2008, 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, 14 September 2008

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Level 10, 1 Margaret Street | Sydney | New South Wales 2000 | Australia
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Directors' declaration

Directors' declaration

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

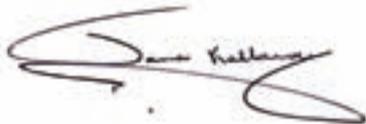
In the opinion of the directors:

- (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 2008 and of its performance for the year ended on that date; and
 - (ii) complying with Accounting Standards 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



Jeff Ironside
Chairman



James Kellaway
Managing Director

Sydney
Date : 14 September 2008

Income statement

Income statement

	Notes	30 June 2008	30 June 2007
Revenues from Operating Activities	2	4,933,967	5,851,732
Expenditure			
Market Awareness	3a	645,634	1,015,326
Market Education	3b	1,521,051	1,534,093
Supply Chain Enhancement	3c	370,596	753,476
Public Affairs & Stakeholder Relations	3d	600,437	596,207
On-Farm Innovation & Efficiency	3e	1,283,601	1,400,100
Corporate Costs	3f	512,648	552,530
Total Expenses		4,933,967	5,851,732
Net Surplus	10	-	-

Balance sheet

Balance sheet

	Notes	30 June 2008	30 June 2007
Current Assets			
Cash & Cash Equivalents		938,635	713,779
Trade & Other Receivables	4	530,869	599,832
Total Current Assets		1,469,504	1,313,611
Non-Current Assets			
Financial Assets (AEEL)	5	1	1
Property, Plant and Equipment	6	89,374	93,384
Total Non-Current Assets		89,375	93,385
Total Assets		1,558,879	1,406,996
Current Liabilities			
Trade & Other Payables	7	1,494,951	1,344,375
Provisions	8	31,490	35,375
Total Current Liabilities		1,526,441	1,379,750
Non-Current Liabilities			
Provisions	9	32,438	27,246
Total Non-Current Liabilities		32,438	27,246
Total Liabilities		1,558,879	1,406,996
Net Assets		-	-
Equity			
Retained Surplus	10	-	-
Total Equity		-	-

Cashflow statement

Cashflow statement

	Notes	30 June 2008	30 June 2007
Cash Flows from Operating Activities			
Receipts from funding and other sources		5,366,390	5,245,785
Payments to Suppliers and Employees		(3,159,086)	(3,874,838)
Interest Received		63,780	107,604
Research and Development expenditure		(2,031,971)	(2,459,918)
Net Cash Flows used in Operating Activities		239,113	(981,367)
Cash Flows from Investing Activities			
Advances to Related Parties		(412)	(200)
Purchase of Property, Plant and Equipment		(13,845)	(3,508)
Net Cash Flows used in Investing Activities		(14,257)	(3,708)
Cash Flows from Financing			
Proceeds from Lease Incentive		-	-
Net Cash Flows from Financing Activities		-	-
Net Increase (Decrease) in Cash Held		224,856	(985,075)
Add opening cash brought forward		713,779	1,698,854
Cash & Cash Equivalents Carried Forward	11	938,635	713,779

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 as an individual entity.

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 standards and amendments were available for early adoption, however, in the opinion of the directors, none of these standards and amendments are expected to have a significant impact on the financial results and have not been applied by the Company.

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 2008 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. 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.

Cash and Cash Equivalents

Cash on hand and in banks are 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.

Depreciation

	2008	2007
Office Equipment	2 - 6 yrs	2 - 6 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 lease incentive liability in relation to the non-cancellable operating lease is being reduced on an imputed interest basis over the lease term (5 years) at the interest rate implicit in the lease. This lease expires on 30 September 2008. A new lease has been entered into commencing on 1 October 2008 for a further period of 5 years. Rental payments will be expensed in the financial year in which they occur. Contingent rentals for the year end 30 June 2008 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. Interest revenue is recognised on a proportional basis taking into account interest rates applicable to the asset.

Commonwealth 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.

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:

- 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.

Notes to the financial statements continued

2. Revenue from operating activities

	Notes	30 June 2008	30 June 2007
Revenues from Operating Activities		\$	\$
Promotion Levies		2,749,695	2,946,278
Research and Development (R & D) Levies		1,140,899	1,718,066
Government Contributions		827,268	828,815
Other Income	2a	312,435	456,632
		5,030,297	5,949,790
Less Levy Collection Costs (R & D)		24,535	23,118
Less Levy Collection Costs (Promotion)		71,795	74,940
Total Revenue		4,933,967	5,851,732
2a. Other Income			
Associate Membership		18,545	3,298
Government Grants		173,915	303,163
Interest		63,780	107,604
Royalties		32,930	35,916
Sales Publications & other income		23,265	6,650
Total		312,435	456,632

3. Program Expenses by Operating Pillar

3a. Market Awareness

The programs run within the Market Awareness pillar are:

- Consumer program
- Media Relations program

The strategic purpose of these programs is to raise awareness, demand and consumption levels of eggs among the target market 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.

	30 June 2008	30 June 2007
Projects / activities	514,968	879,051
Project travel	7,366	7,680
Other	0	5,295
Program management costs	123,300	123,300
Total	645,634	1,015,326

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 target market 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.

	1,386,700	1,409,319
Projects / activities	1,386,700	1,409,319
Project travel	11,051	1,046
Other	0	428
Program management costs	123,300	123,300
Total	1,521,051	1,534,093

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.

	261,998	639,473
Projects / activities	261,998	639,473
Project travel	3,850	9,034
Other	0	221
Program management costs	104,748	104,748
Total	370,596	753,476

Notes to the financial statements continued

3d. 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.

	30 June 2008	30 June 2007
Projects / activities	311,131	359,937
Project travel	104,398	51,362
Other	-	-
Program management costs	184,908	184,908
Total	600,437	596,207

3e. On-Farm Innovation and Efficiency

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

- 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	1,042,617	1,167,304
Project travel	74,544	65,886
Other	0	470
Program management costs	166,440	166,440
Total	1,283,601	1,400,100

3f. Corporate Costs

Accounting & Audit Fees	14,727	17,636
Administration	16,069	28,553
Premises	86,586	77,496
Board/AGM expenses	184,772	186,495
Employment expenses	210,494	242,350
Total	512,648	552,530

3g. Net Surplus

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

Depreciation	16,591	24,151
Employee costs	738,563	696,629
Lease expenses	107,906	104,457

Notes to the financial statements continued

4. Receivables (current)

	Notes	30 June 2008	30 June 2007
Trade Debtors		394,934	460,658
Other Debtors		912	4,563
Security Deposit	19	132,000	132,000
		527,846	597,221
Amounts other than trade debts receivable from related parties :			
Wholly owned Subsidiary :			
AEEL		3,023	2,611
Related Entity :			
AEIA		3,023	2,611
Total		530,869	599,832

5. Other financial assets

Controlled Entities - unlisted

AEEL		1	1
		1	1

As at 30 June 2008 Australian Egg Corporation Limited owned 100% of the capital in Australian Egg Export Pty Ltd being 1 fully paid ordinary share (2007 : 1)

6. Property, plant and equipment

Office Equipment

At Cost		73,015	85,964
Accumulated Depreciation		(32,380)	(50,181)
		40,635	35,783

Leasehold Improvements

At Cost		88,619	88,619
Accumulated Depreciation		(39,880)	(31,018)
		48,739	57,601

Total Property, Plant and Equipment

At Cost		161,634	174,583
Accumulated Depreciation and Amortisation		(72,260)	(81,199)

Total Written Down Amount

89,374 **93,384**

Reconciliations

Office Equipment			
Carrying Amount at Beginning		35,783	47,563
Additions		13,845	3,508
Disposals		(1,264)	-
Depreciation		(7,729)	(15,288)
		40,635	35,783

Leasehold Improvements

Carrying Amount at Beginning		57,601	66,464
Additions		-	-
Depreciation		(8,862)	(8,863)
		48,739	57,601

Notes to the financial statements continued

7. Trade and other payables (current)

	Notes	30 June 2008	30 June 2007
Trade Creditors		175,337	197,825
Other Payables		95,857	171,239
Unearned Income - Promotion Levy		1,280,274	633,122
Unearned Income - R & D		(98,454)	215,177
Unearned Income - Government Grant		33,812	93,887
Lease Incentive		8,125	33,125
		1,494,951	1,344,375

8. Provisions (current)

Employee Entitlements	12	31,490	35,375
		31,490	35,375

9. Provisions (non-current)

Employee Entitlements	12	32,438	27,246
		32,438	27,246

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		-	-
Non-cash Items			
Depreciation of non-current assets		16,591	24,150
Net loss on disposal of fixed assets		1,264	0
Changes in Assets and Liabilities			
(Increase)/decrease in trade and other receivables		68,963	(6,312)
Increase/(decrease) in trade and other payables		150,576	(1,019,748)
Increase/(decrease) in provisions		1,307	20,343
(Increase) in other assets		412	200
Net cashflow used in operating activities		239,113	(981,367)

(b) Reconciliation of Cash

Cash balance comprises :			
Cash on hand		249	250
Cash at bank		938,386	713,529
Closing Cash Balance		938,635	713,779

Notes to the financial statements continued

12. Employee entitlements

	30 June 2008	30 June 2007
Employee Entitlements		
Provisions (Current)	31,490	35,375
Provisions (Non-Current)	32,438	27,246
	63,928	62,621

13. Expenditure commitments

Lease expenditure commitments

Operating Leases (non-cancellable)		
Minimum lease payments		
- not later than one year	91,501	94,121
- later than one year and not later than five years	419,305	18,055
Aggregate lease expenditure contracted for at balance date	510,806	112,176

14. Contingent liabilities

There are no contingent liabilities as at 30 June 2008.

15. Subsequent events

There have been no significant events that have occurred since 30 June 2008 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 2008, 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	382,470	365,421
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17. Remuneration of auditors

Amounts received by PKF for :

- an audit or review of entity	16,227	17,636
- other services	-	-
	16,227	17,636

18. Related party disclosures

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

Jeff Ironside
Frank Pace
Philip Steel
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 (2007 : 1).

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

(i) Wholly owned group transactions

Amounts loaned to Australian Egg Export Pty Limited	412	200
(ii) Transactions with other related entities		
Repayment of amounts loaned to Australian Egg Industry Association	-	(10,339)

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.

30 June 2008	30 June 2007
132,000	132,000

20. Segment information

Segment products and locations

The Company operates predominantly in a single industry and geographical segment, being the provision of research and development and marketing 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 \$63,780 (2007 : \$107,604). 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 2008 the total income from these sources was \$23,265 (2007 : \$6,650)

At 30 June 2008 no Trade Debtors were considered to be impaired.

Ageing of receivables is as follows:

	30.06.08	0-30 days	31-60 days	
Total Trade Debtors	394,934	393,572	1362	
	30.06.07	0-30 days	31-60 days	61-90 days
Total Trade Debtors	460,658	459,981	657	20

Notes to the financial statements continued

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 2008	30 June 2007
Trade and other payables are expected to be paid as follows:		
Less than 6 months	313,131	475,451
6 months to 1 year	1,181,820	860,799
1 year to 2 years	-	8,125
	1,494,951	1,344,375

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 in these risks.

At 30 June 2008, the effect on interest received, with all other variables remaining constant, would be as follows:

Change in total revenue received

Cash	938,635	713,779
- Increase in interest rate by 2%	21,413	16,915
- Decrease in interest rate by 2%	(21,413)	(16,915)

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

Independent auditor's report



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 2008, the income statement and cash flow statement for the year ended on that date, a summary of significant accounting policies and 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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Independent auditor's report



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 2008 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 handwritten signature in black ink that reads 'PKF'.

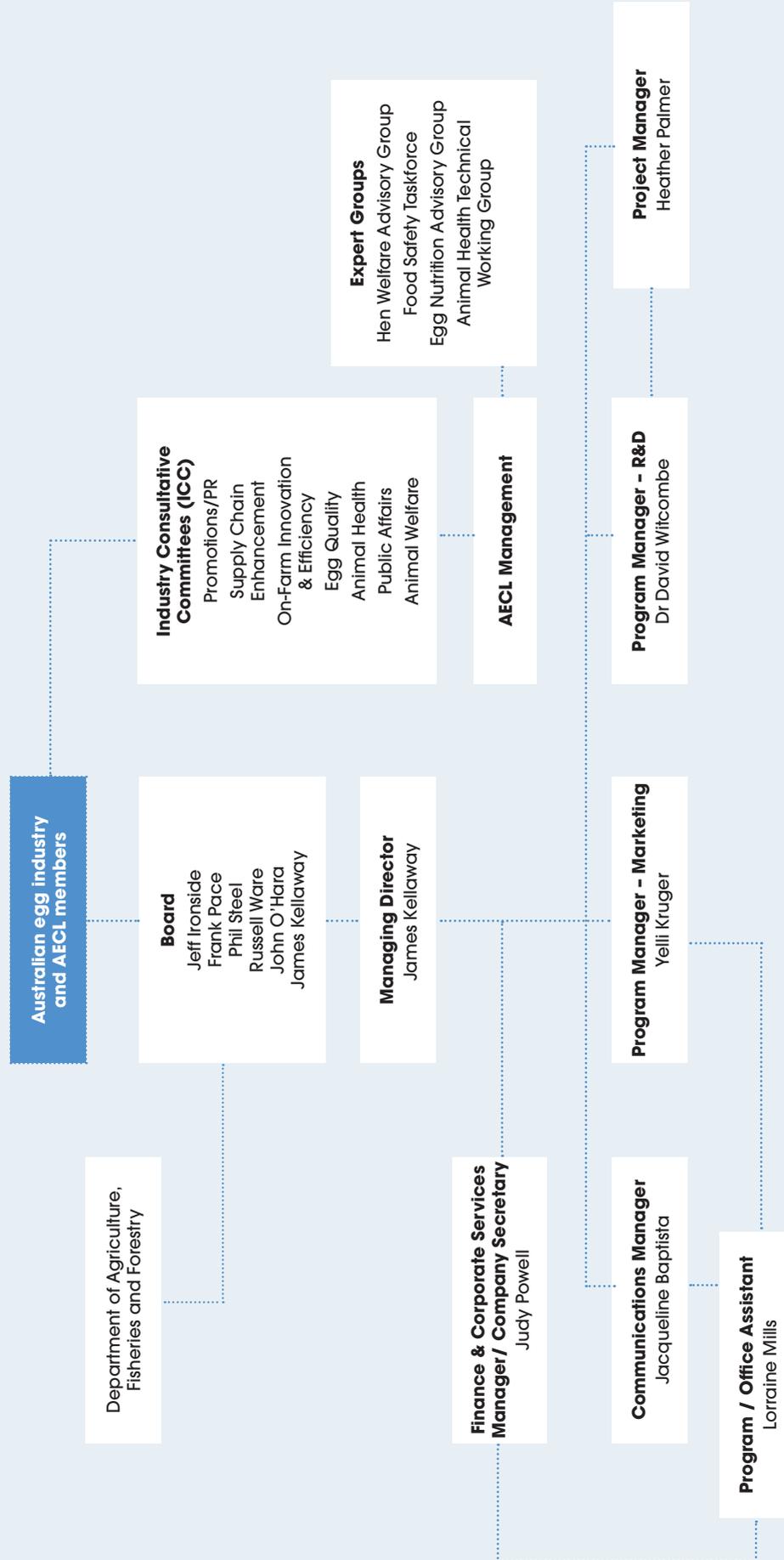
PKF

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

Arthur Milner
Partner

Sydney, 14 September 2008

AECL organisational structure



Objective 1: GROWING DEMAND FOR EGG IN THE AUSTRALIAN MARKET Strategy: PROMOTE EGGS AND THE AUSTRALIAN EGG INDUSTRY

Strategic Actions	Projects / Activities	Outcome	AECL Pillar
1.1 Understand & comprehend consumer perceptions, usage & attitudes towards eggs & the egg industry in the Australian market.	National consumer Usage & Attitudinal (U&A) research	Benchmark outcomes from 2006 U&A to quantify shifts in perceptions, usage and attitudes towards eggs and the egg industry in the Australian market. Update/review promotional strategies, positioning statements and market segments.	Market Awareness
1.2 Execute an integrated consumer responsive product marketing campaign to assist in raising demand for eggs in the Australian market among identified market segments.	National Through-The-Line (TTL) market awareness consumer campaign	Raise egg awareness, demand and consumption levels, and positively impact the purchase cycle, by reinforcing the fact that eggs provide a creative meal / snack solution and are an essential part of a modern, healthy lifestyle.	Market Awareness
	Media Relations – market awareness	Increase demand and purchase of eggs nationally among the ‘egg lover’ target market while inspiring usage solutions to increase product use and egg consumption.	Market Awareness
1.3 Assist to improve the retail environment for egg merchandising.	Retail Category Management (RCM) – Coles/Bi-Lo Queensland	Meet regularly with egg buyers from Woolworths, Coles and the key independent retailers to increase the revenue generated from sales at these stores and improve the supply, ordering, stock rotation, product facing and overall merchandising of the egg category.	Supply Chain Enhancement
1.4 Increase consumer knowledge of health benefits & nutritional value of eggs in a balanced diet.	National Above-The-Line (ATL) market education consumer campaign	Educate the good health benefits of eggs, while qualifying misconceptions associated with egg consumption in order to convince consumers not to limit their intake of eggs.	Market Education
	Media Relations – market education	Increase demand and purchase of eggs nationally among the ‘egg restrictor’ target market while inspiring usage solutions to increase product use and egg consumption.	Market Education
1.5 Monitor & analyse consumer purchasing behaviour & consumption of eggs on an ongoing basis.	Market research – ACNielsen ‘Homescan’ data	Understand and track the purchasing behaviour of market segments to better target campaigns and maximise ROI.	Market Awareness
	Market research – ACNielsen Market Information Digest	Understand and track the egg category sales, growth and share on a national, state and regional basis.	Market Awareness
	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 & PR campaigns.	Market Education
	Consumer attitudes – research (Newspoll)	Benchmark outcomes from previous research to quantify and qualify shifts in attitude of consumer market segments so as to better target promotional & PR campaigns.	Market Awareness

Strategy: PROMOTE EGGS AND THE AUSTRALIAN EGG INDUSTRY

Strategic Actions	Projects / Activities	Outcome	AECL Pillar
1.6	Influence perceptions of the Australian community & government towards the egg industry.	Increase demand for eggs nationally while educating kids about the egg industry and the health & nutritional benefits of eggs through parents and teachers.	Market Education
	Kids & community education – egg industry		
	Avian Influenza (AI) & food safety activities	Improved consumer awareness of the facts about Avian Influenza (AI) and eggs. Improved industry preparedness to deal effectively with an outbreak to appease consumer concerns	Public Affairs & Stakeholder Relations
	Egg industry welfare reputation	Improved perception of the Australian egg industry amongst governments & community representatives. Strategic national planning to address issues and promote advances in welfare practices. Improving consumer and stakeholder awareness of facts around animal welfare.	Public Affairs & Stakeholder Relations
	Egg industry issues management	Protection and development of the reputation of the Australian egg industry through the prompt recognition and effective management of egg industry issues.	Public Affairs & Stakeholder Relations
	EggCorp Assured (ECA) national egg quality assurance program	Differentiate egg producers by identifying egg producers who comply with a community-responsive egg QA system and gain uptake by egg businesses.	On-Farm Innovation & Efficiency

Strategy: IDENTIFY AND FACILITATE ALTERNATIVE MARKET OPPORTUNITIES FOR EGGS

Strategic Actions	Projects / Activities	Outcome	AECL Pillar
1.7	Understand & comprehend food industry & 'opinion leader' perceptions, usage & attitudes towards eggs.	Influence egg endorsement and recommendation by promoting the health and nutritional benefits of eggs as it relates to their patients.	Market Education
	National HCP KOLs education campaign		
	Nutrition advice and dietetics review	Help influence egg endorsements and communications to HCPs.	Market Education
	Egg Nutrition Advisory Group (ENAG)	Create scientific positioning statements on the health and nutritional benefits of eggs to increase the demand for eggs.	Market Education
	Food Service Newsletter	Quarterly newsletter, ON the Boil, sent out to key decision makers in the foodservice, updating them on the latest nutritional information about eggs, recipes and hints and tips.	Market Awareness

Objective 2: ENHANCING THE COMPETITIVENESS OF STAKEHOLDER BUSINESSES Strategy: DRIVE THE UPTAKE OF INNOVATIONS THAT ENHANCE THE EFFICIENCY AND PRODUCTIVITY OF AUSTRALIA'S EGG INDUSTRY

Strategic Actions	Projects / Activities	Outcome	AECL Pillar
2.1 Identify inefficiencies in the Australian egg production & value chain through benchmarking, research & analysis.	Egg Producer Research, Innovation & Development (extended & 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 & industry competitiveness.	On-Farm Innovation & Efficiency
	Food Standards	Implementing a commercially realistic and consumer responsive food safety plan that addresses risks associated with eggs.	Public Affairs & Stakeholder Relations
	Industry Partnerships Program (IPP) – Action Partnerships	Enhance the capacity, training, education and research prevalent in the egg industry in response to outcomes identified during the Taking Stock and Setting Directions IPP project.	On-Farm Innovation & Efficiency
	Development of a real-time PCR test to quantify infectious bronchitis virus in tissues of chickens	Completed the 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
2.2 Initiate the development of innovations that will enhance industry competitiveness.	Egg Quality (EQ) program (extended & ongoing)	Standardised outer carton packaging for eggs developed and implemented to combat the loss of profit linked to egg ullage.	Supply Chain Enhancement
	Rapid identification & pathotyping of virulent IBDV, NDV & AI isolates (extended)	Identify efficient testing apparatus to easily type AI, Newcastle disease & IBDV.	On-Farm Innovation & Development
	Molecular evaluation of responses to vaccination & challenge by Marek's disease viruses (extended)	Improve vaccine/s for Marek's disease virus for egg industry use.	On-Farm Innovation & Development
	The assessment & development of best management practice techniques for Australian laying hens housed in conventional & alternative laying systems (extended)	Improved ability to optimise management and design in free range, barn and cage production systems.	On-Farm Innovation & Development
	Improve environmental outcomes across the egg industry	Development of feight waste management fact sheets and updated environmental guidelines and legislative review for the egg industry.	On-Farm Innovation & Development
	Pathways to environmental assurance for the Australian egg industry (ongoing)	Manage egg production and farm management practices to ensure environmental sustainability of the egg industry.	On-Farm Innovation & Development
	Poultry Co-operative Research Centre (CRC) (ongoing)	Maintain the egg industry's long term 'blue sky' R&D program for community benefit.	On-Farm Innovation & Efficiency
	The importance of nests for the welfare of laying hens (ongoing)	Improve industry knowledge about hen welfare in relation to the use & adoption of nests for laying hens.	On-Farm Innovation & Efficiency
	Hen welfare research development	Completed the evaluation of behavioural requirements of hens relation to the use of nest boxes and commissioned a literature review of layer hen welfare in relation to commercial production systems.	On-Farm Innovation & Efficiency

Objective 2: ENHANCING THE COMPETITIVENESS OF STAKEHOLDER BUSINESSES

Strategy: DRIVE THE UPTAKE OF INNOVATIONS THAT ENHANCE THE EFFICIENCY AND PRODUCTIVITY OF AUSTRALIA'S EGG INDUSTRY

Strategic Actions	Projects / Activities	Outcome	AECL Pillar	
2.3	Ensure appropriate commercialisation of innovations or dissemination of information to optimise uptake by stakeholder businesses.	Layer & egg supply forecasting model & report	Inform egg businesses of industry forecasts so that they can make better decisions on flock replacements & egg supply thereby minimising volume & price variations.	Supply Chain Enhancement
2.4	Monitor, analyse & measure industry efficiencies gained on an ongoing basis.	Layer hen facilities survey (extended)	Determine the intent of egg producers & businesses to comply with the 4th edition of the Model Code of Practice for the Welfare of Animals – Domestic Poultry.	Public Affairs & Stakeholder Relations

Strategy: FACILITATE ACCESS TO BUSINESS INPUTS AT COMPETITIVE PRICES

Strategic Actions	Projects / Activities	Outcome	AECL Pillar	
2.5	Facilitate & enhance industry buying power that enables stakeholder access to inputs at competitive prices.	NHF 'Tick' endorsement	Ensure cost effective use of the NHF 'Tick' trademark by egg producers (sub-licensees) while ensuring consistency of use.	Supply Chain Enhancement

Objective 3: CREATING & NURTURING THE CAPABILITY OF AECL

Strategy: DEVELOP SKILLED AND MOTIVATED RESOURCES SUPPORTED BY STREAMLINED SYSTEMS

Strategic Actions	Projects / Activities	Outcome	AECL Pillar	
3.1	Train dedicated people with appropriate functional capabilities and skill sets	Local scientific & research seminar & conference support	Improved dissemination of egg industry R&D results & professional development of local researchers.	On-Farm Innovation & Efficiency
	Travel grants for scientific conference attendance or study tours	Communication of AECL funded R&D outcomes & improving knowledge & network base of local researchers and stakeholders.		On-Farm Innovation & Efficiency

Strategy: CREATE APPROPRIATE TOOLS & PROCESSES TO FOSTER PRODUCTIVE LINKAGES WITH STAKEHOLDERS, GOVERNMENT & COMMUNITY

Strategic Actions	Projects / Activities	Outcome	AECL Pillar
3.2 Enable effective communication & relations by establishing appropriate tools & processes.	Promotions & PR ICC	Better informed AECL from stakeholder & expert feedback & management of industry expectations.	Market Awareness
	Supply Chain Enhancement ICC	Better informed AECL from stakeholder & expert feedback & management of industry expectations.	Supply Chain Enhancement
	Egg Quality ICC	Better informed AECL from stakeholder & expert feedback & management of industry expectations.	Supply Chain Enhancement
	On-Farm Innovation & Efficiency ICC	Better informed AECL from stakeholder & expert feedback & management of industry expectations.	On-Farm Innovation & Efficiency
	Public Affairs ICC	Better informed AECL from stakeholder & expert feedback & management of industry expectations.	Public Affairs & Stakeholder Relations
	Animal Welfare ICC	Better informed AECL from stakeholder & expert feedback & management of industry expectations.	Public Affairs & Stakeholder Relations
	Animal Health ICC & TWG	Better informed AECL from stakeholder & expert feedback & management of industry expectations.	Public Affairs & Stakeholder Relations
	Strategic Plan	Establishment of a four year strategic plan based on egg producers feedback and prioritisation of egg industry's issues and challenges.	Public Affairs & Stakeholder Relations
	3 Year Performance Review	Stocktake of company progress in line with inaugural strategic plan and assessment of company operations, finance and governance procedures.	Public Affairs & Stakeholder Relations
	AECL Industry forums	Best practice industry communications & portal for communicating AECL outcomes (ROI), achievements, program developments & industry issues.	Public Affairs & Stakeholder Relations
	Electronic communication & website	Best practice communication with industry, stakeholders & consumers boosting consumer knowledge & the sales of eggs by linking promotions to effective websites for further product usage & health information.	Public Affairs & Stakeholder Relations
	'The Story of Eggs' in Australia – teachers' resource kit (ongoing)	A resource kit for schools being matched to each states curriculums to be distributed & pro-actively taken up by schools around Australia to demonstrate the importance of eggs in the diet, the production process & the egg industry as a whole appeasing concerns & amending misconceptions.	Market Education
	Stakeholder relations	Egg industry involvement in AECL activities & full knowledge on program outcomes & levy investments to appease stakeholder issues as they relate to AECL operations.	Public Affairs & Stakeholder Relations

Project report

Strategic Actions	Projects / Activities	Outcome	AECL Pillar
	Media Relations – egg industry	Enhance media understanding of egg industry issues & relationship with industry & AECL.	Public Affairs & Stakeholder Relations
	Publications & subscriptions	Keep informed of egg industry, market trends & relevant information on a global & local level while gaining egg industry intelligence & knowledge.	Public Affairs & Stakeholder Relations
	Egg industry meetings & conferences	Better informed AECL, egg producers & service providers through exposure to international markets, industries, concepts & ideas.	Public Affairs & Stakeholder Relations
	AECL corporate image	Best practice egg industry communications with stakeholders ensuring program awareness, adoption & effective business outcomes.	Public Affairs & Stakeholder Relations
	Meetings with the federal Minister & Parliamentary Secretary for Agriculture, Fisheries & Forestry (DAFF)	Better informed Australian Government regarding the programs & activities of AECL & the Australian egg industry as per the Statutory Funding Agreement.	Public Affairs & Stakeholder Relations
	Rural R&D Chairs Committee (RRDCC)	Maintain the egg industry's consultation & relationship with government on R&D matters.	Public Affairs & Stakeholder Relations
3.3	Disseminate appropriate levels of market & industry information to all stakeholders in a timely manner.	Inform egg producers on AECL programs & activities maintaining & enhancing stakeholder relationships in addition to improving access to products & publications designed to enhance business opportunities.	Public Affairs & Stakeholder Relations
	Liaison with Animal Health Australia (AHA)	Better informed egg industry with secure funding arrangements under the Emergency Animal Disease Response Agreement (EADRA).	Public Affairs & Stakeholder Relations
	Livestock Feed Grain Users Group	Progress towards the security & availability of feed grain at internationally competitive prices.	Public Affairs & Stakeholder Relations
	Egg industry annual statistical publication	Inform stakeholders & community on the size & scope of the Australian egg industry.	Public Affairs & Stakeholder Relations



contact details

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