

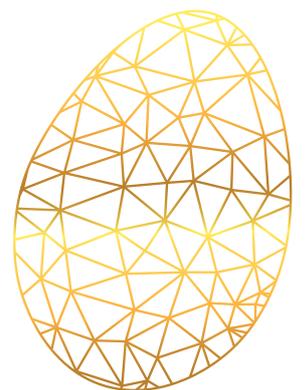
AUSTRALIAN EGG
CORPORATION LIMITED



ANNUAL REPORT 2016

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Vision and Mission

Egg industry vision

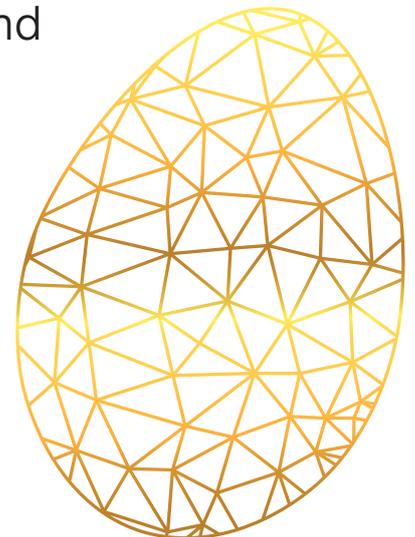
A cohesive, profitable and growing Australian egg industry meeting the needs of consumers while operating in a socially and environmentally sustainable fashion.

AECL vision

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

AECL mission

To develop and drive integrated on-farm solutions and 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 farmers.



Egg Industry Overview

(as at 30 Jun 2016)

State flock percentage as at June 2014: <i>(Source: ABS, cat. no. 7121)</i>	NSW/ACT: 31% Queensland: 29% Victoria: 24%	WA: 8% SA/NT: 7% Tasmania: 2%															
Number of egg farms: <i>(Source: ABS, cat. no. 7121)</i>	252 – as at June, 2014																
Gross value of egg production (wholesale equivalent): <i>(Source: ABARES)</i>	A\$724.4m – 2015/16 FY																
Egg consumption: <i>(Source: AECL)</i>	226 eggs per capita (MAT) – 2016 FY 224 eggs per capita (spot) – as at July, 2016																
Grocery egg sales value: <i>(Source: IRI AZTEC)</i>	\$880.8 – 2016 CY																
Grocery egg sales volume: <i>(Source: IRI AZTEC)</i>	207.6 dozen – 2016 CY																
Grocery sales farming system market share: – June 2016 <i>(Source: IRI AZTEC)</i>		<table border="1"> <thead> <tr> <th></th> <th>volume</th> <th>value</th> </tr> </thead> <tbody> <tr> <td>Cage eggs</td> <td>49.5%</td> <td>37.3%</td> </tr> <tr> <td>Free Range eggs</td> <td>40.7%</td> <td>50.6%</td> </tr> <tr> <td>Barn-Laid eggs</td> <td>8.5%</td> <td>9.2%</td> </tr> <tr> <td>Specialty eggs</td> <td>1.3%</td> <td>2%</td> </tr> </tbody> </table>		volume	value	Cage eggs	49.5%	37.3%	Free Range eggs	40.7%	50.6%	Barn-Laid eggs	8.5%	9.2%	Specialty eggs	1.3%	2%
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Specialty eggs	1.3%	2%															
Grocery egg price (average): – June 2016 <i>(Source: IRI AZTEC)</i>	Cage eggs: Free Range eggs: Barn-Laid eggs: Specialty eggs:	\$3.24 per dozen \$5.40 per dozen \$4.68 per dozen \$9.24 per dozen															
Grocery sales branding market share: – June 2016 <i>(Source: IRI AZTEC)</i>		<table border="1"> <thead> <tr> <th></th> <th>volume</th> <th>value</th> </tr> </thead> <tbody> <tr> <td>Private-label/generic labels</td> <td>57.5%</td> <td>47.5%</td> </tr> <tr> <td>Proprietary labels</td> <td>42.5%</td> <td>52.5%</td> </tr> </tbody> </table>		volume	value	Private-label/generic labels	57.5%	47.5%	Proprietary labels	42.5%	52.5%						
	volume	value															
Private-label/generic labels	57.5%	47.5%															
Proprietary labels	42.5%	52.5%															
Egg product exports: (FOB equivalent) 2016 CY <i>(Source: ABS)</i>	Includes fresh, dried, preserved sweetened and albumin.	value A\$3m															
Egg product imports: (CIF equivalent) 2016 CY <i>(Source: ABS)</i>	Includes fresh, dried, preserved sweetened and albumin.	value A\$21m															

CY = Calendar Year (Jan to Dec)
FY = Fiscal Year (Jul to Jun)
b = billion

MAT = Moving Annual Total
p = preliminary
A\$ = Australian dollars

FOB = Free On Board
CIF = Cost Insurance Freight
g = grams

m = million
mt = metric tonne
% = percent

Chairman's Message



I have much pleasure in presenting the 2015/16 annual report of the Australian Egg Corporation Limited (AECL) to all members, other egg farmers and the Australian Government.

The Australian egg industry has experienced another record year in terms of industry and market growth during 2015/16 despite some key industry challenges and a difficult operating environment. Throughout most of the year, uncertainty prevailed relating to the free range farming definition; new standards & guidelines for hen welfare; food safety outbreaks traced back to eggs; farm biosecurity arrangements and animal health concerns to mitigate disease outbreaks; building approvals for new farms; and continuing egg labelling confusion. AECL has played an important role in providing research, information and new knowledge as it relates to addressing and progressing these issues with governments and other stakeholders.

These challenges have increased the level of uncertainty which has reduced the much-needed ongoing

'pipeline' of capital reinvestment in farming systems to meet the growing demand for eggs into the future. This has had the unintended result of maintaining a relatively buoyant market.

Despite these challenges, we witnessed record levels of egg production. As a consequence, egg consumption has risen to reach 226 eggs per capita as at June 2016. AECL programs, led by an industry-agreed strategic plan, have helped create an operating environment that is conducive to market expansion, industry growth and higher revenues. The egg industry is now truly a professional farming business which contributes to countless local communities producing a highly natural protein food that is ubiquitously consumed on a daily basis both in and out of the home as a breakfast, lunch, dinner or snack item.

During the year, AECL invested in continuing to build the market through the investment of the 32.5 cent per chick statutory levy promoting and advertising eggs as a healthy, convenient and versatile food product as a main meal or as an ingredient in savoury or sweet meals. Over time, we have built permission to consume more eggs more often and more recently, have been driving consumption through seeking a change in consumer behaviour. The increased production and consumption levels are testament to the programs, campaigns and initiatives that have been progressed by AECL on behalf of its stakeholders.

From a business productivity perspective, the investment of the 13.5 cent per chick statutory levy in Research, Development & Extension (RD&E) continued to progress giving priority to those areas of critical

investment as determined by the On-Farm Innovation & Efficiency Industry Consultative Committee (ICC). It is important that AECL continues to invest in science to build contemporary knowledge to improve business productivity in the areas of animal health and disease management, bird nutrition, hen welfare, food safety and environmental stewardship. At the same time, AECL extends this new knowledge through effective training and extension mechanisms to ensure adoption on-farm or throughout the supply chain.

AECL's investment in continuing to review, refine and construct a more meaningful industry-based Quality Assurance (QA) program also continued in 2015/16 and I am pleased to say that the new critical control points are addressing the real hazards that can adversely affect an egg farmer's business. Once finalised early in the new year, I implore all egg farmers to join the program as it will provide an independent and thorough assessment and overall endorsement of your farming practice.

Relative to the previous year, outbreaks of Emergency Animal Diseases (EADs) have been subdued in 2015/16. However, we are starting to see the re-emergence of diseases associated with more extensive farming systems as hens are moved from more intensive cage farming systems to non-cage systems such as free range to meet market demand. This will provide additional challenges for egg farmers into the future. AECL will play its part by funding appropriate research to assist mitigate such threats to the welfare of our laying hens.

AECL has placed an increased emphasis on managing food safety concerns associated with egg farming. While

Chairman's Message

not always the case, outbreaks of *Salmonellosis* in the community are sometimes aligned with eggs. AECL has engaged a microbiologist who has been working with governments to assist in their understanding and risk profile of businesses impacting on the safety of eggs throughout the supply chain. To this end, it is not uncommon to see poor storage, handling and processing practices beyond the farm gate which impact on the shelf-stable nature of eggs. We must all remember that eggs are a fresh, perishable food that needs to be produced, packaged, stored and handled correctly.

2015/16 saw the commencement of the review of the 4th edition of the Model Code of Practice for the Welfare of Animals – Domestic Poultry. This review will develop Standards & Guidelines for egg farmers. It is intended that the Standards will be legislated into law across all states and territories. As a result, it is critical that AECL plays its part in assisting to co-ordinate industry responses based on good science. Additionally, AECL established the Council for Sustainable Egg Farming (CSEF) which has assisted with the provision of research to help inform the process. It is critical that we get the Standards right for the welfare of our hens, to meet community expectations and to ensure the production of eggs remains commercially responsive.

During the year, we remained engaged with the Council for Rural Research & Development Corporations, with Animal Health Australia, with the Poultry Co-operative Research Centre (CRC), with the various food authorities and departments of agriculture and with the Commonwealth Government as we report against our compliance with the Statutory Funding Agreement.

To this end, AECL is unable to undertake agri-political activity, lobbying or advocacy on behalf of the national egg industry. To ensure the egg industry has this capacity, AECL assisted the process in establishing Egg Farmers of Australia (EFA). This body will be an autonomous structure which is needed to effectively progress the advocacy work which is much needed in the egg industry today.

As part of our Statutory Funding Agreement with the Commonwealth Government, AECL commissioned a review of AECL's performance over the last four years. The review findings paid tribute to the rigorous governance and compliance systems in place at AECL given its size and operating revenue. While a number of recommendations to refine service delivery will be considered by the AECL Board, the reviewer noted that: "AECL is a well-structured and managed organisation that has implemented recommended improvements from previous reviews and also delivered efficient and cost effective promotion of eggs and R&D for the benefit of the Australian egg industry. Stakeholder feedback confirms a general consensus that the AECL has discharged its responsibilities in an effective and professional manner." We need to build on such achievements into the future in order to not become complacent as it relates to the investment of egg farmer and government dollars.

Finally, I wish to thank my fellow directors and the small but dedicated staff team at AECL. During the year, our inaugural Managing Director tendered his resignation, effective 30 September 2016. I am deeply indebted for the rigour, professionalism and dedication that he has brought to the job in establishing, building and leading AECL to where it is today. This said,

AECL will move forward and beyond in the new year with enthusiasm, commitment and a positive spirit to ensure AECL continues to reflect the type of organisation noted in the independent performance review and one that all egg farmers and the other stakeholders can be proud of.

Managing Director's Report

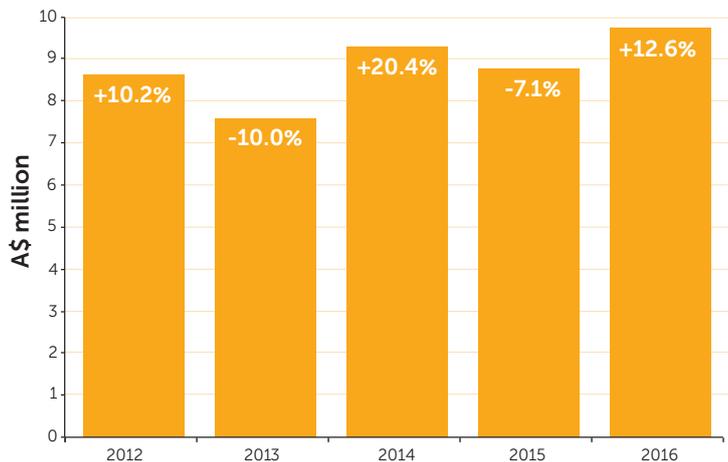
The 2016 fiscal year was characterised as being a year of continued market growth for the egg industry and one of program consolidation and review for AECL. Similar to previous years, while 2016 has provided a number of challenges, underlying industry growth and the operating fundamentals remain robust supported by strong macroeconomic drivers such as population growth, positive consumer trends, relative affordability of eggs, increased business productivity and expansion of niche market opportunities.

Egg consumption continued to increase to reach 226 eggs per capita, up from 221 a year earlier. This annual growth reflects the long term growth trend that has now emerged in the Australian egg industry.

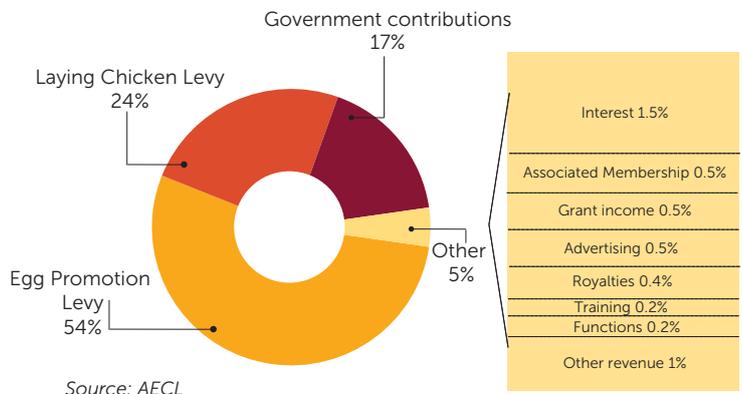
AECL remains financially healthy with income increasing by 12.6% to total \$9.784 million in 2016 with statutory levy revenue and government contributions representing 78% and 17% of total income respectively. On the expense side, investments in programs totalled \$8.088 million, an increase of 4.8% which resulted in a net operating surplus of \$1.696 million, an increase of 74% on 2015. Similar to previous years, the Consumption operating pillar, with the aim of raising egg consumption and growing the market attracted the largest investment with 27 projects. This program focus was reflected in the investment of the Egg Promotion Levy representing 43% of total program funding. Retained earnings increased by 35.4% to total \$6.484 million in company reserves.

Under the terms of our Statutory Funding Agreement (SFA) with the Australian Government, AECL commissioned a review of its performance and success in achieving the objectives contained in our strategic plan in 2016. Conducted by SED Advisory, the report provided a positive report card on operations, governance and outcomes delivered by AECL for its key stakeholders over the last four years. This independent review of AECL provides a solid endorsement of AECL programs in achieving the stated purpose of the company. Similarly, the review provides a number of recommendation for the AECL Board to consider adopting over the next four years under the terms of our new SFA to be negotiated in the new year with the Australian Government.

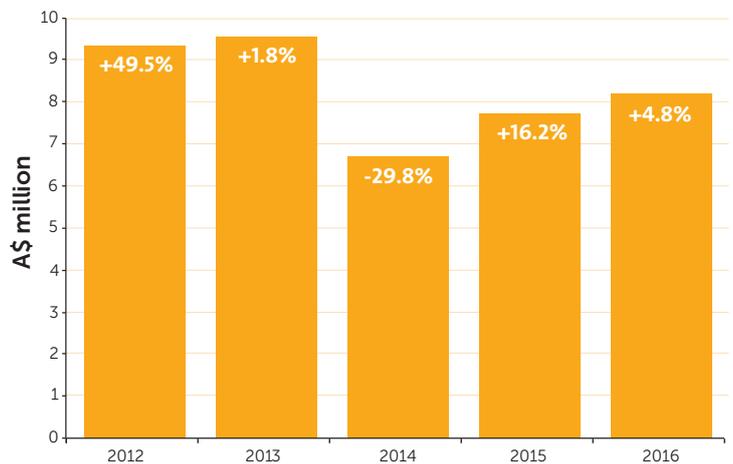
AECL Income



AECL income 2016 - by funding source

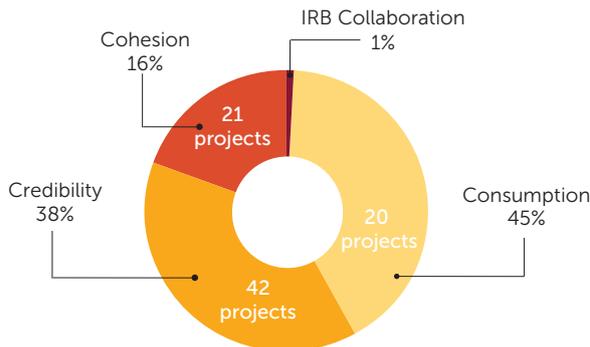


AECL Expenditure



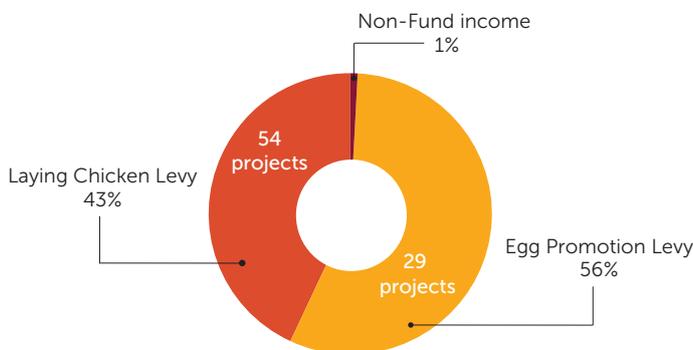
Managing Director's Report

AECL expenditure 2016 – by pillar



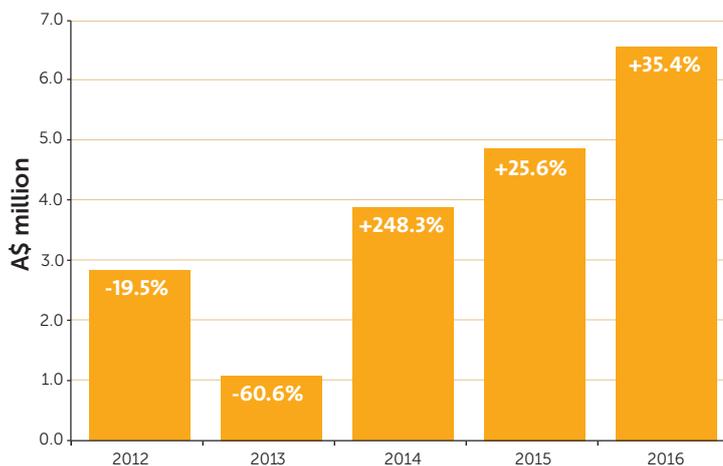
Source: AECL

AECL expenditure 2016 – by funding source



Source: AECL

AECL retained earnings



Consumption Pillar

Growth in egg consumption has been indicative of increases in retail and foodservice sales, market demand and consumer awareness of eggs as a centre-of-the-plate meal in itself or as an essential ingredient in sweet or savoury meal solutions for breakfast, lunch or dinner. This wide repertoire is indicative of the versatility of eggs. The market is now starting to see the many positives associated with consuming eggs and how it can fit into a busy daily life schedule for the whole family.

This market positioning has been established over many years through effective market promotions and communications to key segments of the market that have influenced attitudinal awareness and behaviour. During 2016, AECL grew its presence in the market through both above- and below-the-line promotional efforts and campaign messages.

Our consumer advertising was complemented by new 'Unbeatable' creative. The 'Unbeatable' campaign was developed and launched strategically targeting the breakfast meal opportunity. The objective was to reinforce the high protein advantage of eggs for breakfast to the target audience compared to common breakfast alternatives. Developed following consumer research analysing the previous year's campaign, the 2016 campaign was extended across executions for television, digital, online, mobile, point of sale materials, the consumer website and newsletters. Results of the new communication were measured during the year in a national consumer tracking research. This research showed that consumers reported a statistically significant increase in the number of eggs eaten in the last week, from 3.7 in 2015 to 4.1 in 2016. The new advertising was far more effective in communicating the protein offered by eggs (61% in 2016, compared to 8% in 2015) and that the advertising targeted eating eggs for breakfast (38%, up from 12%). Pleasingly, the research captured that significantly more consumers were eating an additional breakfast of eggs in the week with consumers eating eggs two or more times increased from 33% in 2015 to 41% in 2016.

With the development of the new creative campaign, AECL advertised on mass media channels from late January to May to achieve national exposure to the target audience. The TV campaign was extended in 2016 to be truly national and was broadcast in

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regional areas as well as capital cities and achieved all target objectives. The appointment of a new media agency after a tender process also achieved a significant lower cost of advertising which allowed the extended campaign within the same budget as 2015. The campaign in 2016, as measured in the May 2016 national consumer tracking research, achieved a recall of advertising of 14%, a statistically significant increase compared to 9% in 2015.

Healthcare Professionals (HCPs) continue to be strategically important given their influence on consumer health concerns and possible diet restrictions on egg consumption. The objective of the HCP campaign is to encourage awareness of the latest medical and health research supporting healthy egg consumption and achieve awareness of the positive benefits of eggs for a wide range of patient groups. With the retirement of the long-term 'Heart Tick' program, AECL developed a new campaign specifically to promote awareness of the Australian Dietary Guidelines which allow for daily consumption of eggs in a healthy diet. The campaign, called 'OK Every Day', was developed in consultation with a range of HCP authorities to improve engagement of this new communication on the healthy consumption of eggs. The new campaign was unveiled to HCPs at the national Dietitians Association of Australia conference in May 2016 with formal presentations and an Egg Nutrition Council (ENC) stand. A new range of clinical resources were developed and HCPs were recruited to the ENC database for regular newsletters. The ENC website was refreshed with 17 position statements reviewed and updated. Measurement will occur in the new year to ensure we are gaining cut-through for the 'OK Every Day' investment.

Integrated with the national advertising, AECL also conducted a series of consumer PR events and activities over the year. This program aims to keep egg consumption and key health and nutrition messages top-of-mind for consumers through the major traditional and social media channels. Objectives are to increase eggs' share of voice in media, build positive relationships with key opinion leaders in the food and health arenas and achieve high engagement rates in social media. A major event and associated promotions were executed for World Egg Day as well as Pancake Day, St Valentine's Day (promoting eggs for breakfast on special occasions), Back To School (promoting the nutritional benefits of feeding eggs for breakfast before school) as well as social media activity each week. Social media engagement results were evidenced with the increase of the Eggs Facebook fans from 70,000 to 100,000 over the year and an engagement increasing on 2015 levels.

Credibility Pillar

Our investment of the Laying Chicken levy is primarily targeted towards programs that constitute the Credibility operating pillar. During 2016, AECL funded 32 projects to develop new knowledge through research, extension, adoption and training.

AECL continued its focus on the food safety initiative and published the Through-chain *Salmonella* risk identification report which provides an outstanding dossier of potential risks throughout the supply chain and identifies them for all associated stakeholders and how to manage the identified risks. As part of the initiative, we also published the *Culinary use of eggs* report which provides an overview of the different uses of eggs in a commercial kitchen from the

perspective and understanding of a chef for the non-foodservice sector stakeholders as an initial point of reference. AECL made great gains during 2016 with state regulators in raising their level of understanding as it relates to *Salmonella* and these efforts will not abate in the new year. In addition to this research, we also convened a number of workshops for egg farmers and regulators to assist develop *Salmonella* control strategies. These workshops proved to be extremely popular and informative for those who attended.

AECL also delivered the following research reports:

- » *Available phosphorus requirement of laying hens*
- » *Importance of rearing environment, space and nests for laying hens in cages*
- » *Understanding the physiology of shell pigmentation and colour deterioration in laying hens; and*
- » *Pullet and layer flock uniformity – an epidemiological industry-based approach to improve feed efficiency.*

All these technical reports and project summaries are now available through the AECL website which is becoming a very rich resource of research that has been undertaken by AECL and its predecessor since the commencement of a research program in September 1990.

Biosecurity and on-farm quarantine remains essential and is a key concern for all egg farmers to mitigate disease risks to Australia's laying flock. During the year we refreshed and updated a series of biosecurity posters and made them available to all egg farmers. These posters are an essential piece of communication and daily reminder for farm staff on ensuring good biosecurity is practiced on-farm.

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From a training perspective, AECL continued to offer the Certificate III in Agriculture (Poultry). Fourteen students graduated with their Certificate during 2016 and we commenced taking enrolments for the next courses to be convened in NSW and Victoria. Contextualised to the egg industry, this course is adding new and practical knowledge to farm workers thereby helping to increase business productivity and effectiveness for farm owners. This investment in their staff is essential in building a culture of continuous improvement among the egg industry. Recognising that the Certificate course may not be applicable to new farm staff, AECL designed, developed and launched EggStart, an induction program for the egg industry. The purpose of Eggstart is to provide a quick overview of the essential business elements must know to commence working on an egg farm. Prior to launch, AECL tested the contents of EggStart with a number of egg farmers and it proved to be a very effective induction for new staff. The new year will see an even bigger number engaged in our suite of training programs.

The year also called on AECL to provide robust scientific knowledge to assist inform the development of Standards and Guidelines during the government review of the 4th edition of the Model Code of Practice for the Welfare of Animals – Domestic Poultry. Published in 2002 and adopted by governments, this review will dictate what welfare Standards egg farmers must abide by into the future. It is important these Standards reflect a positive outcome for the welfare of our laying flock. As a result, AECL supports that these Standards be based on scientific evidence. To assist the egg industry in this review, AECL established and called on the resources provided by the Council for

Sustainable Egg Farming. The Council is proving effective in synthesising the scientific literature pertinent to assist inform the process.

2016 also saw AECL respond to a number of technical reviews, provide representation at key forums and provide input to government enquiries with the assistance of AECL's animal health Technical Working Group. Advice on the investment of all research proposals was sought through the On-Farm Innovation & Efficiency Industry Consultative Committee which provides an important touchstone for AECL management when considering research proposals and other investments.

We continued the review and development of the enhanced industry-based Quality Assurance (QA) program in 2016. Called Egg Standards of Australia (ESA), the program will see vast improvements to the current EggCorp Assured scheme with ESA planned to be launched in the first half of the new year. Adoption of ESA by egg farmers will provide an independent assessment of egg farmers' compliance with better management practices on-farm as they relate to hen health and disease management; hen welfare; food safety; and egg labelling. AECL has consulted widely with industry and supply chain partners in the development of ESA. While the program has a sole focus on egg farming, AECL will develop a grading and packing floor program once the on-farm component is operating.

Cohesion

The Cohesion Pillar covers a wide range of communication activities that achieved a range of successes during the year in advancing the egg industry and informing the industry of AECL programs and project outcomes

and informing the community on egg industry issues.

AECL issued nine media releases in the course of the year. They included media releases with the headlines:

- » New biosecurity manual to help farmers protect hens from avian influenza
- » Congratulations to the 2015 Egg Farmer of the Year!
- » AECL congratulates Peter Newing on award
- » Consumers lose in Aldi decision
- » The real story about antibiotics and laying hens
- » AECL welcomes 'free range' egg labelling clarity
- » AECL and the Federal Court outcome
- » To refrigerate or not to refrigerate eggs, and
- » Egg quality and refrigeration

Many of these releases achieved good coverage in mainstream media and they also featured in *Eggstra Eggstra*, as well as being placed onto AECL social media and the AECL website. Successful media and government crisis management strategies enacted to counter the year's challenges have helped ensure the egg industry's messages are communicated to the community.

AECL undertook media training for six younger egg farmers as part of a strategy to increase the number of 'voices' that will be discussing egg issues in the public arena into the future. The longer term objective of utilising such a pool of talent in the public arena is to help build trust in egg farming and egg farmers in Australia. These six young farmers are reflective of the passion, motivation and desire among all young farmers to assist position their industry as being honest, transparent

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and trustworthy to assist endure industry sustainability.

AECL increased its level of participation on its corporate social media sites, Facebook and Twitter in the past year. That has helped reach new audiences and engage in respectful conversations that assisted in building trust in egg farmers and egg farming. Content shared included high quality videos, info-graphics, updates on egg industry success stories and relevant egg industry news. Videos shared on the sites included: Dr Jeff Downing's research that found hen stress levels were similar across the three farming systems and that good farm management was the key to good hen welfare and Steve Wiedemann's research showing the relatively low carbon footprint of egg farming, among others. A social media training course to help egg farmers begin participating in discussions on social media was also conducted at the 22nd AECL Industry Forum.

AECL created and distributed engaging publications such as four editions of *Eggstra Eggstra* and 30 editions of *EggCorp EggsPress* as well as making constant improvements to AECL's corporate website to ensure that key stakeholders were informed about important egg industry matters and to assist in extending AECL's RD&E and marketing outcomes to allow egg farmers to utilise such information more effectively. Open rates for the 30 editions of *EggCorp EggsPress* issued during the year averaged 52.2%, while the average industry open rate was 21.57% for that period. Feedback was favourable about the four editions of *EggCorp EggsPress* that were published during the year.

Successful AECL activities at the Poultry Information Exchange (PIX) and an informative 22nd AECL Industry Forum have helped ensure that egg farmers are aware of and up-to-date on AECL's latest RD&E and marketing activities as well as other relevant industry news and information. Feedback from egg farmers who attended the Forum was very positive.

There have been more than 75,000 views of AECL corporate videos to date and this figure is expected to increase dramatically in the year ahead. The production and sharing of videos about egg industry research, egg farmers and egg farming has helped build trust in egg farmers and egg farming but also helped inform key stakeholders and consumers generally about AECL research outcomes. AECL's videos of forum presentations continue to be well-viewed by those unable to attend the forum events. This service remains an important way to extend AECL RD&E and marketing activities with approximately 500 views from the last forum in Hobart.

Finally, I would like to thank my fellow directors for the stewardship and support you have provided to me and the industry in the provision of quality services to assist grow the market and increase business productivity through the value chain. This could have only been achieved through the dedication of an enthusiastic management and staff team at AECL to whom I have had the pleasure to work alongside and be associated with.

Collaboration

Many of AECL's projects are undertaken in collaboration with industry, other research providers and other Rural Development Corporations (RDCs). Collaboration is undertaken in order to fund research and development to address the national and Rural Research & Development Priorities and to deliver

research and development or promotions services in a more efficient and effective manner. The AECL percentage contribution tabled are the cash contribution but do not include allocation of in-kind contributions.

Collaborative projects for the 2015-16 year are tabled below:

Code	Project Name	Expenditure 2015/2016	Partners	AECL %
1AWRDE	National animal welfare DR&E strategy.	\$44,900	RIRDC, MLA, AWI, AMPC, APL, DA, Livecorp	20%
1GR091	Feedgrain partnership.	\$9,000	APL, DA, GRDC, MLA, RIRDC, Pork CRC, SFMCA	10%
1PCRC	Poultry Cooperative Research Centre (CRC).	\$352,000	RIRDC, UNE, UM, CSIRO, Bioproteries, 21 non-essential participants	17%
1PRDE	National poultry RD&E strategy.	\$36,000	RIRDC, UNE	20%
1RD122	Carbon Farming initiative: manure management consortium.	\$11,000	DAWR, APL, DA, RIRDC, MLS, UWA, QDAFF, FSA Consulting, UQ, QUT	
1RI101	Horizon Scholarship: primary industries undergraduate scholarship program.	\$30,000	APL, CRDC, GRDC, GWRDC, RIRDC, HIAL, MAL, DAFF, Woolworths, ANZ Bank	15%
1UA141	<i>Salmonella</i> control strategies and industry extension.	\$41,000	UA	65%
1UA151	<i>Salmonella</i> epidemiology and intervention strategies.	\$96,876	NSW Food Authority	75%
1UA152	<i>Salmonella</i> in raw egg products.	\$80,000	FSANZ, OzFoodNet, Dept Health Qld, Dept Health SA	70%
1UN112	Pullet and layer flock uniformity: an epidemiological industry-based approach to improve feed efficiency.	\$28,128	UNE, UA	67%
1UN141	Implementation of a net energy (NE) system for laying chickens.	\$140,000	Poultry CRC	40%
1UN151	Nutritional management of free-range laying hens.	\$44,900	Poultry CRC	40%
1UQ151	Development of a point-of-management analytical system to manage <i>Salmonella</i> in the food chain.	\$192,500	Quick Test	

Intellectual Property, Commercialisation, Subsidiaries and Joint Ventures

Intellectual Property Creation and protection	Added in 2015- 16
Business names	OK Every Day
Trade Marks	OK Every Day Laid in Australia
Domain Names	Laid in Australia
Copyright	13 Final R&D reports Egg Start New High School curriculum OK Everyday campaign and logo 6 videos for You Tube and Social Media
Patents & Licences	No new patents or licences in 2015-16
Commercialisation	No new projects commercialised in 2015-16
Subsidiaries and joint ventures	No AECL subsidiaries or joint ventures in 2015-16

Australian Government RD&E Priorities

Investment in Research, Development & Extension (RD&E) capacity is critical to meet egg industry needs over the longer term and Australian Government R&D priorities. RD&E assists build productivity on-farm and throughout the supply chain and hence sustains a healthy and viable egg industry into the future.

More specifically, investments in RD&E help overcome production challenges and decreases the costs of production through innovation and technology transfer. RD&E embraced by the egg industry delivers benefits to layer and egg industry stakeholders operating within the broader environment and the wider Australian community. The egg industry's commitment to RD&E and innovation is demonstrated by the higher productivity growth that has been occurring as a result of investments in RD&E at the farm level, throughout the supply chain and in developing the market. To sustain productivity gains, continual investment, coordination and linkage of RD&E throughout the supply chain and marketing system is critical.

AECL is cognisant of the Australian Government being a key funding partner matching Laying Chicken (R&D) levy funds collected from egg farmers. As part of the Australian Government's broader RD&E policy, the egg industry currently receives one government dollar for every industry dollar invested in eligible RD&E projects/activities.

To help guide the egg industry's investment in RD&E, government rural RD&E priorities have been identified that address the broader national research priorities of government which map the challenges to be faced over the medium to longer term by the

agribusiness sector. For the egg industry, the priorities focus on the following challenges:

- » Boosting industry productivity and adding value.
- » Effective operation of supply chains and markets for existing and new products.
- » Protecting Australia from biosecurity threats.
- » Ensuring innovation and enriching the workforce through targeted education, skills development and diversification of employment.
- » Promoting cross-sectoral collaboration, innovation and efficiency of RD&E investments throughout the supply chain.

To meet these industry challenges and support RD&E business efforts, continued investments must be made by AECL for the benefit of egg farmers and the Australian community.

AECL is also an active participant in the Council of Rural Research & Development Corporations which enables the egg industry to share information and outcomes through collaborating across industry groups seeking opportunities to co-invest in broader industry research, development and extension initiatives.

AECL will report against the national research and rural R&D priorities on an annual basis as part of the Company's ongoing commitment to measurement of program outcomes.

The current Australian Government RD&E Priorities were superseded on 1 July 2016.

Australian Government RD&E Priorities

2016 STRATEGIC RESEARCH PRIORITY	RURAL RD&E PRIORITY	RD&E FOCUS	
		PROJECTS	INVESTMENT
SRP 1 <i>"Living in a changing environment"</i>	1. Productivity and adding value Improve the productivity and profitability of existing industries and support the development of viable new industries.	26	\$558,755
	2. 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.	29	\$3,354,335
SRP 2 <i>"Promoting population health and wellbeing"</i>	3. Natural resource management Support effective management of Australia's natural resources to ensure primary industries are both economically and environmentally sustainable.	9	\$245,862
	4. Climate variability and climate change Build resilience to climate variability and adapt to and mitigate the effects of climate change.	3	\$65,696
SRP 3 <i>"Managing our food and water assets"</i>	5. Biosecurity Protect Australia's community, primary industries and environment from biosecurity threats.	4	\$63,762
	6. Innovation skills Improve the skills to undertake research and apply its findings.	13	\$222,103
SRP 4 <i>"Securing Australia's place in a changing world"</i>	7. Technology Promote the development of new and existing technologies.	6	\$181,459
	8. Maintaining & improving international market access opportunities Combat pests & diseases that can potentially be obstructive to trade & to guide production decisions in accordance with the requirements of consumers.	N/A	N/A
	9. Diversity Build strong leadership capacity in the sector & encourage a diversity of people in primary industries including a greater role for Indigenous Australians, women and young people.	19	\$355,508
SRP 5 <i>"Lifting productivity and economic growth"</i>	10. Collaboration Develop, implement & monitor the national RD&E plans for each sector.	23	\$364,018
	11. Evaluation Support the joint RDC evaluation process to demonstrate returns on investments made and to assist guide future investments.	10	\$166,647

Corporate Governance/Compliance

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

PRINCIPLE #1:

Lay solid foundations for management and oversight

The AECL Board is responsible for ensuring that the management of AECL is conducted in a manner that ensures the long term benefit of levy paying egg farmers and more broadly, all stakeholders, consistent with the AECL Constitution, the Statutory Funding Agreement (SFA) with the Australian Government and the Egg Industry Service Provision Act 2002. The Board strives to create member value by constructively engaging with management to ensure the appropriate development, execution and monitoring of the Company's agreed strategies in line with the AECL industry-agreed Strategic Plan.

The AECL Board's functions include:

- » Providing leadership and setting the strategic objectives of AECL;
- » Approving operating budgets and major capital expenditure;
- » Overseeing management's implementation of AECL's strategic objectives and its performance generally;
- » Ensuring AECL acts legally and responsibly on all matters and that the highest ethical standards are maintained;
- » Ensuring that AECL has in place an appropriate risk management framework and setting the risk appetite within which the Board expects management to operate;
- » Ensuring AECL operates within the requirements of the Company's Constitution, the Corporations Act 2001, the SFA with the Australian Government and the Egg Industry Service Provision Act 2002;
- » Appointing or removing the Managing Director;

- » Approving AECL's remuneration framework;
- » Monitoring the effectiveness of AECL's governance practices; and
- » Appointing the Chair and Deputy Chair.

The AECL Board meets at least nine times a year, 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.

The Board delegates responsibility for the implementing of the strategic direction and for managing the day-to-day operations of the Company to the Managing Director.

PRINCIPLE #2:

Structure the Board to add value

As per the AECL Constitution, the AECL Board comprises up to four 'elected' directors, and up to three 'specialist' directors, one of whom is the Managing Director.

'Specialist' directors are sought by a selection committee and appointed by the AECL Board then ratified by members at the first available General Meeting of the Company. Appointments are made to ensure a balance of skills and expertise in accordance with the criteria set out in the AECL Constitution and Statutory Funding Agreement between the Australian Government and AECL.

The Board includes at least one director who can demonstrate that they are highly skilled in corporate governance. The Board includes at least one director who can demonstrate that they are highly skilled in marketing.

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

Corporate Governance/Compliance

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.

The AECL Board is assisted in carrying out its responsibilities by the AECL Audit & Risk Committee.

When a Board vacancy arises the AECL Board the AECL Nominations Committee and will meet.

PRINCIPLE #3:

Act ethically and responsibly

AECL wishes to conduct all its business ethically and responsibly. Equally important is the encouragement of ethical conduct by example from all involved in AECL. It is the Board's objective that all its dealings with staff, stakeholders, regulatory authorities and the community should be conducted with integrity, fairness and diligence.

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.

All AECL staff and directors are bound by the AECL Code of Conduct Policy.

Acting ethically and responsibly goes beyond mere compliance with legal obligations. As a good "corporate citizen" AECL strives to:

- » Respect the human rights of employees;
- » Creates a safe, non-discriminatory workplace; and
- » Deal honestly and fairly with suppliers and stakeholders.

PRINCIPLE #4:

Safeguard integrity in corporate reporting

The Audit & Risk Committee meets four times each year. The Managing Director and Finance & Corporate Services Manager/Company Secretary attend all committee meetings at the invitation of the Committee. The Audit & Risk Committee is chaired by a specialist director. The Committee also meets privately with the external auditor without AECL management present.

The minutes of all committee meetings are reviewed at the subsequent meeting of the Board and the resolutions of the Committee are reviewed and considered by the Board for endorsement.

The role and responsibilities of the Audit & Risk Committee include:

Financial Statements – reviews AECL's financial statements, effectiveness and compliance with accounting policies and standards, adequacy of disclosures and reconciliation of all bank accounts.

Investments – The Committee reviews matters relating to the investment of assets in line with AECL policy. The Committee obtains advice from external investment advisors when necessary.

Appointment of External Auditor – The Committee reviews the scope and adequacy of the external auditor annually and can recommend to the Board any changes to the appointment it deems appropriate. The external auditor may attend member meetings and may be available to answer questions from members about the conduct of the audit and the preparation and content of the audit report and AECL's accounts.

Audit – reviews the auditors' performance, the professional independence of the auditors, audit policies, procedures and reports, as a direct link between the Board and the Company's auditors.

Risk – See Principle #7

PRINCIPLE #5:

Make timely and balanced disclosure

AECL is not a publicly listed company and is not subject to ASX Listing Rule disclosure requirements. It does however, report to its members and the Australian Securities and Investments Commission (ASIC) in the form required by the Corporations Act 2001. AECL undertakes regular disclosure of current business matters to its stakeholders by way of its fortnightly newsletter, *EggCorp EggsPress*, the quarterly publication of *Eggstra Eggstra* and the AECL Report and holds AECL industry forums rotating through all State jurisdictions at least once a year.

Under the Statutory Funding Agreement (SFA) with the Australian Government, AECL is required to present a financial report to the Department of Agriculture every six months. In addition, the Chairman and Managing Director meet bi-annually with the Minister, or his nominated delegate, to report on the Company's performance against the SFA. Any significant matters are to be reported to the Department.

Corporate Governance/Compliance

PRINCIPLE #6:

Respect the rights of shareholders

AECL does not have shareholders, it has members as defined in Section 231 of the Corporations Act 2001.

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

AECL communicates regularly with its members and all known egg farmers using newsletters, a quarterly industry magazine, the Annual Report including the statutory financial statements and provides member access to the Company's website. AECL seeks stakeholder input to inform its strategic planning process and its corporate performance review.

The Board encourages full participation of members and other stakeholders at the AGM to ensure a high level of accountability and understanding of the Company's strategy, goals and achievements. In the event that a member is unable to attend the AGM they are encouraged to appoint proxies to express their views at the AGM by completing and lodging an approved Proxy Form.

PRINCIPLE #7:

Recognise and manage risk

The AECL Audit & Risk Committee reviews all internal controls and policies, the practice of good governance, management procedures employed and the systems of risk management employed by the Company.

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

- » Adherence to all relevant Australian Accounting Standards.
- » Development and adoption of a strategic plan covering a period of 3 to 5 years.
- » Development of a framework to identify and manage risk via the 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 operating 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), Workplace Health and Safety (WHS) and privacy

PRINCIPLE #8:

Remunerate fairly and responsibly

AECL conducts annual performance appraisals and goal setting for all staff which assists in determining remuneration levels for all staff which is reviewed once each year.

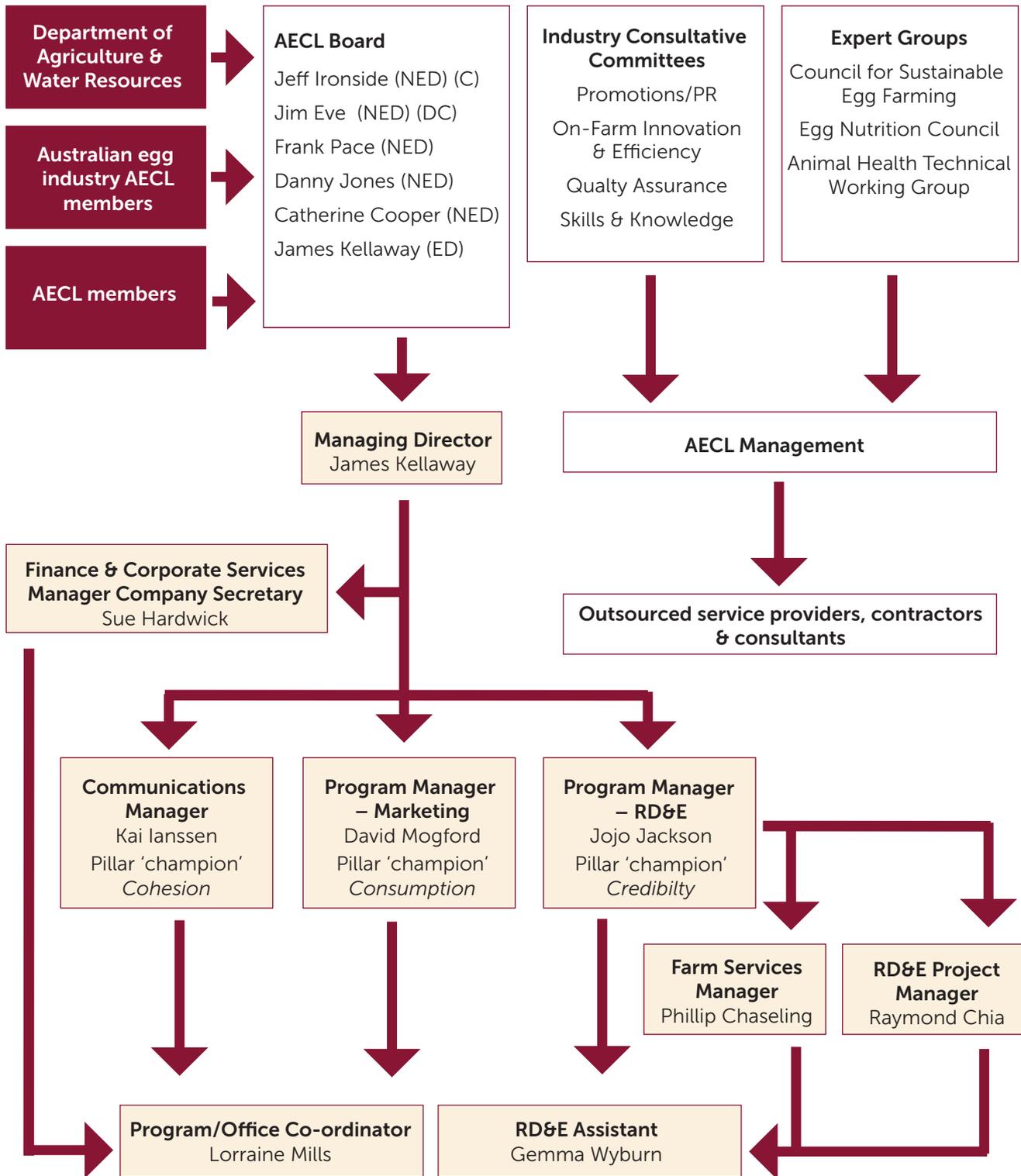
Total remuneration for non-executive directors has been set in the Company's Constitution at a maximum of \$150,000 per annum. Aggregate Board remuneration can only be increased with the consent of the Company's members. AECL's Constitution also provides for non-executive directors to be paid additional remuneration where they perform services outside the scope of the ordinary duties of an AECL director.

Total remuneration for the Managing Director comprises of short term benefits (cash salary and an at-risk bonus) and post-employment benefits (statutory superannuation entitlement).

The Board reviews the performance of the Managing Director on an annual basis in line with outcomes delivered and of the achievements reached across the Company.

AECL Organisational Structure

(as at 30 Jun 2016)



■ = AECL management team NED = Non-Executive Director ED = Executive Director C = Chairman DC = Deputy Chairman

AECL Business/Planning Calendar 2015/16

	JUL	AUG	SEP	OCT	NOV	DEC	JAN	FEB	MAR	APR	MAY	JUN
Board/Management planning												
Board meetings	✓	✓		✓	✓	✓		✓		✓	✓	✓
Additional Board meeting (Only if required)			✓				✓		✓			
Audit & Risk Committee meetings		✓						✓			✓	✓
Review & Renew - Annual planning workshop						✓						
Strategic planning workshop				✓								
Approve AOP												✓
Approve budgets											✓	
Approve MD performance KPIs				✓								
Assess MD performance		✓						✓				
Review succession planning				✓								
Approve total remuneration expense				✓								
Review board reporting requirements				✓								
Review terms of reference Audit & Risk Committee										✓		
Review Board Charter				✓								
Board performance review				✓								
EFA meetings												
						✓						✓
R&D planning												
Research priorities	Service contract commence	Review										
PRPs			Call for PRPs		PRPs reviewed							
FRPs									Call for FRPs		FRPs approved	
Communications strategy												
Eggstra Eggstra		✓			✓			✓				✓
Conferences/meetings			IEC		AECL Industry Forum				IEC		AECL Industry Forum	
					AECL AGM							
Stakeholder visits		✓		✓				✓				

AECL Board of Directors



Jeff Ironside
FAICD

AECL Chairman

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

Jeff has been a medium-sized egg farmer in North Queensland since 1976 investing technology and innovation into his egg farming 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 2010 Jeff was elected a Financial Controller of the International Egg Commission (IEC).

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).



Frank Pace
AM

AECL Director

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

Frank is the Honorary President of the International Egg Commission (IEC) and was the Chairman of the IEC from 2007-2010. He was honoured as the recipient of the 2010 Lindsay Bell award in recognition of his tireless work in both the Australian and International egg industries, and was awarded the Dennis Wellstead Memorial Trophy for International Egg Person of 2004.

Frank Pace was previously the Chairman of the Seven Hills branch of the Livestock and Grain Producers Association (LGPA) 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 was also a member of the Agriculture Ministerial Advisory Council (AMAC).

In 2011, Frank was appointed a Member of the Order of Australia (AM) for of his contribution to the egg industry, both in Australia and internationally.



Danny Jones
FIPA, GAICD

AECL Director

Danny Jones was elected to the AECL Board in November 2014. He is a member of the AECL Finance & Audit Committee and the Governance & Risk Committee.

Danny has 25 years egg industry experience having acted as business manager and then managing director of Pure Foods Eggs Pty Ltd, Tasmania's largest egg farmer. His egg industry experience covers business administration, pullet rearing, layers, grading, packing, distribution, feed milling and quality assurance.

Danny has extensive board experience in non-executive director and managing director roles. He holds an Advanced Diploma in Business, is a graduate of the Australian Institute of Company Directors and a Fellow of the Institute of Public Accountants

Danny has been actively involved in the the wider aspects of the Australian egg industry and is Vice President of the Tasmanian Commercial Egg Producers Association, a member of AECL Skills and Training Industry Consultative Committee (ICC), a member of the Poultry CRC End Users Committee and a member of the TGFA livestock forum.

Recently, Danny received acclaim when he was awarded the Kondinin & ABC Rural 2014 Egg Farmer of the Year.



Catherine Cooper
Bachelor of Laws, LLB,
GDLP, and FAICD

AECL Director

Catherine Cooper is a non-executive director, appointed to the board in 2016, with a background in commercial law and business. An experienced non-executive director and chair, She has extensive experience in diverse industries, with expertise spanning agribusiness, animal health, biosecurity, food security, finance and audit, together with water, energy, waste management, health and education, and research and development, with significant exposure to both domestic production and export markets. Catherine has a strong focus on integrity, transparency and credibility.

Her executive management experience includes Fosters Brewing Group, Elders Limited, Futuris Corporation and positions as chair of SA Fisheries Council and SA Dairy Regulator. She is currently Commissioner – Australian Fisheries Management Authority, chair of Fleurieu Waste Management Authority, and a director of Beston Global Food Company.

Catherine has twice been a finalist in the Telstra Business Women's Awards, and was awarded a position in the AICD ASX 200 Chairs mentoring Program 2015.

AECL Board of Directors



Jim Eve
B Sci (Agricultural Economics),
GAICD

AECL Director

Jim Eve is a non-executive 'specialist' director of AECL, who was appointed to the Board in 2013. He is a member of the AECL Finance & Audit Committee and the Governance & Risk Committee.

He is currently a non-executive director of Brown Brothers (a significant international wine business) and has previously been a non-executive director of the Central Coast Business Enterprise Centre and the Central Coast Research Foundation.

As the General Manager/CEO of MasterFoods Australia for four years, Jim made significant achievements, including consistent profit improvements, continuing strong growth and brand development and doubling the percentage return on investment.

Jim is a graduate of the Australian Institute of Company Directors Course, and completed its Strategic Financial Skills and Strategic Board programs. He has also attended the Executive Leadership course at the Centre for Creative Leadership in Colorado and the Mars Incorporated General Manager School developed with Harvard University.

He has previously been the President of the Pet Food Manufacturers' Association of Australia and a member of the Public Affairs Committee of the Australian Food and Grocery Council. He graduated with a Bachelor of Science (Agricultural Economics) from the University of Sydney.



Russell Ware
LL.M. (Hons.) FAICD

AECL Director

Russell Ware is a non-executive 'specialist' director who was appointed to the AECL Board in 2003. He is also the AECL Deputy Chairman and Chairman of the Finance & Audit and Governance & Risk Committees, fulfilling the requirements of the Corporation's agreement with the Commonwealth that "the board specifically include a director who can demonstrate from his or her experience that he or she is highly skilled in corporate governance".

A former Sydney commercial lawyer and now living on a farm, Russell is a professional company director who was chairman of three publicly listed companies over a twelve year period. Currently he is a non-executive director of the Greater Building Society Ltd, one of the largest building societies in Australia, and Chairman of Greyhounds Australasia Ltd, the peak body of greyhound racing in Australia and New Zealand.

Russell also consulted to and advised business owners, specialising in succession and strategic planning for family-owned business, particularly in the agribusiness sector. Russell has a number of property interests in Sydney and Newcastle as well as a retirement village complex near Lake Macquarie in New South Wales.

After fourteen years of service on the AECL Board, Russell completed his term in November 2015 and retired to pursue other personal interests including travel.



James Kellaway
B App Sci (Agr), GDMM, MBA,
GAICD, ACIS, AFAM

AECL Managing Director

James Kellaway is the managing director of AECL and has extensive agribusiness experience in brand management, business development and product marketing with 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 marketing, communication, R&D, operations and investor relations programs. These roles had a key focus on delivering commercial results to all company stakeholders.

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

James is a non-executive director of the Australian Poultry Co-operative Research Centre (CRC), where he is also a member of the Audit & Risk Committee, and a Board member and Office Holder of the International Egg Commission (IEC). He also is the current Chairman of the Marketing Committee of the IEC. He is the past Chairman of the Animal Health Australia (AHA) Industry Forum and a previous director of the Australian Livestock Export Corporation where he was also a member of the Finance, Audit & Risk Committee.

Financial Report

Financial Statements for the Year Ended 30 June 2016

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Directors' Report

Your directors submit their report for the year ended 30 June 2016.

Directors

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

Jeff Ironside

Jim Eve

Frank Pace

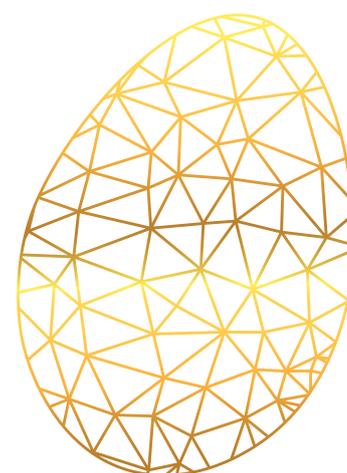
Danny Jones
(elected 20 November 2014)

Catherine Cooper
(appointed 1 February 2016)

Russell Ware
(retired 31 January 2016)

Zelko Lendich
(retired 20 November 2014)

James Kellaway



Directors' Report

Meetings of Directors

During the year to 30 June 2016 there were 11 meetings of directors.

In February 2016 the AECL Board resolved to merge the Finance & Audit Committee and the Risk & Governance Committee to form a single Audit & Risk Committee.

During the year to 30 June 2016 the Finance & Audit Committee met twice, the Governance & Risk Committee met once and the Audit & Risk Committee met twice.

The number of meetings attended by each director was:

	Board Meetings		Finance & Audit Committee Meetings		Governance & Risk Committee Meetings	
	2015-2016	2014-2015	2015-2016	2014-2015	2015-2016	2014-2015
Jeff Ironside	11	10	2	3	1	2
Jim Eve	10	10	2	3	1	2
Frank Pace	10	10	2	3	1	2
Danny Jones	11	5	2	2	1	1
Catherine Cooper	4	0	1	0	0	0
Zelko Lendich	0	5	0	1	0	1
Russell Ware	5	10	1	3	1	2
James Kellaway	11	10	2	3	1	2

	Audit & Risk Committee Meetings	
	2015-2016	2014-2015
Jeff Ironside	2	0
Jim Eve	1	0
Frank Pace	2	0
Danny Jones	2	0
Catherine Cooper	1	0
James Kellaway	2	0

Directors' Report

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 Company employed 9 employees at 30 June 2016 (2015:7).

Principal Activities

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

The principal activities of AECL are in line with the objects of the Company as described in Section 2 of the AECL Constitution.

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

Results and Performance Indicators

The surplus of the Company for the year ended 30 June 2016 was \$1,695,830 (2015: surplus \$977,259).

All projects undertaken by AECL including their purpose, funding and measurement criteria are approved in the AECL Annual Operating Plan (AOP) by the Australian Government Department of Agriculture and Water Resources. AECL reports on the progress of all projects in the quarterly AECL Report which is widely distributed with the AECL publication *Eggstra Eggstra*, in twice yearly meetings with the Department of Agriculture and in the AECL Annual Report.

Directors' Qualifications

The AECL constitution s13.1 states that AECL may have up to four elected directors and three specialist directors, one of whom will be the Managing Director. In accordance with s13.4(h) of the AECL Constitution, the AECL Board consists of three elected and three specialist directors who have demonstrated skills in egg production, the processing of egg products, product promotion and business and financial management, with at least one director highly skilled in corporate governance.

The Managing Director holds a Bachelor of Science in Agriculture, a Master of Business Administration degree as well as post-graduate qualifications from the Australian Institute of Company Directors and the Governance Institute of Australia.

Directors' qualifications are further detailed in the Annual Report.

Significant Changes in the State of Affairs

In July 2016 the Chairman announced the resignation of the Managing Director to be effective from 30 September 2016. There have been no significant changes in the state of affairs of the Company during the year.

Significant Events after the Balance Date

There have been no significant events occurring after the 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

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.

Proceedings on behalf of the Company

No person has applied for leave of court to bring proceedings on behalf of the company.

Auditor's Independence Declaration

A copy of the Auditor's Independence Declaration as required under section 307C of the Corporations Act 2001 is set out on page 4.

Signed in accordance with a resolution of the directors, pursuant to section 298(2)(a) of the Corporations Act 2001.



Jeff Ironside

Chairman

Dated 30 September 2016

Auditor's Declaration of Independence



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Fax: +61 2 9240 9821
www.bdo.com.au

Level 11, 1 Margaret St
Sydney NSW 2000
Australia

DECLARATION OF INDEPENDENCE BY ARTHUR MILNER TO THE DIRECTORS OF AUSTRALIAN EGG CORPORATION LIMITED

As lead auditor of Australian Egg Corporation Limited for the year ended 30 June 2016, I declare that, to the best of my knowledge and belief, there have been:

1. No contraventions of the auditor independence requirements of the *Corporations Act 2001* in relation to the audit; and
2. No contraventions of any applicable code of professional conduct in relation to the audit.

Arthur Milner
Partner

BDO East Coast Partnership

Sydney, 30 September 2016

Directors' Declaration

Directors' Declaration

In the opinion of the directors:

- » the attached financial statements and notes thereto comply with the Corporations Act 2001, the Accounting Standards, the Corporations Regulations 2001 and other mandatory professional reporting requirements;
- » the attached financial statements and notes hereto give a true and fair view of the Company's financial position as at 30 June 2016 and of its performance for the financial year ended on that date;
- » there are reasonable grounds to believe that the company will be able to pay its debts as and when they become due and payable; and

Signed in accordance with a resolution of directors made pursuant to section 295(5)(a) of the Corporations Act 2001.

On behalf of the directors,



Jeff Ironside

Chairman

Dated 30 September 2016

Statement of Comprehensive Income

	Notes	30 June 2016 \$	30 June 2015 \$
Revenue	2	9,783,865	8,692,399
Expenditure			
Consumption	3a	(3,289,268)	(2,988,275)
Credibility	3b	(2,832,408)	(2,563,528)
Cohesion	3c	(1,217,724)	(1,107,828)
Corporate Costs	3d	(669,126)	(983,278)
Levy Collection Costs	3e	(23,748)	(32,725)
Egg Farmers of Australia		(55,761)	(39,506)
Total Expenses		(8,088,035)	(7,715,140)
Surplus for the year		1,695,830	977,259
Other Comprehensive Income for the year, net of tax		–	–
Total Comprehensive Income for the year	10	1,695,830	977,259

The above Statement of Comprehensive Income should be read in conjunction with the accompanying notes.

Statement of Financial Position

	Notes	30 June 2016 \$	30 June 2015 \$
Current Assets			
Cash & Cash Equivalents		6,905,738	5,695,829
Trade & Other Receivables	4	1,164,913	347,754
Total Current Assets		8,070,651	6,043,583
Non-Current Assets			
Property, Plant and Equipment	5	73,566	74,913
Total Non-Current Assets		73,566	74,913
Total Assets		8,144,217	6,118,496
Current Liabilities			
Trade & Other Payables	6	1,513,446	1,201,490
Employee Benefits	7	125,153	98,292
Total Current Liabilities		1,638,599	1,299,782
Non-Current Liabilities			
Employee Benefits	8	21,642	30,568
Total Non-Current Liabilities		21,642	30,568
Total Liabilities		1,660,241	1,330,350
Net Assets		6,483,976	4,788,146
Equity			
Retained Surplus	9	6,483,977	4,788,146
Total Equity		6,483,977	4,788,146

The above Statement of Financial Position should be read in conjunction with the accompanying notes.

Statement of Changes of Equity

	Notes	Retained Surplus \$	Total Equity \$
Balance as at 1 July 2014		3,810,887	3,810,887
Total comprehensive income for the year	10	977,259	977,259
Balance as at 30 June 2015		4,788,146	4,788,146
Balance as at 1 July 2015		4,788,146	4,788,146
Total comprehensive income for the year	10	1,695,830	1,695,830
Balance as at 30 June 2016		6,483,976	6,483,976

The above Statement of Changes in Equity should be read in conjunction with the accompanying notes.

Statement of Cash Flows

	Notes	30 June 2016	30 June 2015
		\$	\$
Cash Flows from Operating Activities			
Receipts from funding and other sources (inclusive of GST)		9,187,220	9,556,932
Payments to suppliers and employees (inclusive of GST)		(8,076,221)	(7,678,495)
Interest received		104,202	118,689
Net Cash Flows from Operating Activities		1,215,201	1,997,126
Cash Flows from Investing Activities			
Advances to related parties		–	–
Purchase of property, plant and equipment		(5,292)	–
Net Cash Flows from Investing Activities		(5,292)	
Net (Decrease)/Increase in Cash & Cash Equivalents		1,209,909	1,997,126
Cash & Cash Equivalents at the beginning of the year		5,695,829	3,698,703
Cash & Cash Equivalents at the end of the year	10	6,905,738	5,695,829

The above Statement of Cash Flows should be read in conjunction with the accompanying notes.

Notes to Financial Statements

1. Summary of Significant Accounting Policies

Note 1. Significant accounting policies

The financial report covers Australian Egg Corporation Limited as an individual entity. The Financial Report is presented in Australian dollars, which is Australian Egg Corporation Limited's functional and presentation currency.

Australian Egg Corporation Limited is a not-for-profit, unlisted, public company limited by guarantee, incorporated and domiciled in Australia.

The financial report was authorised for issue, in accordance with a resolution of directors, on 30 September 2016. The directors have the power to amend and reissue the Financial Report.

The principal accounting policies adopted in the preparation of the financial statements are set out below. These policies have been consistently applied to all the years presented, unless otherwise stated.

New, revised or amending Accounting Standards and Interpretations adopted

The company has adopted all of the new, revised or amending Accounting Standards and Interpretations issued by the Australian Accounting Standards Board ('AASB') that are mandatory for the current reporting period.

Any new, revised or amending Accounting Standards or Interpretations that are not yet mandatory have not been early adopted.

Any significant impact on the accounting policies of the company from the adoption of these Accounting Standards

and Interpretations are disclosed in the relevant accounting policy. The adoption of these Accounting Standards and Interpretations did not have any significant impact on the financial performance or position of the Company.

The following Accounting Standards and Interpretations are most relevant to the company:

AASB 2011-9 Amendments to Australian Accounting Standards – Presentation of Items of Other Comprehensive Income

The company has applied AASB 2011-9 amendments from 1 July 2012. The amendments requires grouping together of items within other comprehensive income on the basis of whether they will eventually be 'recycled' to the profit or loss (reclassification adjustments).

The change provides clarity about the nature of items presented as other comprehensive income and the related tax presentation. The amendments also introduced the term 'Statement of profit or loss and other comprehensive income' clarifying that there are two discrete sections, the profit or loss section (or separate statement of profit or loss) and other comprehensive income section.

Basis of preparation

These general purpose financial statements have been prepared in accordance with Australian Accounting Standards and Interpretations issued by the Australian Accounting Standards Board ('AASB') and the *Corporations Act 2001*, as appropriate for not-for-profit oriented entities.

Historical cost convention

The financial statements have been prepared under the historical cost convention.

a Cash and Cash Equivalents

Cash on hand and in banks is stated at nominal value. For the purposes of the Statement of Cash Flows, cash includes cash on hand and at bank.

b 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.

c 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.

d Property, Plant and Equipment

Property, plant and equipment is measured at cost less accumulated depreciation and any identified impairment loss.

Property, plant and equipment is depreciated on a straight line basis over its useful life.

Useful lives

Office Equipment	2 – 10 yrs
Leasehold Improvements	Term of Lease

Notes to Financial Statements

e 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 Company.

f Operating Leases – Rental Premises and Photocopier

The minimum lease payments of operating leases, where the lessor effectively retains substantially all of the risks and benefits of ownership of the leased item, are recognised and are expensed on a straight line basis.

The Company renewed its operating lease regarding its premises at Level 4, 107 Mount Street, North Sydney NSW 2060, commencing 1 November 2012. Under the terms of the lease agreement, the entity was entitled to receive a fitout to the value of \$50,000 plus a rental rebate to the value of \$50,000 in years 2 to 5 of the lease. A lease incentive liability has been entered to reflect both tranches of the lease incentive. Lease payments are allocated between the rental expense and the reduction liability over the lease term (5 years). This lease expires on 31 October 2017. Rental payments will be expensed in the financial year in which they occur. Contingent rentals for the year end 30 June 2016 are recognised as an expense in the financial year incurred.

g Provisions

Provisions are recognised when the Company 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.

h Revenue Recognition

Revenue is recognised to the extent that it is probable that the economic benefits will flow to the Company and the revenue can be reliably measured. Revenue is measured at the fair value of the consideration received or receivable. The following specific recognition criteria must also be met before revenue is recognised:

Australian Government Matching Funds

The Australian Government matches funding on a dollar for dollar basis on approved research and development funded projects, up to a level of 0.5% of the gross value of the industry's production, and not exceeding the cumulative amount of contributions provided by the industry. Government matching funds are recognised as revenue upon incurring the eligible research and development program expenditure.

Levy Receipts

The Levies Revenue Service of the Department of Agriculture and Water Resources collects statutory levies (Laying Chicken levies and Egg Promotion levies) on behalf of the Company. Revenue from levies is recognised as revenue upon accrual of the levy amounts.

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.

Laying Chicken levies 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 expenses. This distinction is noted via the annual operating plans approved by the Government and tracked via the accounting system.

Interest Revenue

Interest revenue is recognised on a proportional basis taking into account interest rates applicable to the asset.

Other Revenue

Other revenue is recognised when it is received or when the right to receive payment is established.

i Income Taxes

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

Notes to Financial Statements

j Goods and Services Tax (GST)

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

- » the net amount of GST recoverable from, or payable to, the taxation authority is included as part of other assets or other liabilities in the Statement of Financial Position.
- » cash flows are included in the Statement of Cash Flows 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.

k Employee Benefits

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.

l Economic Dependency

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

m Critical Accounting Estimates and Judgements

In the application of the Company's accounting policies, management is required to make judgements, estimates and assumptions about the carrying values of assets and liabilities that are not readily apparent from other sources. The estimates and associated assumptions are based on historical experience and various other factors that are believed to be reasonable under the circumstances, the results of which form the basis of making the judgements. Actual results may differ from these estimates.

The estimates and underlying assumptions are reviewed on an ongoing basis. Revision to accounting estimates are recognised in the period in which the estimate is revised if the revision affects only that period or in the period of the revision and future periods if the revision affects both current and future periods.

n Comparatives

Where required by the Accounting Standards and/or for improved presentation purposes, comparative figures have been adjusted to conform to changes in presentation for the current year.

o Joint Ventures

Investments in joint ventures are recognised at cost less provision for impairment.

p Winding Up

As per Rule 4 of the AECL Constitution, in the event of the Company being wound up, each member is liable for the Company's debts and liabilities for an amount not exceeding \$1.

Notes to Financial Statements

	Notes	30 June 2016	30 June 2015
		\$	\$
2. Revenue from Operating Activities			
Egg Promotion Levies		5,264,728	4,394,059
Laying Chicken (R & D) Levies		2,384,061	2,029,458
Government Contributions		1,688,938	1,541,195
Other Revenue	2a	446,138	727,687
Total		9,783,865	8,692,399

2a. Other Revenue

Advertising	50,340	90,828
Associate Membership	53,121	59,603
Co-Funder payments	–	10,000
Grant income	51,500	–
Interest	144,205	113,376
Royalties	37,476	59,704
Training	16,553	126,889
Functions	16,486	48,880
Licence Fees	4,537	29,146
Other	71,920	77,003
Payroll tax refund (net)	–	112,258
Total	446,138	727,687

Notes to Financial Statements

Notes	30 June 2016	30 June 2015
	\$	\$

3. Program Expenses by Operating Pillar

3a. Consumption

The programs run within the Consumption pillar are:

Consumer Awareness program

Consumer Education program

Media Relations program

Health Care Professionals program

The strategic purpose of these programs is to enhance market awareness of eggs and educate consumers on the health benefits of consuming eggs leading to an increased demand, sales and consumption. This is achieved by reinforcing the fact the eggs provide the best start to the day and demonstrating the nutritional benefits of consuming eggs for breakfast, focusing on eggs' nutrient density, satiety and weight management. The major barrier of perceived time constraints will be addressed by providing quick and tasty breakfast meal solutions.

Projects/activities	3,064,385	2,696,443
Project travel	8,469	19,106
Program management costs	216,414	272,726
Total	3,289,268	2,988,275

3b. Credibility

The programs run within the Credibility pillar are:

Hen welfare & best practice productions systems

Product quality program

Skills & knowledge development program

QA program

The strategic purpose of these programs is to underpin on-farm and through chain credibility and sustainability of the egg industry leading to an increase in industry and product credibility. This is to be achieved by the delivery of innovative and commercially-responsive solutions that enhance the skills and knowledge of egg farmers thereby ensuring the industry's social licence and assisting a culture of continuous product quality improvement and on-farm management.

Projects/activities	2,176,072	2,003,553
Project travel	35,949	42,735
Program management costs	620,387	517,240
Total	2,832,408	2,563,528

Notes to Financial Statements

	Notes	30 June 2016	30 June 2015
		\$	\$

3c. Cohesion

The programs run within the Cohesion pillar are:

Stakeholder communications program

Corporate communications program

The strategic purpose of these programs is to provide all egg farmers with certainty in their operating environments where industry cohesion, credibility and the social licence to operate for layer hen farming is protected and enhanced. This is to be achieved by communication activities that promote the credibility of new and existing science and values-based farm management practices of Australian egg products to relevant internal and external stakeholders.

Projects/activities	784,747	629,587
Project travel	74,090	90,782
Program management costs	358,887	387,459
Total	1,217,724	1,107,828

3d. Corporate Costs

Accounting and Administration	86,228	87,575
Legal fees related to ACCC matter	69,312	479,213
Premises	42,460	35,858
Board/AGM expenses	60,413	58,090
Employment expenses	410,713	322,541
Total	669,126	983,278

3e. Levy Collection Costs

Levy Collection Cost – Egg Promotion Levy	16,356	22,357
Levy Collection Cost – Laying Chicken Levy	7,392	10,368
Total	23,748	32,725

Notes to Financial Statements

	Notes	30 June 2016 \$	30 June 2015 \$
3f. Reserch & Development Expenditure			
Aggregate research and development expenditure includes all project expenditure funded by the Laying Chicken Levy and Corporate overheads applicable to those projects.			
Aggregate research and development expenditure		3,377,875	3,082,390
3g. Net Surplus			
The net surplus has been arrived at inclusive of these items:			
Depreciation		6,639	7,922
Employee costs		1,315,355	1,201,409
Lease expenses		115,928	104,152
4. Trade & Other Receivables (Current)			
Trade Receivables		982,110	195,102
Other Receivables		58,555	18,552
Lease Incentive Receivable		22,708	32,708
Prepayments		30,522	30,374
Security Deposit	18	70,280	70,280
		1,164,913	347,754
Amounts other than trade debts receivable from related parties			
Related Entity:			
Australian Egg Industry Association		738	738
Total		347,754	1,063,009

Notes to Financial Statements

	Notes	30 June 2016	30 June 2015
		\$	\$
5. Property, Plant and Equipment			
Office Equipment			
At Cost		30,866	61,244
Write offs/disposals		(6,901)	(30,378)
Accumulated Depreciation		(12,096)	(16,458)
		11,869	14,408
Leasehold Improvements			
At Cost		69,755	69,762
At Cost		5,300	–
At Cost		(44)	–
Accumulated Depreciation		(13,314)	(9,257)
		61,697	60,505
Total Property, Plant and Equipment			
At Cost		98,976	100,628
Accumulated Depreciation and Amortisation		(25,410)	(25,715)
Total Written Down Amount		73,566	74,913

Reconciliations

Office Equipment

Carrying Amount at Beginning	14,408	18,378
Additions	–	–
Disposals	(6,901)	–
Depreciation	(2,538)	(3,970)
	4,969	14,408

Leasehold Improvements

Carrying Amount at Beginning	60,505	64,457
Additions	–	–
Disposals	(44)	–
Depreciation	(4,101)	(3,952)
	56,360	60,505

Notes to Financial Statements

	Notes	30 June 2016 \$	30 June 2015 \$
6. Trade & Other Payables (Current)			
Trade Payables		1,418,516	1,119,843
Other Payables		68,264	34,981
Lease Incentive Liability		26,666	46,666
		1,513,446	1,201,490
7. Employee Benefits (Current)			
Employee Benefits		125,153	98,292
		125,153	98,292
8. Employee Benefits (Non-Current)			
Employee Benefits		21,642	30,568
		21,642	30,568
9. Equity			
Retained Surplus			
Balance at Beginning of Year		4,788,146	3,810,887
Net Surplus		1,695,830	977,259
Balance at End of Year		6,483,976	4,788,146

Notes to Financial Statements

	Notes	30 June 2016	30 June 2015
		\$	\$
10. Cashflow Information			
(a) Reconciliation of net cash flows from operations			
Net Surplus		1,695,830	977,259
Non-cash Items			
Depreciation of non-current assets		6,639	7,922
Loss on disposal of fixed assets		–	55,311
Changes in Assets and Liabilities			
(Increase)/decrease in trade and other receivables		(817,159)	715,255
Increase/(decrease) in trade and other payables		311,956	403,994
Increase/(decrease) in employee benefits		17,935	(162,615)
Net cashflow from operating activities		1,215,201	1,997,126
(b) Reconciliation of Cash			
Cash balance comprises:			
Cash on hand		250	250
Cash at bank		6,905,488	5,695,579
Closing Cash Balance		6,905,738	5,695,829
11. Expenditure Commitments			
Lease expenditure commitments			
Operating Leases (non-cancellable)			
Minimum lease payments			
– not later than one year		57,598	114,407
– later than one year and not later than five years		82	35,246
Aggregate lease expenditure contracted for at balance date		57,680	149,653

Notes to Financial Statements

Notes	30 June 2016	30 June 2015
	\$	\$

12. Contingent Liabilities

An action has been brought against the Company and several of the Company's directors by the Australian Consumer and Competition Commission (ACCC) in relation to an alleged attempt to induce the formation of a cartel. In February 2016 the Federal Court handed down a judgement, dismissing the case against AECL. The ACCC has lodged an appeal against the decision.

The Company is unable, at the time of reporting, to determine the financial effect the action may have on the Company.

The Company is also unable to come to a view on the likely outcome of the appeal.

13. Subsequent Events

On 18 July 2016, the Chair announced the planned departure in September of the Managing Director who has served AECL for 13 years. A replacement Managing Director will be announced during October 2016.

There have been no other significant events that have occurred since 30 June 2016 that require separate disclosure.

14. Remuneration of Key Personnel

Income paid or payable, or otherwise made available, in respect of the financial year to 30 June 2016, to all directors and key management personnel of Australian Egg Corporation Limited, directly or indirectly, from the company or any related party.

Remuneration – Short-term Benefits	448,518	455,114
Remuneration – Post-employment Benefits	61,728	31,050
	510,246	486,164

15. Remuneration of Auditors

Amounts received by BDO for:

– audit of the financial statements	18,000	18,500
– other services	7,208	–
Total	25,208	18,500

Notes to Financial Statements

Notes	30 June 2016	30 June 2015
	\$	\$

16. Related Party Disclosures

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

Jeff Ironside
 Jim Eve
 Frank Pace
 Danny Jones (elected 20 November 2014)
 Catherine Cooper (appointed 1 February 2016)
 Russell Ware (retired 31 January 2016)
 James Kellaway

Disclosures relating to remuneration of directors and key management personnel are set out in Note 14.

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

Amounts loaned to Australian Egg Industry Association	738	738
	738	738

17. 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.

	70,280	70,280
--	---------------	---------------

18. Segment Information

Segment products and locations

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

Notes to Financial Statements

Notes	30 June 2016	30 June 2015
	\$	\$

19. Financial Risk Management Policies

The Company's financial instruments comprise cash, cash equivalents, receivables and payables.

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.

Sensitivity Analysis

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

At 30 June 2016, the effect on interest received, with all other variables remaining constant would be as follows:

	Surplus \$	Equity \$
Year ended 30 June 2016		
– Increase in interest rate by 2%	2,884	2,268
– Decrease in interest rate by 2%	(2,884)	(2,268)
Year ended 30 June 2015		
– Increase in interest rate by 2%	2,268	2,268
– Decrease in interest rate by 2%	(2,268)	(2,268)

Notes to Financial Statements

Notes	30 June 2016	30 June 2015
	\$	\$

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 receivables 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.

Trade and other payables are expected to be paid as follows:

Less than 6 months	1,486,780	1,154,824
6 months to 1 year	–	–
1 year to 2 years	–	–
	1,486,780	1,154,824

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.

Ageing of trade receivables is as follows:

	30 June 2016	0-30 days	31-60 days	61+ days
Total Trade Receivables	982,110	960,849	17,844	3,417
	30 June 2015	0-30 days	31-60 days	61+ days
Total Trade Receivables	195,102	149,280	39,644	6,178

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 amounts.

Independent Auditor's Report



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Australia

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, which comprises the statement of financial position as at 30 June 2016, the statement of profit or loss and other comprehensive income, statement of changes in equity and statement of cash flows for the year then ended, notes comprising a summary of significant accounting policies and other explanatory information, and the directors' declaration.

Directors' Responsibility for the Financial Report

The directors of the company are responsible for the preparation of the financial report that gives a true and fair view in accordance with Australian Accounting Standards and the *Corporations Act 2001* and for such internal control as the directors determine is necessary to enable the preparation of the financial report that gives a true and fair view and is free from material misstatement, whether due to fraud or error.

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. Those standards require that we comply with relevant ethical requirements relating to audit engagements and plan and perform the audit to obtain reasonable assurance about 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 company's preparation of the financial report that gives a true and fair view 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 company'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.

Independent Auditor's Report



Independence

In conducting our audit, we have complied with the independence requirements of the *Corporations Act 2001*. We confirm that the independence declaration required by the *Corporations Act 2001*, which has been given to the directors of Australian Egg Corporation Limited, would be in the same terms if given to the directors as at the time of this auditor's report.

Opinion

In our opinion the financial report of Australian Egg Corporation Limited is 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 2016 and of its performance for the year ended on that date; and
- (ii) complying with Australian Accounting Standards and the *Corporations Regulations 2001*.

BDO East Coast Partnership

A handwritten signature in black ink, appearing to read 'AM', written over the printed name of Arthur Milner.

Arthur Milner
Partner

Sydney, 30 September 2016

Project Report

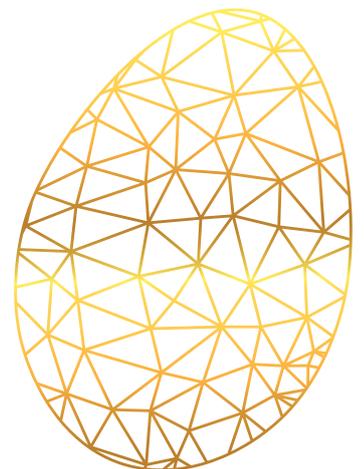
STRATEGY 1

Monitor, analyse, understand and address market attitudes, behaviour, consumption and preferences of eggs and perceptions of the egg industry in the Australian market.

Outcome

Industry is aware of and addressing consumer attitudes, behaviour and preferences for eggs while the community respects and recognises all egg farming systems and minimal food safety risks associated with egg consumption.

Project/Activity	Outcome	AECL Pillar	R&D Priority
GP market research (continue)	Shift in HCPs attitudes to eggs analysed and benchmarked to assist in future campaign development and assess campaign performance.	Consumption	2, 11
Market Research – AZTEC retail scan data (continue)	Purchasing behaviour of consumer target market segments identified to better target campaigns, maximise ROI and measure program/sales performance.	Consumption	2, 11
Healthcare Professionals Focus Group Research (new)	Cut-through and measurable change in HCPs attitudes and beliefs towards eggs achieved through using approved creative that has been tested.	Consumption	2, 11
Consumer attitudes and behaviour tracking research – NewsPoll (continue)	Shifts in consumer behaviour and attitudes towards eggs analysed and benchmarked to assist in future campaign development and assess campaign performance.	Consumption	2, 11
Booklet of facts about the egg industry (new)	Stakeholders better informed about the realities of the Australian egg industry and layer hen farming.	Cohesion	N/A



Project Report

STRATEGY 2

Execute integrated and market-responsive product marketing campaigns to assist raise awareness, demand, purchase and consumption of eggs in the Australian market among identified target market segments.

Outcome

Year-on-year growth in egg awareness, demand and sales realised providing and effective return on invested funds and positive growth trend in egg sales each year.

Project/Activity	Outcome	AECL Pillar	R&D Priority
Consumer PR Campaign (continue)	Increased egg consumption by the two identified market segments by shortening the purchase cycle, increase the Average Weight of Purchase (AWOP) and increasing top of mind awareness of eggs.	Consumption	1, 2
Consumer advertising – media buy (continue)	Increased egg consumption of the two identified market segments by shortening the purchase cycle, increasing average weight of purchase and increasing top of mind awareness of eggs.	Consumption	1, 2
Nutrition advice and dietetics review (continue)	Increased health and nutritional knowledge about eggs known and communicated to HCPs and KOLs.	Consumption	1, 2, 11
Dietitians Association of Australia (continue)	Increased awareness of eggs among HCPs as a great source of nutrition thereby debunking the cholesterol myth and ensuring eggs are promoted as part of a healthy and balanced diet.	Consumption	2
Consumer advertising – digital campaign (continue)	Increased egg consumption of the two identified market segments by shortening purchase cycle and increasing top of mind awareness of eggs.	Consumption	1, 2
Healthcare Professionals (HCP) events campaign (continue)	Increased awareness of eggs among HCPs as a great source of nutrition thereby debunking the cholesterol myth and ensuring eggs are prescribed to patients as part of a healthy eating plan.	Consumption	1, 2
ENC website development (continue)	Increased awareness of eggs among HCPs as a great source of nutrition thereby debunking the cholesterol myth and ensuring eggs are prescribed to patients as part of a healthy eating plan and balanced diet.	Consumption	1, 2
Healthcare Professionals (HCP) Media Campaign (continue)	Increased awareness of eggs among HCPs as a great source of nutrition thereby debunking the cholesterol myth and ensuring eggs are prescribed to patients as part of a healthy eating plan and balanced diet.	Consumption	1, 2
Consumer advertising creative development (continue)	Increased egg consumption of the two identified consumer segments by shortening the purchase cycle and increasing top-of-mind awareness of eggs.	Consumption	1, 2

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STRATEGY 2 CONTINUED...

Project/Activity	Outcome	AECL Pillar	R&D Priority
Healthcare Professionals (HCP) creative and POS material (continue)	Increased awareness of eggs among HCPs as a great source of nutrition thereby debunking the cholesterol myth and ensuring eggs are prescribed to patients as part of a healthy eating plan and balanced diet.	Consumption	1, 2
Consumer Promotions and POS campaign (continue)	Increased egg consumption by the two identified market segments by shortening purchase cycle, increase Average Weight of Purchase (AWOP) and increasing top of mind awareness of eggs.	Consumption	1, 2
Healthcare Professionals (HCP) PR Campaign (continue)	Increased awareness of eggs among HCPs as a great source of nutrition, thereby debunking the cholesterol myth and ensuring eggs are prescribed to patients as part of a healthy eating plan.	Consumption	1, 2
Egg Nutrition Council (ENC) (continue)	Increased awareness of eggs among HCPs as a great source of nutrition thereby debunking the cholesterol myth and ensuring eggs are prescribed to patients as part of a healthy balanced diet.	Consumption	2, 9
'All about eggs' student education (continue)	Primary school students informed about how eggs are nutritious, great value, great tasting and farmed in an ethical and appropriate manner.	Credibility	2, 6, 9
National Heart Foundation (NHF) 'Tick' licence (continue)	Greater awareness of positive health benefits from the consumption of eggs through cost effective access and consistent use of the NHF 'tick' Certification Trade Mark by egg farmers (sub-licensees).	Consumption	2
Advancing the egg industry's social license (new)	The egg industry's social license to operate improved thereby ensuring the long-term sustainability and growth of the Australian egg industry.	Cohesion	6, 10
Media and Government (new)	AECL's reputation enhanced with Australian media, governments and others engaged in egg industry issues through the effective communication of AECL projects and activities.	Cohesion	2, 6, 9, 11
Australian Centre for Food Integrity (continue)	Egg industry better informed of consumer views and market better educated on animal agriculture and where their food comes from.	Cohesion	2, 10

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STRATEGY 3

Identify, measure and address inefficiencies in the Australian egg farming and supply chain through benchmarking, research and analysis.

Outcome

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

Project/Activity	Outcome	AECL Pillar	R&D Priority
Feedgrain partnership (continue)	A secure and quality supply of feedgrain enhanced through effective partnerships and industry collaborations achieved.	Credibility	1, 3, 4, 5, 10
Salmonella initiative – development of tools to effectively manage Salmonella in the supply chain (new)	Effective response and management of <i>Salmonella</i> challenges in the egg industry developed to defend the egg category, increase the strength of the egg brand and facilitate access to new markets through collaboration with the Poultry CRC to develop expertise and capacity with the egg industry.	Credibility	1, 2, 6
Salmonella epidemiology and intervention strategies (new)	The risk of <i>Salmonella</i> on-farm mitigated through an assessment of current <i>Salmonella</i> intervention strategies.	Credibility	1, 2, 10
Behavioural and physiological characterisation of 'outdoor' and 'indoor' hens (continue)	Egg production, health and egg quality implications addressed through characterisation of the effects of the use of the outdoor range on behaviour and physiology of free-range hens.	Credibility	1, 2
Understanding the physiology of shell pigmentation and colour deterioration in laying hens (continue)	Quantitative information concerning the location of pigment in the layers of the egg shell and identification of sites of pigment synthesis in the oviduct.	Credibility	1, 2
Dietary available phosphorus requirements of laying hens (continue)	Egg farming enhanced with respect to bird nutrition, feed costs and environmental pollution.	Credibility	1, 3, 10
Nutrient specific appetite as a driver for feather pecking in hens (continue)	Links between nutrient receptors, appetite and feather pecking behaviour in hens understood	Credibility	1,
Development of a point-of-management analytical system to manage Salmonella in the food chain (new)	Adoption of more effective and cost-efficient surveillance and verification of on-farm <i>Salmonella</i> risk management processes to mitigate food safety risk.	Credibility	1, 2, 7
Salmonella in raw egg products	Human health impacts associated with <i>Salmonella</i> outbreaks reduced through investigation into nutrient availability for <i>Salmonella</i> growth on-farm and in food service.	Credibility	1, 2, 10
Measurement of metabolisable energy values for cereal grains fed to laying hens	Metabolic responses of laying hens and broilers compared to determine whether NIR technology could be used to formulate more effective diets for laying hens.	Credibility	1, 7

Project Report

STRATEGY 4

Initiate the development and uptake of innovations and industry information that will enhance industry competitiveness, credibility and sustainability.

Outcome

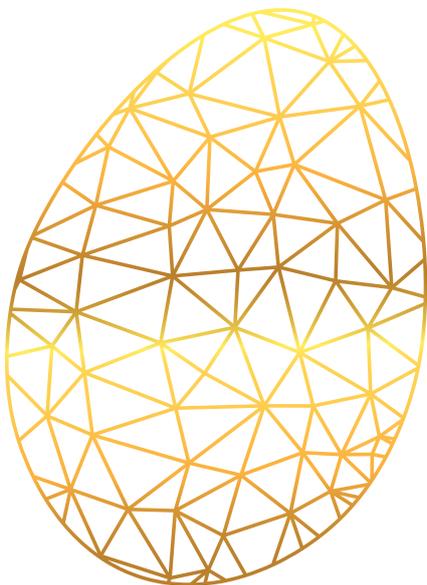
Industry information and innovation needs identified, researched and adopted to provide a more credible industry that is competitively positioned in the market.

Project/Activity	Outcome	AECL Pillar	R&D Priority
Salmonella control strategies and industry extension (new)	The risk of <i>Salmonella</i> outbreaks related to egg farming minimised through the development and uptake of a <i>Salmonella</i> Sp. extension and control program.	Credibility	2, 6
Implementation of a net energy (NE) system for laying chickens	Development of a net energy (NE) feed formulation system for laying hens to reduce feed costs	Credibility	1, 3, 10
Are eggs good for people with type 2 diabetes? (continue)	Increased usage of eggs among people with type 2 diabetes through the removal of existing barriers to egg consumption	Consumption	1, 2
Carbon Farming Initiative: manure management consortium (continue)	Improved environmental profile of egg farming with respect to greenhouse gas emissions. Access to manure management opportunities with respect to the Carbon Farming Initiative.	Credibility	3, 4, 10
Pullet and layer flock uniformity: an epidemiological industry-based approach to improve feed efficiency (continue)	Benchmarking of flock uniformity and performance regarding persistency and longevity of lay achieved.	Credibility	1, 10
Egg industry RD&E business development service (continue)	Better informed egg industry of R&D outcomes and application on-farm while providing feedback and ensuring direct input into future investments.	Credibility	1, 2, 6
R&D information extension and dissemination (continue)	Improved dissemination of R&D information and transfer/ adoption of new science and program outcomes.	Credibility	1, 2, 6, 9
Hen Welfare RD&E plan implementation (new)	Increased knowledge leading to improved hen welfare on-farm through investing in research priorities as determined by the Hen Welfare RD&E Plan.	Credibility	1,2, 10
Nutritional management of free-range laying hens. (new)	Improved productivity of free-range laying hens through the characterisation of sub-populations and development of targeted feeding strategies.	Credibility	1, 3, 10
Testing a model to initiate feather pecking on free range laying hens (new)	Increasing the prevention of feather pecking through better knowledge of casual factors that induce severe feather pecking.	Credibility	1, 6

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STRATEGY 4 CONTINUED...

Project/Activity	Outcome	AECL Pillar	R&D Priority
Improved stockperson attitudes to hens: A novel clicker training approach (new)	Increased positive egg farmer attitudes to hens through the development of clicker training workshops.	Credibility	1, 7
Practical workshop series for egg farmers (new)	Increased efficiencies and productivity resulting in better management practice realised on-farm through attendance at a series of practical workshops where research findings are extended.	Credibility	1, 2



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STRATEGY 5

Build and maintain industry resources and capacity to deliver stakeholder-responsiveness programs, research, extension and information in a timely manner.

Outcome

An adequately resourced egg industry and service provider allowing the provision of technical, market and production based skills to be engaged on demand.

Project/Activity	Outcome	AECL Pillar	R&D Priority
National poultry RD&E strategy (continue)	A secure co-contribution strategy between the poultry industry and research providers to ensure sustained access to critical research and development skills and resources to enhance egg farming and productivity in the future delivered.	Credibility	1, 6, 10
National Animal welfare RD&E strategy (new)	Critical R&D skills and resources secured to ensure improved animal welfare through a collaborative strategy between livestock industries and research providers.	Credibility	1, 6, 10
Animal biosecurity RD&E strategy (new)	Increased efficiency in the investment of animal biosecurity RD&E funds and coordination of resources and capacity through collaboration.	Credibility	1, 6, 10
Research seminar, conference study tours and grants (continue)	Improved communication and dissemination of egg industry R&D results and professional development of industry stakeholders.	Credibility	6, 9, 10
Horizon Scholarship: primary industries undergraduate scholarship program (continue)	Greater adoption of new skills and talent attracted to and sustained within the egg industry due to increased awareness of career opportunities at the graduate level.	Credibility	6, 9, 10
Layer and egg supply forecasting report and industry data (continue)	Layer and egg supply forecasting report and industry data.	Cohesion	1, 2
Egg industry meetings and conferences (continue)	Better informed AECL, egg farmers and service providers through exposure to international markets, community trends, production concepts and ideas.	Cohesion	9
Council of Rural Research and Development Corporations (CRRDC) (continue)	Collaborative RD&E efforts and efficiency in communication across RDCs maximised as per the SFA and government R&D priorities.	Cohesion	10, 11
AECL performance review (new)	AECL Stakeholders informed about the successes and achievements of AECL and its compliance with the SFA.	Cohesion	11
Skills and Knowledge ICC (continue)	Better informed AECL from stakeholder and expert feedback ensuring maximum impact on program development and execution.	Cohesion	9

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STRATEGY 5 CONTINUED...

Project	Outcome	AECL Pillar	R&D Priority
AECL publications, websites and social media (continue)	Informed egg industry stakeholders through up-to-date and appropriate publications, fact sheets, websites, social media and other communication tools.	Cohesion	N/A
Egg industry scope and demography (continue)	AECL stakeholders informed about the contribution of the Australian egg industry to the Australian economy and community.	Cohesion	6
Egg Quality Assurance (continue)	The standard of egg farming improved and certified reflecting BMP on-farm by all licensees to an approved QA scheme.	Credibility	1, 2, 5, 7
Egg Labelling Integrity Panel (ELIP) (continue)	Perceived misleading conduct minimised through the use of an expert panel to review and provide feedback on egg carton labels.	Credibility	1, 2, 9
Poultry Cooperative Research Centre (CRC)	R&D investments leveraged and maximised in hen nutrition, bird health, animal welfare, food safety, egg quality and the environment for community benefit.	Credibility	1, 3, 4, 6, 7, 10
Industry RD&E development and management (continue)	Promotion and defence of industry needs and influence with respect to on-farm innovation and efficiency.	Credibility	1, 6, 7, 9, 10
AECL R&D program evaluation (continue)	Knowledge and awareness of the return on the investment of R&D dollars across the suite of R&D funded projects.	Credibility	11
High school education and capacity building (continue)	Improved understanding of the egg industry and career pathways known among high school students to assist ensure new young talent entering and being part of the egg industry.	Credibility	6
Nuffield scholarship – egg industry (continue)	Improved egg industry capacity, knowledge and business outcomes through adoption of global innovations and learnt activities.	Credibility	1, 6, 9
Council for Sustainable Egg Farming (continue)	Improved dissemination of key messages from R&D activity through the development of an independent expert group, literature reviews and topics papers..	Credibility	1, 9, 10, 11
Animal health Technical Working Group (TWG) (continue)	AECL and egg industry better informed through expert animal health feedback and advice ensuring biosecurity measures are maintained and project execution maximised.	Credibility	1, 5, 9
QA development and training (continue)	Auditor skills enhanced and QA program efficiency improved through the development of auditing technology, templates and resources.	Credibility	2, 5, 6

Project Report

STRATEGY 5 CONTINUED...

Project	Outcome	AECL Pillar	R&D Priority
Egg industry training initiative (continue)	Recognised industry training for transfer of skills through the development of a single-source, industry relevant training scheme.	Credibility	6, 9, 10
Quality Assurance ICC (new)	Better informed AECL from stakeholder and expert feedback ensuring maximum impact of program development, project design and execution.	Cohesion	9, 10
Development of egg industry training resources (new)	Egg Industry personnel better trained and improved on-farm practices through the provision of a video resource to support AECL's Poultry Stockperson Induction Skill Set (PSIS).	Credibility	1, 6
Stakeholder relations (new)	Educated, consulted and informed stakeholders on AECL programs and AECL on industry investment priorities.	Cohesion	N/A
Events (continue)	Informed egg farmers about the latest RD&E and marketing news from AECL as well as relevant industry news and technologies from around the country and the world.	Cohesion	N/A
Egg Farmers of the Year awards (continue)	The egg industry promoted and egg farmers recognised in the media and the community creating industry leaders.	Cohesion	6
Public relations (new)	AECL's reputation enhanced among key stakeholders and engaged consumers.	Cohesion	N/A
Building dynamic egg industry websites (new)	Improved access for AECL and egg industry stakeholders to egg industry information and resources via the web.	Cohesion	N/A
Promotions and PR ICC (continue)	Better informed AECL from stakeholder and expert feedback ensuring maximum impact of program development and execution.	Cohesion	9, 10
On Farm Innovation and Efficiency ICC (continue)	Better informed AECL from stakeholder and expert feedback ensuring maximum impact of program development and execution.	Cohesion	9
Egg industry and AECL program videos (new)	Stakeholders and the community better informed and educated thereby increasing industry credibility and community knowledge.	Cohesion	2, 6
Liaison with Animal Health Australia (AHA) (continue)	Better informed egg industry on animal health matters with secure funding arrangements under the Emergency Animal Disease Response Agreement (EADRA).	Cohesion	5, 10
Meetings with the Federal Minister and DA (continue)	Better informed Australian Government regarding Australian egg industry issues, the operations and governance of AECL and AECL programs and investments.	Cohesion	11

AECL Industry Consultative Committees and Expert Groups 2016

MEMBERSHIP

Consultative Committees:

PR & Promotions

Ms Julie Proctor
Sunny Queen Farms Pty Ltd

Mr Ian Savenake
Novo Foods Ltd

Mr Grant Dearden
Pace Farm Pty Ltd

Mr Darren Leyton
Glenview Poultry Pty Ltd

Mrs Shelley Green
Green Eggs Pty Ltd

On-farm Innovation & Efficiency

Mr Phil Szepe
Kinross Farms

Mr Peter Bell
AAA Egg Company Pty Ltd

Mr Ken Bruerton
Protea Park Enterprises

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Mr Greg Mills
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Glenwarrie Partnership

Mr Paul de Ravel
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Mr Andros Chrysiliou
Chrysiliou IP

Mr Geoffrey Annison
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Council for Sustainable Egg Farming (CSEF)

Mr Greg Mills

Glossary

AASB	Australian Accounting Standards Board	EADR	Emergency Animal Disease Response	NH&MRC	National Health & Medical Research Council
AAWS	Australian Animal Welfare Strategy	EADRA	Emergency Animal Disease Response Agreement	NHF	National Heart Foundation
ABS	Australian Bureau of Statistics	ECA	Egg Corp Assured	NIP	Nutrition Information Panel
ACARA	Australian Curriculum Assessment & Reporting Authority	EEO	Equal Employment Opportunity	NPV	Net Present Value
ACCC	Australian Competition and Consumer Commission	EFA	Egg Farmers of Australia	NWDF	National Workforce Development Fund
AECL	Australian Egg Corporation Limited	ELG	Egg Labelling Guide	PDA	Personal Digital Assistant
AEIA	Australian Egg Industry Association	ELIP	Egg Labelling Integrity Panel	PIEF	Primary Industries Education Foundation
AGM	Annual General Meeting	EMS	Environmental Management Systems	PIRSA	Primary Industries and Regions South Australia
AHA	Animal Health Australia	ENAG	Egg Nutrition Advisory Group	PIX	Poultry Information Exchange
AI	Avian Influenza	ENC	Egg Nutrition Council	POS	Point-Of-Sale
AICD	Australian Institute of Company Directors	F&A	Finance & Audit	PR	Public Relations
AM	Order of Australia	FCR	Feed Conversion Ratio	PRP	Preliminary Research Proposal
AMAC	Agriculture Ministerial Advisory Council	FOB	Free On Board	QA	Quality Assurance
AOP	Annual Operating Plan	FPC	Full Page Colour	QDPI	Queensland Department of Primary Industries
APL	Australian Pork Limited	FRP	Full Research Proposal	QR	Quick Response (matrix barcode)
ASIC	Australian Securities and Investments Commission	FSANZ	Food Standards Australia New Zealand	RAS	Royal Agricultural Society
ASX	Australian Securities Exchange	FSTF	Food Safety Task Force	R&D	Research and Development
AWI	Australia Wool Innovation	GP	General Practitioner	RD&E	Research, Development and Extension
AWOP	Average Weight of Purchase	GPCE	General Practitioner Conference & Exhibition	RDC	Research and Development Corporation
BCR	Benefit Cost Ratio	G&R	Governance & Risk	RIRDC	Rural Industries Research & Development Corporation
BMP	Best Management Practice	GRDC	Grains Research & Development Corporation	ROI	Return On Investment
CAGR	Compound Annual Growth Rate	GST	Goods and Services Tax	RSPCA	Royal Society for the Prevention of Cruelty to Animals
CIF	Cost Insurance Freight	GWRDC	Grape and Wine Research & Development Corporation	RTO	Registered Training Organisation
CPD	Continuing Professional Development	HAC	Horticulture Australia Council	SFA	Statutory Funding Agreement
CRC	Co-operative Research Centre	HCP	HealthCare Professionals	SFMA	Stock Feed Manufacturers Council of Australia
CRDC	Cotton Research & Development Corporation	HIAL	Horticulture Innovation Australia	S&K	Skills & Knowledge
CRRDC	Council of Rural Research & Development Corporations	HWAG	Hen Welfare Advisory Group	SRA	Sugar Research Australia
CSEF	Council for Sustainable Egg Farming	ICC	Industry Consultative Committee	SST	Source Science & Technology Pty Ltd
CSIRO	Commonwealth Scientific and Industrial Research Organisation	IEC	International Egg Commission	TAC	Technical Advisory Committee
CTR	Click Through Rate	IP	Intellectual Property	TARPS	Target Audience Rating Points
DAA	Dietitians Association of Australia	IPP	Industry Partnerships Program	TV	Television
DAFF	Department of Agriculture Forestry and Fisheries	IRR	Internal Rate of Return	TWG	Technical Working Group
DA	Dairy Australia	KOL	Key Opinion Leader	U&A	Usage & Attitudinal
DEEDI	Department of Employment, Economic Development and Innovation	KPI	Key Performance Indicator	UA	University of Adelaide
DIISRTE	Department of Industry Innovation Science Research and Tertiary Production	LCA	Life Cycle Assessment	UM	University of Melbourne
DPI	Department of Primary Industries	LGPA	Livestock & Grain Producers Association	UNE	University of New England
EAD	Emergency Animal Disease	MAT	Moving Annual Total	UQ	University of Queensland
		MCoP	Model Code of Practice	US	University of Sydney
		MD	Managing Director	UWA	University of Western Australia
		MLA	Meat and Livestock Australia	VET	Vocational Education Training
		NAHIS	National Animal Health Information System	WHS	Workplace Health & Safety
		NE	Net Energy	WSPA	World Society for the Protection of Animals
		NGO	Non Government Organisation	YTD	Year To Date



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