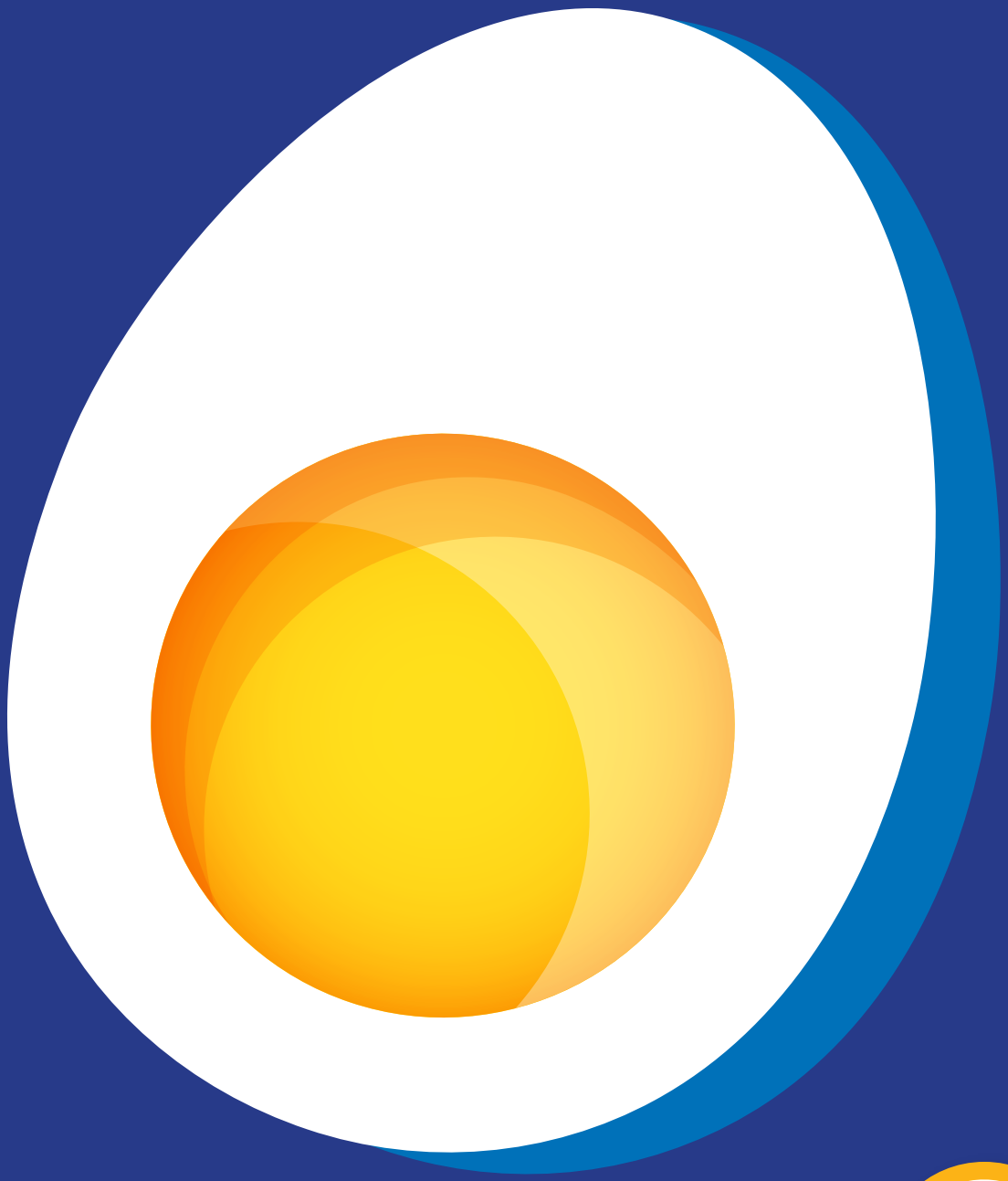
STRATEGIC PLAN
2017–21



Australian eggs

CONTENTS

INTRODUCTION 2

STRATEGIC PLAN AT A GLANCE 3

OUR ROLE 4

CONSULTATION 5

OUR GOALS 7

KEY FOCUS AREAS 8

VALUE FOR MONEY 9

INCREASED CONSUMPTION 10

SUSTAINABLE PRODUCTION 11

EFFECTIVE ENGAGEMENT 12

PROGRAMS AND PROJECTS 14

PROGRAM PLANNING 15

PERFORMANCE AND EVALUATION 16

FINANCIAL OUTLOOK 17

INTRODUCTION

The Australian Eggs Limited Strategic Plan 2017-2021 (the Plan) provides a 'guiding path' for the Australian egg industry regarding the goals, key focus areas and programs expected to be delivered over the next five years by the industry service body (ISB) through the principle investment of research and development and promotional statutory levy funds.

The Plan reflects good corporate governance practices and complies with Clause 30 of the Statutory Funding Agreement (SFA) between Australian Eggs and the Australian Government.

The Plan has been formulated with input from egg farmers and other Australian Eggs stakeholders such as industry participants, the Australian Government and consumers using an inclusive consultation process and will be reviewed by the Australian Eggs Board on an annual basis.

The Plan reflects our priority areas and provides a clear work program that stakeholders can understand, engage with and continue to shape.

We have also had regard to the complexity of the industry context and the rapid change faced by egg farmers. The Plan is centred around a simple expression of our goals and areas of focus that will position Australian Eggs to assist the industry in dealing with ongoing change and opportunities.

The Plan introduces important changes to the way Australian Eggs will work to put us in the best position to maximise the benefits of our activities. These include focusing on the efficiency of how we work, working as a coordinated team, investing in the quality of engagement with egg farmers and applying a more transparent structure in our decision making to ensure that extension activities are considered both before and after research is conducted.

This new Plan is centered on a simple vision to:

Proactively support egg farmers to increase egg consumption and ensure industry sustainability.

The Plan will ensure that this vision underpins each of the programs developed and activities undertaken for the egg industry.

I am pleased to present the Plan to you.

Danny Jones
Chairman
February 2017

STRATEGIC PLAN AT A GLANCE

VISION

Proactively support egg farmers to increase egg consumption and ensure industry sustainability

GOALS

- VALUE FOR MONEY
- INCREASED CONSUMPTION
- SUSTAINABLE PRODUCTION
- EFFECTIVE ENGAGEMENT

KEY FOCUS AREAS

VALUE FOR MONEY	INCREASED CONSUMPTION	SUSTAINABLE PRODUCTION	EFFECTIVE ENGAGEMENT
EFFICIENT, WELL RESOURCED TEAM	MATCHING MARKET CYCLES	FLOCK HEALTH AND BIOSECURITY	FARMER CONSULTATION
STAKEHOLDER FOCUS	NEXT GENERATION	FOOD SAFETY	PROACTIVE EXTENSION
CLEAR WORK PROGRAM	NUTRITION	HEN WELFARE	MARKET DEVELOPMENT
	EATING EGGS	RESEARCH COLLABORATION	IRB CONSULTATION

OUR ROLE

Australian Eggs is an egg farmer-owned public non-listed company. Australian Eggs was registered on 18 November 2002 and commenced operations on 1 February 2003. It integrates marketing, research and development and industry services for the benefit of all stakeholders. Australian Eggs has been endorsed by the Federal Minister as the prescribed industry body under the Egg Industry Service Provision Act 2002.

Australian Eggs is mainly funded through statutory levies collected under the Primary Industries (Excise) Levies Act 1999 and the Australian Government matching funds for the purposes of approved research and development. As a result, Australian Eggs acts as partner with the Government in delivering services to members and levy payers and is accountable to the Government for its performance and the proper use of levy funds and matching funds.

Australian Eggs services all known Australian egg farmers irrespective of their size, location or farming system.

Importantly, Australian Eggs is not an industry representative body (IRB) but in order to perform its role as an ISB effectively, Australian Eggs will continue to consult with IRBs.

Australian Eggs operates with a management team that reports to the Managing Director of the Company and subsequently to the Board of Directors. The Australian Eggs Board comprises an executive director, being the Managing Director, and non-executive directors that, under the terms of the Company's Constitution, are either deemed to be 'elected' or 'specialist' directors.

All Australian Eggs operations are undertaken in line with the Plan which will guide the direction of Australian Eggs programs and income investments from 2017 to 2021 to achieve the desired outcomes for the Australian egg industry.

THE CONSULTATION FEEDBACK REFLECTED SPECIFIC AREAS FOR POTENTIAL IMPROVEMENTS AND FOCUS

CONSULTATION

CONSULTATION PROCESS

In order to ensure accurate and comprehensive input to the development of the Plan, Australian Eggs has conducted a consultation process with egg farmers and IRBs. The consultation process for the development of the Plan began in late 2015 with an internal and external assessment of the egg industry and Australian Eggs's operating environment.

In March 2016 the results were used to develop an online survey that was distributed to egg farmers and IRB representatives on Australian Eggs's stakeholder database. The completion of the survey was facilitated by an Australian Eggs telemarketing campaign to raise awareness and assist egg farmers to participate in the survey. The results of the survey were summarised and provided to egg farmers by email in advance of an open invitation egg farmer strategy workshop. The workshop was held on 29 May 2016 with 36 attendees comprising egg farmers, IRB representatives from across Australia and members of the Australian Eggs Board and management team.

The consensus views arising from the egg farmer workshop, along with the egg farmer survey and Australian Eggs assessment, have formed the basis for the development of the Plan. Once approved by the Australian Eggs Board, the Plan was then provided to the Minister for Agriculture and Water Resources for comment and endorsement before being published on the Australian Eggs website.

CONSULTATION FEEDBACK

The consultation feedback reflected both a high level of satisfaction with the performance of Australian Eggs in providing industry services as well as specific areas for potential improvement and focus. A clear theme across the consultation process was the need for Australian Eggs to focus its activities around the issues of importance to egg farmers. In this regard, the highest priority issues identified in the survey were marketing and promotion of eggs and sustainability issues relating to flock health/biosecurity, food safety and hen welfare.

These themes were repeated in the consensus views of the egg farmer workshop with egg farmer attendees indicating that Australian Eggs work in relation to marketing and promotion of eggs is highly valued and supported. In terms of research and development activities, attendees clearly identified priority areas as flock health and disease management, food safety, feed availability and nutrition and hen welfare. While the importance of environmental sustainability and egg distribution were recognised, these issues were seen as requiring less direct focus by Australian Eggs at this time.

The priorities identified at the workshop were also condensed into Australian Eggs goals that were tested with egg farmers and now form the basis of this Plan.

CONSULTATION PLAN

As a key input to the development of Australian Eggs Annual Operating Plans, Australian Eggs must review, and if necessary update, the Plan annually and determine whether any changes are needed. In the event that changes are considered necessary, they will be the subject of consultation with egg farmers, IRBs (Industry Representative Bodies), the Government and other stakeholder groups.

This consultation process will involve:

- identification of the factors driving the need for change and the nature of potential changes to be made;
- communication of these issues to stakeholders and other RDCs through a combination of direct electronic and mail communications, Australian Eggs regular industry publications, the Australian Eggs website and informal engagement in the course of Australian Eggs activities;
- an invitation to provide feedback, including through the Australian Eggs website;
- the development of a draft revised Plan and adoption by the Australian Eggs Board;
- consultation with the Minister on the draft revised Plan; and
- the publication of the revised Plan.

OUR GOALS

The statutory framework that applies to Australian Eggs and stakeholder consultation has been used to develop four straightforward goals for Australian Eggs over the term of the Plan, as set out below.

We have adopted goals of this nature to ensure that our investments are closely aligned to our core functions and stakeholder priorities.

1 VALUE FOR MONEY

2 INCREASED CONSUMPTION

3 SUSTAINABLE PRODUCTION

4 EFFECTIVE ENGAGEMENT

KEY FOCUS AREAS

Through the consultation process we have identified key areas of focus that will underpin the pursuit of our goals. These focus areas will not be proscriptive in circumstances where other activities that deliver benefits to stakeholders can be identified. Rather, our Key Focus Areas will guide the development of operating plans towards productive areas. As a result, it is activities relating to these Key Focus Areas in which we will spend the majority of our time and resources over the term of the Plan.

GOALS

- VALUE FOR MONEY
- INCREASED CONSUMPTION
- SUSTAINABLE PRODUCTION
- EFFECTIVE ENGAGEMENT

KEY FOCUS AREAS

VALUE FOR MONEY	INCREASED CONSUMPTION	SUSTAINABLE PRODUCTION	EFFECTIVE ENGAGEMENT
EFFICIENT, WELL RESOURCED TEAM	MATCHING MARKET CYCLES	FLOCK HEALTH AND BIOSECURITY	FARMER CONSULTATION
STAKEHOLDER FOCUS	NEXT GENERATION	FOOD SAFETY	PROACTIVE EXTENSION
CLEAR WORK PROGRAM	NUTRITION	HEN WELFARE	MARKET DEVELOPMENT
	EATING EGGS	RESEARCH COLLABORATION	IRB CONSULTATION

VALUE FOR MONEY

EFFICIENT, WELL RESOURCED TEAM

Australian Eggs's management team currently has nine full time employees including the Managing Director, Finance and Corporate Services Manager and managers responsible for the marketing, research and development and engagement program areas.

Australian Eggs will continue to operate as a small team which manages external research and marketing resources. As part of this, we will focus on making every dollar count by:

- ensuring we are working as a team by collaborating on programs that require multiple inputs and sharing knowledge obtained through stakeholder engagement;
- ensuring we are working productively on the areas of greatest priority for stakeholders;
- ensuring that Australian Eggs's staff continue to have the skills and budgets to plan and deliver outcomes; and
- assessing our activities to ensure they are undertaken as efficiently as possible.

STAKEHOLDER FOCUS

As an industry-owned ISB, Australian Eggs is driven by its stakeholders including egg farmers and other industry participants, the Government and consumers. There is a risk with any member based organisation that the work program can develop into a pattern and a disconnect can emerge between the current issues faced by stakeholders and the activities undertaken.

Australian Eggs will strive to ensure that egg farmers and other stakeholders can clearly identify their objectives in our work program. This will be achieved through an increased focus on engagement activities. By making engagement even more comprehensive and effective, the focus of our work will remain aligned with the short, medium and long term objectives of our stakeholders.

CLEAR WORK PROGRAM

The breadth and complexity of issues arising in the egg industry is formidable. While we must maintain an awareness of emerging issues in order to be proactive in managing them, there is a trap in trying to do too much with limited resources and compromising the delivery of real outcomes.

To avoid this, we will develop our annual operating plans and programs to demonstrate a clear link between our Key Focus Areas and the work conducted. This will be achieved by regularly reassessing stakeholder priority areas and refining the programs undertaken over time. Once achieved, a clear and easy to communicate work program will enable egg farmers to more easily engage with our work and provide input on programs as they move through each phase.

INCREASED CONSUMPTION

MATCHING MARKET CYCLES

The marketing program has been very effective in growing demand for eggs over the period of Australian Eggs's operations. Egg farmer feedback indicates there is an opportunity to further enhance the benefits of Australian Eggs's marketing activities by structuring the program in a flexible way so that adjustments can be made in response to market developments.

Under the plan, we will put more focus into monitoring market cycles and responding to them promptly.

This will not change the sound marketing platforms of developing egg eating habits, increasing positive perceptions of eggs and targeted spot marketing but it will change the manner, timing and balance of our marketing activities. The outcome of this process will be to better assist egg farmers in responding to annual supply and demand patterns as well as broader market cycles as they evolve.

NEXT GENERATION

The effectiveness of our marketing activities is underpinned by the existing habits and culture of Australian egg consumers. In general, it is not necessary to encourage egg consumers to buy eggs as they will do so automatically as a result of entrenched purchasing patterns.

However, these habits, culture and patterns cannot be taken for granted and require an ongoing focus and investment to ensure that eggs remain an important staple food into the future. Over the term of the Plan we will give this area a greater focus, particularly in relation to working with children, parents and schools, to ensure that positive habits and perceptions of eggs are passed on to the next generation.

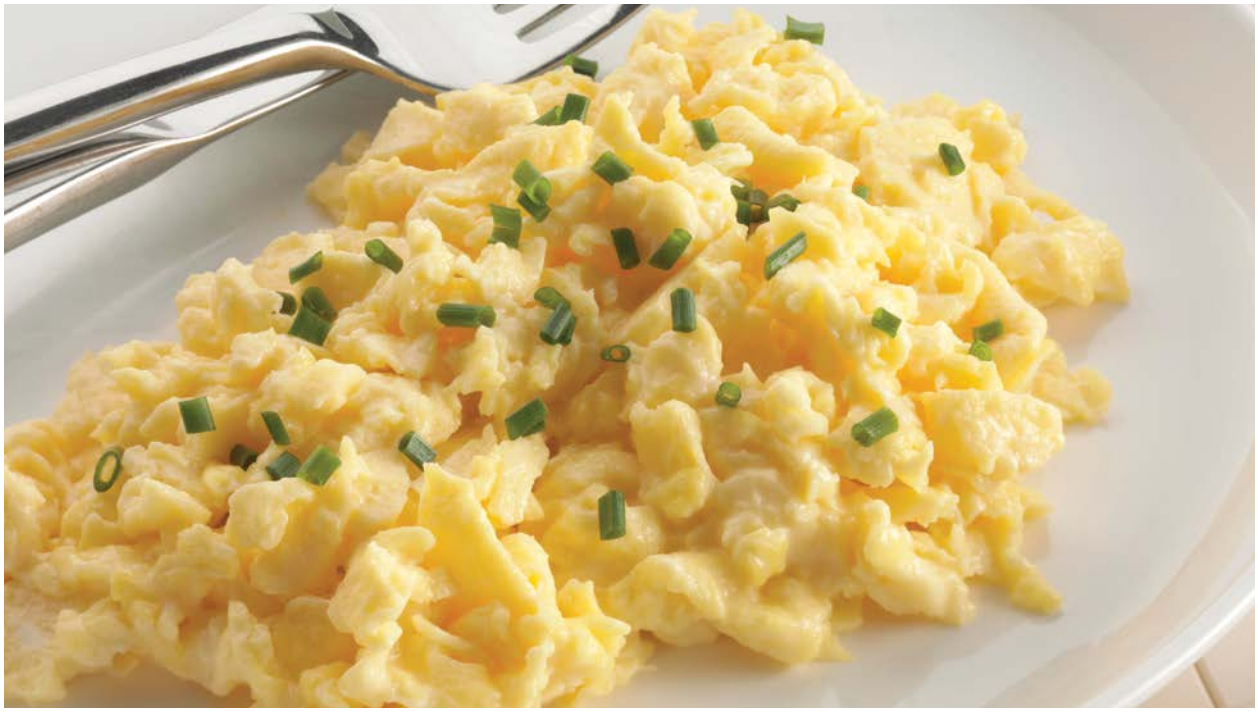
NUTRITION

A key aspect of our marketing activities to date has been demonstrating the health benefits of eggs, particularly in the context of now disproven assumptions made by health care professionals as to the impact of eating eggs on cholesterol.

Despite the substantial achievements to date, there remains a great opportunity to promote the positive nutritional benefits of eggs. This arises from changing eating habits in major segments of Australian consumers towards processed and fast food products that have been linked to an increase in levels of obesity and the fact that eggs as a healthy alternative are comparably affordable. As a result, there is still a great opportunity to emphasise the positive health and nutrition attributes of eggs to consumers and health care professionals and this will be a continued focus for the term of the Plan.

EATING EGGS

Encouraging consumers to eat eggs will remain the cornerstone of the marketing program over the term of the Plan. Through our demonstrated ability to run effective campaigns we will be able to assist egg farmers in managing fluctuations in demand as well as facilitating year on year industry growth.



SUSTAINABLE PRODUCTION

FLOCK HEALTH AND BIOSECURITY

Maximising the health and productivity of hens has been identified as a priority research area by egg farmers and will be a focus over the term of the Plan. The increasing proportion of free range hens in recent years and the greater variability within free range production systems has the potential to impact the reliability of egg supply. Australian Eggs has an important role in assisting the industry to respond to these changes.

By refining the research and development program to focus on the areas of greater concern to egg farmers we will have more resources available to contribute to this important area. This will involve investigation of short term, industry transferable solutions to hen disease and biosecurity threats as well as conducting blue sky research to ensure that we are moving towards addressing more complex issues. It is intended that the outcome of this focus will be lower hen mortality rates, less and shorter breaks in production and consequently, increased productivity.

FOOD SAFETY

Food safety is a key issue for both consumers and egg farmers and is critical to maintaining confidence in eggs as a staple food. Work to date has demonstrated that it is possible to minimise risks arising on-farm to a very low level and this work will continue through both research and communications activities.

However, there remains an even greater potential to assist in managing food safety risks arising in the post-farm egg value chain by continuing to facilitate dialogue between the egg industry, food safety regulators and end-users of eggs and egg products. This will be a focus over the term of the Plan with intended outcomes including reduced food safety issues, increased consumer confidence and enhanced industry credibility.

HEN WELFARE

Hen welfare is critical for an efficient and sustainable egg farming business. Improving hen health and welfare represents an important opportunity for productivity gains in each egg production system and to ensure that management practices align with consumer expectations. Conflicting information and opinions can arise from farmers, welfare scientists, advocacy groups and the general public which complicates efforts to objectively measure welfare outcomes.

By making hen welfare an area of focus we will be able to support animal husbandry on-farm through robust, replicated and peer reviewed science and the communication of key research outcomes regarding best management practice to all stakeholders. It is intended that outcomes will be animal welfare gains, productivity improvements and the ongoing sustainability of Australian's egg industry.

RESEARCH COLLABORATION

Refining the research and development program to focus on the key issues of concern to egg farmers will not preclude other important work being undertaken where a clear case can be identified. Before this work is undertaken independently, we will explore the potential for collaborations with other RDCs and research agencies with the objective of broadening the scope and value of research projects beyond that available to Australian Eggs and lowering the resource burden on the research and development budget.

Research collaboration will be pursued on cross sectoral issues such as feed security and efficiency, the sustainable use and management of natural resources and improvements in production systems as well within our areas of focus, such as biosecurity. It is intended that pooling available resources will result in increased benefits for egg farmers, the government and the community.

EFFECTIVE ENGAGEMENT

FARMER CONSULTATION

One of the key changes proposed under this Plan is a commitment to place even greater focus on egg farmer input in developing our programs. We have always consulted with egg farmers and IRBs in determining which programs to pursue, including through our three Industry Consultative Comittees (ICCs):

- PR and promotions;
- On-farm innovation and efficiency; and
- Skills and knowledge.

We will now deploy new processes and invest in additional resources to ensure that this consultation can be more comprehensive and effective.

The intended outcome is better communication of proposed programs and their costs and benefits, more informed input from stakeholders and an overall increase in the value of programs undertaken.

These consultation processes will be developed in the first annual operating plan under the Plan and could include:

- traditional methods such as bulletins, workshops, surveys and ICCs;
- building a broader database of engaged egg farmers, including a network of farm managers;
- the use of technology to expand the breadth and effectiveness of our ICCs;
- the ability for egg farmers to submit feedback through the Australian Eggs website; and
- processes to capture informal consultation with egg farmers.

PROACTIVE EXTENSION AND ADOPTION

Extension and adoption are at the heart of the value created by our research and development programs. Over the term of the Plan we will give extension activities even greater focus by making extension one of the key drivers of research investment. This will ensure that the perspectives and priorities of egg farmers sit front and centre in each phase of our programs and the prospects of benefits being realised through adoption are maximised.

This will be achieved by:

- making the potential and process for adoption a more significant aspect of the planning and approval phase for research and development programs;
- developing an assessment framework to more effectively determine whether the outputs from research and development programs are capable of, or ready to, form part of extension activities;
- ensuring that the long term nature of extension activities is recognised through the development of sustained technology transfer programs, including quality assurance;

THE DEEP INDUSTRY KNOWLEDGE OF IRBs IS AN IMPORTANT ASSET TO AUSTRALIAN EGGS

- investing in capacity building within the research community by nurturing skilled researchers and facilitating direct engagement between researchers and egg farmers; and
- continuing to invest in the capacity of the egg industry through skills development projects.

We will also ensure that our extension activities continue to make available accurate and balanced information on the industry to all stakeholders and in particular, consumers.

MARKET DEVELOPMENT

Market development activities present an opportunity to assist egg farmers in broadening the base of demand for Australian eggs. This has benefits in terms of overall market growth as well as facilitating alternative segments and markets that can be targeted by egg farmers in the context of supply imbalances.

Across the term of the Plan we will explore market development opportunities including:

- the potential for new product development in various market segments;
- engagement with retailers conducted in consultation with egg farmers;
- engagement with regulators that impact market expansion, including making information availbale to local councils; and
- exploration of barriers to export and export market potential.

IRB CONSULTATION

Consultation with IRBs will continue to be a focus over the term of the Plan. The deep industry knowledge of IRBs is an important asset to Australian Eggs and we will continue to include IRBs in our engagement activities.

We will also ensure that we are working cohesively with IRBs within our scope of activities by providing information and analysis to IRBs for the benefit of our common stakeholders such as egg farmers and consumers. This will include working in a coordinated way on any areas of overlap, such as building community trust and the credibility of the egg industry. Australian Eggs will also continue to provide limited financial support to Egg Farmers of Australia using non-levy income sourced from associate memberships.

PROGRAMS AND PROJECTS

The Plan is intended to provide strategic guidance to Australian Eggs in developing marketing, research and development and engagement programs and projects. Details of those programs and projects are included in Australian Eggs's annual operating plan and are the subject of annual review.

To illustrate the manner in which the Plan will be implemented a selection of programs and projects are set out below. Australian Eggs projects will be developed with reference to Key Focus Areas in each annual operating plan developed under the Plan.

PROJECT	PURPOSE
Increased Consumption: Matching market cycles	
Media relations	Develop campaigns to increase market demand and consumption
Increased Consumption: Eating eggs	
Consumer advertising & media	Develop campaigns to increase market demand and consumption
Increased Consumption: Nutrition	
HCP creative development & media	Increase dietitian and GP knowledge and encourage positive nutrition advice
Increased Consumption: Next Generation	
Schools	Provide information on the benefits of eggs and encourage awareness of egg farming
Sustainable production: Flock health/biosecurity	
Spotty liver autogenus vaccine	Development of an autogenus vaccine to help manage spotty liver
Sustainable production: Food safety	
Competitive exclusion by 'good' bacteria	Development of a natural biocontrol agent to reduce salmonella contamination
Sustainable production: Hen welfare	
Prevention of feather pecking	Identify causal factors of feather pecking to inform mitigation strategies and improve hen welfare
Sustainable production: Research collaboration	
Hen feed efficiency	Improve feed efficiency and egg quality through understanding the individual hen
Engagement: Farmer consultation	
Egg farmer engagement	Ensure egg farmers are engaged with Australian Eggs activities
Engagement: Proactive Extension	
Capacity building	Increase future capacity of the egg industry
Engagement: Market development	
Development of ESA program	Development and review of ESA through stakeholder feedback
Engagement: IRB consultation	
Liaison with IRBs	Work cohesively with IRBs to better inform Australian Eggs programs

PROGRAM PLANNING

BALANCED PORTFOLIO

The Plan provides for a high level of stakeholder input as a way to ensure that our research and development activities reflect priority issues for the industry. In planning research and development programs, this engagement needs to form part of an objective assessment of proposed projects to ensure that a balanced portfolio of projects are undertaken and the overall return on investment of our marketing and research and development activities is maximised.

A balanced portfolio of marketing and engagement programs will be actioned through the Key Focus Areas identified under the goals of increased consumption and effective engagement in the Plan.

In assessing research and development projects, we will take into account egg farmer input on issues of short, medium and long term priority, the value of the project with reference to the scale and scope of the industry issue to be addressed and the potential for adoption of research outcomes.

Using these inputs, we will develop a portfolio of research projects that includes an appropriate balance of:

- lower risk research projects which have good prospects of being directly industry transferable;
- higher risk foundational or blue sky research projects that may create opportunities for innovation; and
- research projects that have short term applications as well as research that contributes to the development of knowledge over time.

This process will be conducted in a transparent way to ensure that the basis for proceeding with research and development projects can be clearly understood by all stakeholders.

GUIDELINES

Through a combination of independent research and development projects and research collaborations, the Plan will facilitate research and development activities that directly relate to, and are consistent with, the Rural Research, Development and Extension Priorities.

The Plan and the programs and projects that it will facilitate are also consistent with the National Science and Research Priorities as relevantly applied to the egg industry. In particular, the Plan will support the key objectives of the National Science and Research Priorities relating to food by providing for research that will contribute to:

- knowledge of demand, supply chains and preferences for food Australia can produce; and
- enhanced food production through technology, better management, protection of food sources through enhanced biosecurity and genetic composition of food sources appropriate for Australian conditions.

In addition, through exploring research collaborations we will look for opportunities to contribute to other National Science and Research Priorities including soil and water, transport, environmental change and health issues.

The framework for incorporating the guidelines into Australian Eggs work program is set out below.

ENSURE THAT THE EVALUATION FRAMEWORK HAS THE BENEFIT OF EGG FARMER INPUT

PERFORMANCE MEASURES AND EVALUATION

The programs and projects developed across the term of the Plan will be implemented with reference to specific deliverables and available performance measures.

Performance metrics applied to date have included measures of:

- ROI in assessing the impact of research and development programs based on Council of Rural Research and Development Corporation guidelines;
- egg consumption and sales growth in assessing the effectiveness of marketing programs;
- consumer perceptions in assessing the effectiveness of industry services programs; and
- egg farmer perceptions in assessing the performance of Australian Eggs in relation to specific activities.

In developing annual operating plans, we will seek to build on this approach to test whether other useful measures can be developed as well as establishing processes to ensure that performance related information is routinely collected and monitored and taken into account in developing programs and projects.

Under the SFA, Australian Eggs has committed to developing a more specific evaluation framework to undertake regular evaluation of the efficiency, effectiveness and impact of key investments. This will be done in a manner that is consistent with, and complements, the programs and projects that are developed and implemented over the term of the Plan.

We will also seek to develop processes for egg farmer involvement in the performance evaluation process to ensure that the evaluation framework has the benefit of egg farmer input and is structured in a transparent and objective way that egg farmers can engage with.

FINANCIAL OUTLOOK

5 Year Forecast Profit and Loss

FINANCIAL YEAR	2017/18	2018/19	2019/20	2020/21	2021/22
Cash Reserves Opening Balance	**$7,789,555**	**$6,840,918**	**$6,084,357**	**$5,616,917**	**$5,400,237**
OPERATING INCOME					
Marketing Levy	$5,654,124	$5,823,748	$5,998,461	$6,208,407	$6,425,701
R&D Levy	$2,400,541	$2,472,557	$2,546,734	$2,635,870	$2,728,125
R&D Government Contribution	$2,619,339	$2,697,919	$2,778,857	$2,862,222	$2,948,089
Assoc. Membership Subscriptions	$68,800	$73,616	$77,297	$81,162	$85,220
Interest Income	$190,844	$102,614	$152,109	$140,423	$135,006
Grant Income	$25,000	$25,000	$25,000	$25,000	$25,000
Royalties	$41,000	$41,820	$43,911	$44,350	$44,794
Training Income	$12,800	$13,440	$14,112	$14,818	$15,558
Other Income	$114,800	$123,984	$133,903	$144,615	$156,184
Sub-total	$11,127,249	$11,374,698	$11,770,383	$12,156,866	$12,563,677
Less levy collection costs	$30,675	$31,365	$32,071	$32,792	$33,530
	$11,096,574	**$11,343,333**	**$11,738,312**	**$12,124,074**	**$12,530,147**
OPERATING EXPENDITURE					
Value for Money	$1,340,128	$1,366,931	$1,394,269	$1,422,155	$1,443,487
Increased Consumption	$5,534,158	$5,561,829	$5,589,638	$5,645,534	$5,701,990
Sustainable Production	$2,287,691	$2,310,568	$2,333,674	$2,357,010	$2,380,580
Effective Engagement	$2,733,234	$2,760,566	$2,788,172	$2,816,054	$2,844,214
Egg Farmers of Australia	$65,000	$65,000	$65,000	$65,000	$65,000
	$11,960,211	**$12,064,894**	**$12,170,753**	**$12,305,753**	**$12,435,271**
Operating surplus/Deficit	**-$863,637**	**-$721,560**	**-$432,441**	**-$181,679**	**$94,876**
Capital Purchases	$85,000	$35,000	$35,000	$35,000	$35,000
Cash reserves Closing Balance	**$6,840,918**	**$6,084,357**	**$5,616,917**	**$5,400,237**	**$5,460,113**

Assumptions

Long term hatching growth continues at 2.21%

Commonwealth Contributions are 1/2 of total R&D expenditure

Value for Money represents all Corporate Costs excluding Program specific expenses

CPI at 1.5% to 3.5%

Australian Eggs Limited
Level 4, 107 Mount Street North Sydney NSW 2060
T 02 9409 6999 **F** 02 9954 3133 **W** australianeggs.org.au