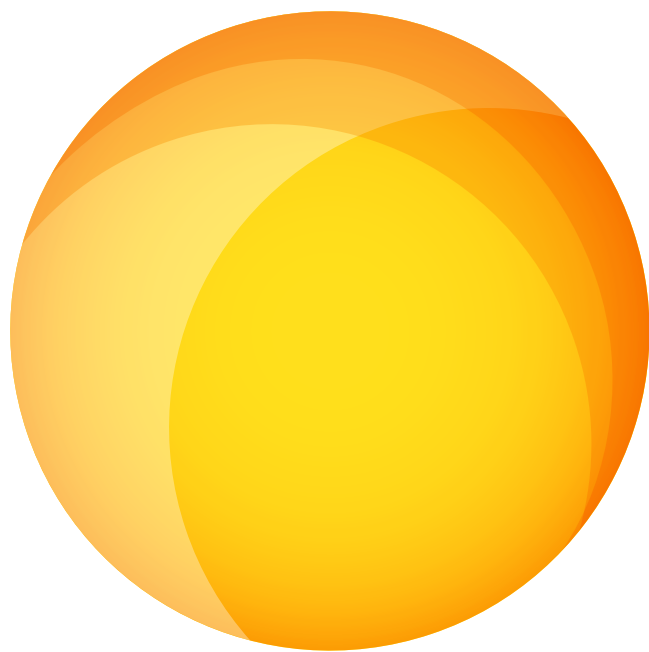


ANNUAL OPERATING PLAN

2019–20



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The AOP is
intended to drive
improvement in the
services provided by
Australian Eggs

ANNUAL OPERATING PLAN

PRIORITIES

The Australian Eggs Annual Operating Plan 2019-20 (**AOP**) is intended to drive improvement in the services provided by Australian Eggs to the egg industry and the public. In developing the AOP, Australian Eggs has sought to build on the improvements achieved to date and respond to changes in the egg industry operating environment.

The main objective of the AOP is to continue to evolve Australian Eggs marketing, R&D and public engagement program areas.

The marketing program will be improved by the further targeting key consumer groups with more relevant content. The Millennials, Families and Baby Boomers campaigns developed last year will continue as well as providing current nutrition information to healthcare professionals and consumers. New programs focusing on connecting families through the joy of cooking with eggs and stimulating appetite will also be implemented to further enhance the breadth of messaging.

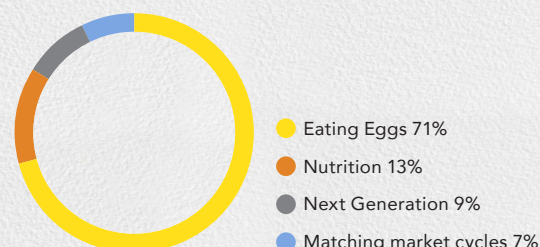
The AOP will also continue the transition of Australian Eggs R&D activities to an integrated innovation and extension program. This includes improvements in the way industry problems are identified and potential solutions are considered with a focus on adoptable outcomes. Extension activities will be further expanded to increase the reach and impact of knowledge disseminated.

Australian Eggs public engagement activities will be expanded and directed towards feedback obtained through the community research program conducted as part of the Australian Egg Industry Sustainability Framework (**Sustainability Framework**). This process has delivered a strong sense of community attitudes towards the egg industry and by engaging on the issues of highest interest to the community the public engagement program will be more effective in driving understanding of the industry.



BALANCE OF FUNDING

MARKETING



RESEARCH, DEVELOPMENT & EXTENSION



STAKEHOLDER FOCUS

The AOP comprises 29 programs which flow from the Goals and Key Focus Areas of the Strategic Plan.

The AOP has been developed with reference to the Australian Eggs Strategic Plan 2017-21, feedback from stakeholders and guidance of the Department of Agriculture and Water Resources.

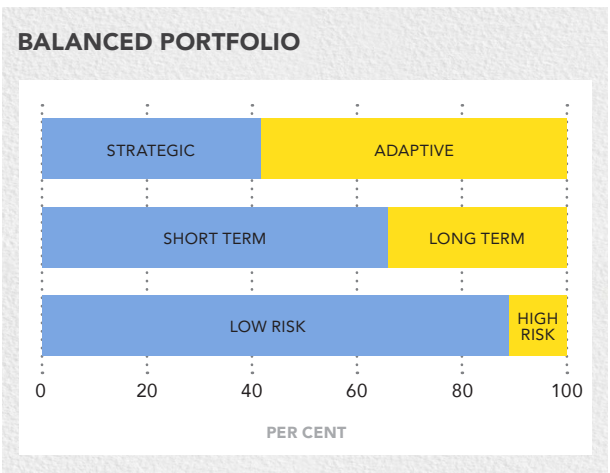
Industry feedback has been obtained through a combination of an industry survey on research priorities, Australian Eggs Industry Consultative Committees and direct engagement with egg farmers.

This year is the first time that Australian Eggs has had the benefit of structured community feedback through the Sustainability Framework. This process has assisted in identify priority issues of interest to the community which can be progressed under the AOP work program.

AOP GUIDELINES

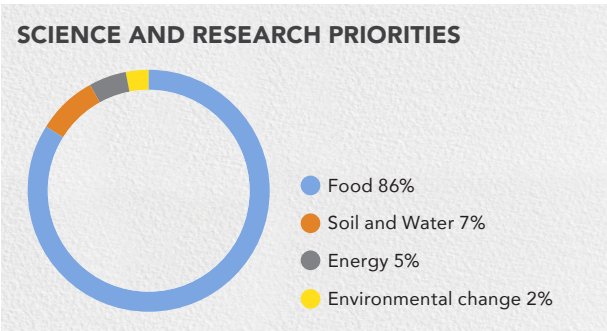
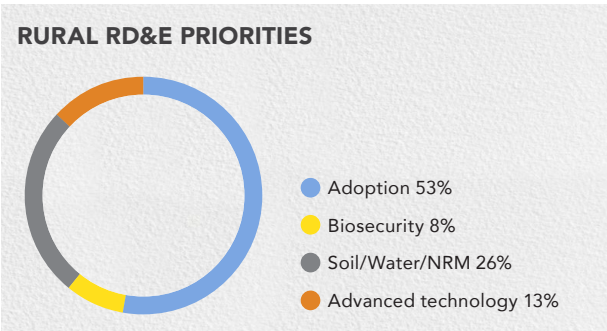
BALANCED PORTFOLIO

The AOP takes into account the requirements under the Australian Eggs Funding Contract 2017-21 with the Department of Agriculture (**Funding Contract**) as it relates to investing in a balanced portfolio of research projects. The balance of the research program is demonstrated by the charts below which display the proportion of research, development and extension projects under the AOP in the following research categories.



RESEARCH PRIORITIES


The AOP reflects guidance on sector-wide research priorities set to ensure cohesiveness and collaboration across the innovation system including the Science and Research Priorities and the Rural RD&E Priorities set by the Federal Government. The charts below set out the proportion of our research, development and extension projects that align with the research priorities.







Research priorities
set to ensure
cohesiveness
and collaboration
across the innovation
system

PROGRAM STRUCTURE

GOAL Increased consumption 	KEY FOCUS AREA	PROGRAM
	Matching Market Cycles	Market Insights Program
		Consumer Research Program
	Next Generation	Connecting Families Program
	Nutrition	Health Care Professional Program
		Human Nutrition Research program
	Eating Eggs	Families Program
		Millennials Program
		Baby Boomers Program
		Appetite Stimulation Program

GOAL Sustainable production 	KEY FOCUS AREA	PROGRAM
	Flock Health/Biosecurity	Biosecurity Program
		Flock Health Program
		Spotty Liver Control Program
	Food Safety	Food safety Program
	Hen Welfare	On-Farm Welfare Solutions Program
	Research Collaborations	Welfare Improvement Program
		Hen Nutrition Program
		Environmental Program

GOAL Effective engagement 	KEY FOCUS AREA	PROGRAM
	Farmer Consultation	Farmer Engagement Program
		Public Engagement Program
	Proactive Extension	Capacity Building Program
		Extension and Adoption Program
		Quality Assurance Program
		Community Trust Program
	Market Development	Market Analysis Program
	IRB consultation	IRB Consultation Program

GOAL Value for Money 	KEY FOCUS AREA	PROGRAM
	Stakeholder Focus	Stakeholder Focus Program
	Efficient, Well-Resourced Team	Efficient, Well-Resourced Team
	Clear Work Program	Clear Work Program

PROGRAMS AND OUTCOMES

Increased consumption

Market Insights Program

Maximise the effectiveness of marketing activities to improve our responsiveness to market developments, consumer trends & target audiences

Consumer Research Program

Understand consumer behaviours & attitudes by collecting & analysing market information for tracking, or project specific purposes

Connecting Families Program

Improve dietary imbalance in the next generation by re-igniting the joy of families cooking & eating together

Health Care Professional Program

Ensure key opinion leaders, HCP gatekeepers & advisors have the latest nutritional information on the benefits of eggs

Human Nutrition Research Program

Develop local human nutrition research programs that provide information to support health benefits of eggs, remove barriers & encourage consumption

Families Program

Promote top-of-mind awareness, knowledge of nutritional value, & life-long enjoyment of eggs for Australian families

Baby Boomers Program

Educate Baby Boomers on the value & appropriateness of egg inclusion in their diets & promote top-of-mind awareness & the life-long enjoyment of eggs

Millennials Program

Educate Millennials on the versatility, affordability & ease of egg inclusion in their meals, & promote top-of-mind awareness & the life-long enjoyment of eggs

Appetite Stimulation

Utilise a wide variety of egg dishes, recipes & visual stimulus to encourage appetite for eggs



PROGRAMS AND OUTCOMES

Sustainable production

Biosecurity Program

Improve biosecurity adoption by egg farmers and address specific biosecurity issues

Flock Health Program

Develop tools to provide for improved management of health conditions

Spotty Liver Control Program

Develop strategies to further understand and manage the risks of Spotty Liver Disease

Food Safety Program

Develop risk management processes and explore the potential to reduce food safety risks in the egg supply chain

On-Farm Welfare Solutions Program

Support animal husbandry on-farm through providing solutions to common welfare concerns

Welfare Improvement Program

Support fundamental research to better understand hen welfare and enable future solutions to be developed

Hen Nutrition Program

Identify quality sources of Australian feed stuffs for laying hens to provide the best value

Environmental Program

Increased environmental sustainability and promotion of best practice management



PROGRAMS AND OUTCOMES

Effective engagement

Farmer Engagement Program

Engage in two-way communication with egg farmers and distribute relevant content about Australian Eggs' marketing and RD&E activities

Public Engagement Program

Provide information about the egg industry to the public

Capacity Building Program

Build capacity in the egg industry by providing a school program, workforce development, scholarships and research expertise

Extension and Adoption Program

Increase adoption of research outputs by farmers and regulators through focused extension

Quality Assurance Program

Enable the egg industry to demonstrate food safety, animal welfare and biosecurity outcomes to customers and the public

Community Trust Program

Understanding community attitudes & increasing community understanding of farming

Industry Analysis Program

Support the egg industry with industry analysis to assist long-term planning

IRB Consultation Program

Work cohesively with representative bodies and obtain input on the development and implementation of activities



PROGRAMS AND OUTCOMES

Value for money

Efficient, well-resourced team program

Ensure appropriate resources to deliver on the work program


Stakeholder Focus Program

Ensure a broad range of stakeholders are considered in undertaking activities

Clear Work Program

Provide robust decision making processes and evaluation of activities





Provide robust
decision making
processes and
evaluation of
activities

KEY PROJECTS

Increased consumption



Consumer Research Program

Project	Program	Key Focus Area	Purpose	Outcome/Activities
Usage & Attitudes	Consumer Research Program	Matching Market Cycles	Identify current barriers & enablers to egg consumption in Australia to develop & evolve marketing programs leveraging current insights	<ul style="list-style-type: none"> In-depth examination of attitudes & behaviours relating to eggs across nationally representative & quantitative sample

Connecting Families Program

Project	Program	Key Focus Area	Purpose	Outcome/Activities
Connecting Families Collateral	Connecting Families	Next generation	Leverage recipes & content outputs to drive fresh & stimulating ideas	<ul style="list-style-type: none"> Curated recipes, images & video content that are published on website & digital channels Marketing collateral for family use in the home (eg recipe books, website resources & incentives)

Health Care Professional Program

Project	Program	Key Focus Area	Purpose	Outcome/Activities
Nutrition Analysis	Health Care Professional Program	Nutrition	Ensure marketing campaigns have correct nutritional information	<ul style="list-style-type: none"> Nutritional analysis, global & local research curation & advice Advise on marketing communications, campaigns & industry communication Consult on regulatory & labelling requirements

Human Nutrition Research Program

Project	Program	Key Focus Area	Purpose	Outcome/Activities
Satiety	Human Nutrition Research Program	Nutrition	Ensure marketing campaigns have correct nutritional information	<ul style="list-style-type: none"> Demonstrate satiety effects of a breakfast of two eggs compared to cereal Investigate the impact of consuming two eggs for breakfast five days a week over six months on body weight

Baby Boomers Program

Project	Program	Key Focus Area	Purpose	Outcome/Activities
Baby Boomers Advertising	Baby Boomers Program	Eating Eggs	Improve Baby Boomers knowledge of the benefits of eggs	<ul style="list-style-type: none"> Media planning and buying in line with campaign strategy across Baby Boomer channels & aligned with market cycles Develop new creative material & collateral as required to execute & support campaigns

Appetite Stimulation

Project	Program	Key Focus Area	Purpose	Outcome/Activities
Recipe Development	Appetite Stimulation	Eating Eggs	Enable consumers to introduce more ways of eating eggs into their weekly repertoire of meals	<ul style="list-style-type: none"> Develop & publish comprehensive suite of new recipes targeting market segments, nutritional needs & behavioural preferences

Leverage recipes & content outputs to drive fresh & stimulating ideas



KEY PROJECTS

Sustainable production



Biosecurity Program

Project	Program	Key Focus Area	Purpose	Outcome/Activities
Decontamination project for the Australian poultry industry	Biosecurity	Flock Health/Biosecurity	Robust guidelines and procedures for effective decontamination of poultry operations	<ul style="list-style-type: none"> Decision making framework for effective decontamination depending on farm type, species and disease status Guidelines for producers on the development of on-farm preparedness List of appropriate chemicals and suppliers for decontamination

Flock Health Program

Project	Program	Key Focus Area	Purpose	Outcome/Activities
Study of gut microbiota of laying hens from different production systems	Flock Health	Flock Health/Biosecurity	Develop understanding of gut health and improve hen welfare, health and productivity	<ul style="list-style-type: none"> Understanding of the role of gut microbiota in colonization of enteric pathogens Establishment of baseline of gut microbiota in hens for optimising/manipulating dietary requirements for optimal performance

Spotty Liver Control Program

Project	Program	Key Focus Area	Purpose	Outcome/Activities
Epidemiology of spotty liver disease	Spotty Liver Control Program	Flock Health/Biosecurity	Understanding of the epidemiology of spotty liver disease to identify factors that impact the risk of an outbreak	<ul style="list-style-type: none"> Determination of a 'sufficient cause' for spotty liver to inform disease challenge models Identification of risk factors for the occurrence of spotty liver disease

Food Safety Program

Project	Program	Key Focus Area	Purpose	Outcome/Activities
Probiotics for the control of <i>Salmonella</i>	Food Safety Program	Food Safety	Assess efficacy of probiotics to manage <i>Salmonella</i> risks	<ul style="list-style-type: none"> Improved knowledge on cost effective use of probiotics to minimise the risk of <i>Salmonella</i> Ranked list of probiotics and recommended levels of inclusion in diets for <i>Salmonella</i> control

On-Farm Welfare Solutions Program

Project	Program	Key Focus Area	Purpose	Outcome/Activities
Causes of smothering on-farm	On-Farm Welfare Solutions Program	Hen Welfare	Identify causes of smothering and propose practical solutions	<ul style="list-style-type: none"> Behavioural observation study to identify triggers for smothering Test mitigation strategies on farm Provide practical solutions to industry

Welfare Improvement Program

Project	Program	Key Focus Area	Purpose	Outcome/Activities
Values in Welfare 2.0	Welfare Improvement Program	Hen Welfare	Exploration of values that people use to make decisions in relation to laying hen welfare	<ul style="list-style-type: none"> Deeper understanding of the role of values in laying hen welfare Consideration of how values shape community and consumer perceptions of the egg industry

Environmental Program

Project	Program	Key Focus Area	Purpose	Outcome/Activities
Carbon farming for drought resilience in a profitable Australian agriculture sector	Environmental Program	Research Collaborations	Develop carbon neutral products from the livestock and poultry sector for market premiums and increased market access	<ul style="list-style-type: none"> Develop market knowledge to allow for carbon neutral products to be developed Provide updated carbon footprint data for the egg industry to support a carbon neutral analysis Develop auditable tools and/or methods to determine cost-benefit of selling carbon neutral products

KEY PROJECTS

Effective engagement



Farmer Engagement Program

Project	Program	Key Focus Area	Purpose	Outcome/Activities
Industry engagement	Farmer Engagement Program	Farmer Consultation	Share content about our marketing and RD&E activities	<ul style="list-style-type: none"> Communicate the work of Australian Eggs to the egg industry through publications and digital channels Translate complex information into engaging fact sheets, infographics, animations and videos Implement updates to the website and mobile app for farmers Manage and promote the My AusEggs platform to get farmer input on activities

Public Engagement Program

Project	Program	Key Focus Area	Purpose	Outcome/Activities
Learn about egg farming	Public Engagement Program	Proactive Extension	Position Australian Eggs as the leading source of information about the egg industry	<ul style="list-style-type: none"> Increase traffic to the Australian Eggs website by developing new content that responds to popularly searched terms Improve paid search, organic search and paid social to reach more people with information about the egg industry Improve content and user experience navigation of the Australian Eggs website Data and analytics to improve digital reach

Capacity Building Program

Project	Program	Key Focus Area	Purpose	Outcome/Activities
Integrated Schools Education	Capacity Building Program	Proactive Extension	Provide information to support awareness of the egg industry, egg industry and career opportunities	<ul style="list-style-type: none"> PIEFA Expansion of primary school hatcheries program and curriculum resources Expansion of secondary schools curriculum resource and activity offering Marketing of program to schools

Extension and Adoption Program

Project	Program	Key Focus Area	Purpose	Outcome/Activities
Extension of research outcomes	Extension and Adoption Program	Proactive Extension	Provision of quality research outcomes to farmers through a variety of channels	<ul style="list-style-type: none"> Peer reviews and report summaries Workshops and farm visits R&D collateral: posters, manuals, fact sheets, infographics, videos Industry Snapshot 2019

Community Trust Program

Project	Program	Key Focus Area	Purpose	Outcome/Activities
Sustainability Framework	Community Trust Program	Proactive Extension	Enhance the quality of engagement between the industry and its stakeholders and demonstrate accountability	<ul style="list-style-type: none"> Identify and prioritise issues of interest to the public across people, animal welfare, environment and economic viability Engage with the public to correct misconceptions and acknowledge residual concerns by addressing issues Facilitation of more productive engagement with all stakeholders

Industry Analysis Program

Project	Program	Key Focus Area	Purpose	Outcome/Activities
Industry analysis	Industry Analysis Program	Industry Development	Support the egg industry with industry analysis to assist in long term planning	<ul style="list-style-type: none"> Develop an Industry overview and risk analysis report Extension of findings to egg farmers and other stakeholders

KEY PROJECTS

Value for money



Efficient, Well-Resourced Team Program

Project	Program	Key Focus Area	Purpose	Outcome/Activities
Corporate Management	Efficient, Well-Resourced Team Program	Efficient, Well-Resourced Team	Ensure Australian Eggs management have resources to work efficiently	<ul style="list-style-type: none"> Provision of office premises, organisational IT and equipment and resources Financial/management accounting information meeting statutory reporting requirement

Stakeholder Focus Program

Project	Program	Key Focus Area	Purpose	Outcome/Activities
Stakeholder engagement	Stakeholder Focus Program	Stakeholder Focus	Ensure the perspectives of a broad range of stakeholders is considered in undertaking activities	<ul style="list-style-type: none"> Cross-sector memberships and engagement Reporting on compliance to the Federal Minister/DA Engaging on RDC governance framework Government briefings on activities and attendance at Senate Estimates as required Contribute to CRRDC meetings and processes

Clear Work Program

Project	Program	Key Focus Area	Purpose	Outcome/Activities
Project Evaluation	Clear Work Program	Clear Work Program	Perform evaluation on key Australian Eggs programs	<ul style="list-style-type: none"> Assessment of performance against Evaluation Framework BCA analysis on specific research projects Reporting to stakeholders



Ensure Australian Eggs management have resources to work efficiently

EVALUATION FRAMEWORK

OVERVIEW

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

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

Australian Eggs' Evaluation Framework was released in 2017 and will a report on activities under the 2017-18 Annual Operating Plan will be made available in July 2018. Australian Eggs has maintained the structure of its Evaluation Framework for this AOP to reflect our work program and provide a practical basis for stakeholders to scrutinise our activities, including:

- key performance indicators applied to each Goal to test Australian Eggs primary objectives; and
- program performance indicators for each Australian Eggs Program.

KEY PERFORMANCE INDICATORS

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



Ensure key opinion leaders, HCP gatekeepers and advisors have awareness and latest information on the benefits of eggs

PROGRAM PERFORMANCE INDICATORS

Increased consumption

PROGRAM	OUTCOME	PERFORMANCE INDICATOR
Market Insights Program	Maximise the effectiveness of marketing activities to improve our responsiveness to market developments, consumer trends & target audiences	Percentage consumer recall and attitudes for key campaign messages
Consumer Research Program	Understand consumer behaviours & attitudes by systematically collecting & analysing market information for tracking, or project specific purposes	Grocery retail egg volume growth
Connecting Families Program	Improve dietary imbalance in the next generation by re-igniting the joy of families cooking & eating together	Family engagements with program outputs
Health Care Professional Program	Ensure key opinion leaders, HCP gatekeepers & advisors have the latest nutritional information on the benefits of eggs	Level of HCP awareness that eggs can be eaten everyday
Human Nutrition Research Program	Develop local human nutrition research programs that provide information to support health benefits of eggs, remove barriers & encourage consumption	Average benefit cost ratios achieved for R&D projects
Families Program	Promote top-of-mind awareness, knowledge of nutritional value, & life-long enjoyment of eggs for Australian families	Percentage of families aware of campaign
Baby Boomers Program	Educate Baby Boomers on the value & appropriateness of egg inclusion in their diets & promote top-of-mind awareness & the life-long enjoyment of eggs	Percentage of Baby Boomers aware of campaign
Millennials Program	Educate Millennials on the versatility, affordability & ease of egg inclusion in their meals, & promote top-of-mind awareness & the life-long enjoyment of eggs	Percentage of Millennials aware of campaign
Appetite Stimulation	Utilise a wide variety of egg dishes, recipes & visual stimulus to encourage appetite for eggs	Number of website recipe engagements

Sustainable production

PROGRAM	OUTCOME	PERFORMANCE INDICATOR
Biosecurity Program	Improve biosecurity adoption by egg farmers and address specific biosecurity issues	Average benefit cost ratios achieved for R&D projects
Flock Health Program	Develop tools to provide for improved management of health conditions	Average benefit cost ratios achieved for R&D projects
Spotty Liver Control Program	Develop strategies to further understand and manage the risks of Spotty Liver Disease	Average benefit cost ratios achieved for R&D projects
Food Safety Program	Develop risk management processes and explore the potential to reduce food safety risks in the egg supply chain	Average benefit cost ratios achieved for R&D projects
On-Farm Welfare Solutions Program	Support animal husbandry on-farm through providing solutions to common welfare concerns	Average benefit cost ratios achieved for R&D projects
Welfare Improvement Program	Support fundamental research to better understand hen welfare and enable future solutions to be developed	Proportion of R&D projects attracting co-investment
Hen Nutrition Program	Identify quality sources of Australian feed stuffs for laying hens to provide the best value	Average benefit cost ratios achieved for R&D projects
Environmental Program	Increased environmental sustainability and promotion of best practice management	Average benefit cost ratios achieved for R&D projects

PROGRAM PERFORMANCE INDICATORS

Effective engagement

PROGRAM	OUTCOME	PERFORMANCE INDICATOR
Farmer Engagement Program	Engage in two-way communication with egg farmers and distribute relevant content about Australian Eggs' marketing and RD&E activities	Survey of industry engagement and satisfaction
Public Engagement Program	Provide information about the egg industry to the public	Number of publications, engagement & reach
Capacity Building Program	Build capacity in the egg industry by providing a school program, workforce development, scholarships and research expertise	Number of participants in Australian Eggs developed training courses
Extension and Adoption Program	Increase adoption of research outputs by farmers and regulators through focused extension	Prominence and awareness of extension materials
Quality Assurance Program	Enable the egg industry to demonstrate food safety, animal welfare and biosecurity outcomes to customers and the public	Proportion of egg production covered by ESA
Community Trust Program	Increasing community understanding of farming	Level of community trust in the egg industry
Industry Analysis Program	Support the egg industry with industry analysis to assist long-term planning	Number of farmer engagements with industry analysis outputs
IRB Consultation Program	Work cohesively with representative bodies and obtain input on the development and implementation of activities	Number of engagements with IRBs

Value for money

PROGRAM	OUTCOME	PERFORMANCE INDICATOR
Efficient, Well-Resourced Team Program	Ensure appropriate resources to deliver on the work program	Number of engagements with non-farmer stakeholders
Stakeholder Focus Program	Ensure a broad range of stakeholders are considered in undertaking activities	Ratio of non-staff corporate expenses to Program costs
Clear Work Program	Provide robust decision making processes and evaluation of activities	Level of compliance with applicable ASX Corporate Governance principles

Create and distribute engaging content about the egg industry to the public

INCOME AND EXPENDITURE

FINANCIAL YEAR	2019/20
Cash Reserves Opening Balance	\$4,693,676
OPERATING INCOME	
Egg Promotion Levy	\$6,170,764
Layer Chick Levy	\$2,563,240
Commonwealth Contribution	\$3,848,524
Assoc. Membership Subscriptions	\$82,440
Interest Income	\$137,131
Grant income	\$25,000
Royalties	\$41,000
Training income	\$12,800
Other Income	\$144,800
sub-total	\$13,025,699
less levy collection costs	\$24,107
	\$13,001,593
OPERATING EXPENDITURE	
Value for Money	\$1,873,957
Increased Consumption	\$6,362,344
Sustainable Egg Production	\$2,400,061
Effective Engagement	\$2,816,040
Egg Farmers of Australia	\$80,000
	\$13,532,402
Operating surplus/ Deficit	-\$530,809
Capital Purchases	\$85,000
Cash reserves Closing Balance	\$4,077,866

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