



Annual Operating Plan 2020 / 21



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▮▮ The AOP has been structured to reflect an evolution of our activities towards the central themes of sustainability and greater collaboration. ▮▮

Annual Operating Plan

Priorities



The Australian Eggs Annual Operating Plan 2020-21 (AOP) sets out Australian Eggs' proposed activities for the next 12 months. In developing the AOP, Australian Eggs has sought to build on the substantive improvements in our services over the last four years and drive further gains.

This AOP coincides with the development of a new Strategic Plan for Australian Eggs. To account for industry developments over the last four years and changes in strategic focus, the AOP has been structured to reflect an evolution of our activities towards the central themes of sustainability and greater collaboration between our program areas on common industry goals.

This has resulted in the consolidation of our programs from 29 to 11, which provides for a clearer statement of our objectives and increases the ability to measure outcomes and demonstrate a return on investment to levy payers.

In our marketing program, the main consumption program has been broadened to include Generation Z and is complemented by two pipeline programs to establish a

consumer habits and nutrition foundation for egg consumption in the medium to long term. We have also provided for greater investment in analytics to drive investment decisions and measure outcomes.

The sustainable production program has been further refined to elevate the core objectives of our research and extension activities. The production program will assist egg farms to improve by focusing on productivity through better flock health, flock life and feed efficiency outcomes. The Industry Sustainability program will have a broader focus on minimising the welfare and environmental impacts of egg farming in a manner which is both economically viable and aligns with community expectations.

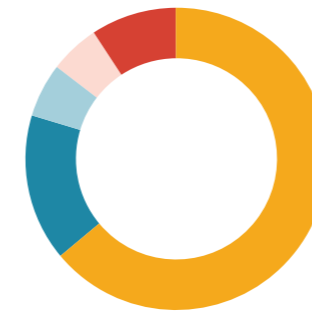
The effective engagement program has also been refined to focus on two key audiences. The industry engagement program will seek to ensure that egg farmer and government stakeholders continue to drive our activities to provide commercially relevant outputs. The industry reputation program will further integrate our public engagement activities with the Sustainability Framework process to ensure Australian Eggs can share the most relevant industry information with the community.

Balance of funding



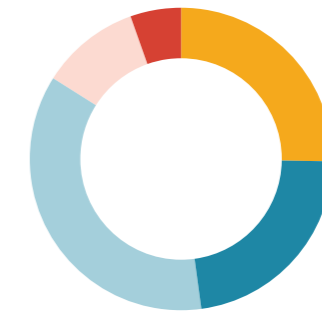
AOP Program Expenditure

- 54% Marketing & communications
- 29% Innovation & extension
- 17% Corporate governance



Marketing & Communications

- 64% Eating eggs
- 16% Industry reputation
- 6% Nutrition gateway
- 5% Analytics
- 9% Next generation



Innovation

- 25% Production - Hen Health & Nutrition
- 23% Industry Sustainability - Welfare & Environment
- 36% Extension
- 10% Nutrition
- 5% Sustainability framework

Stakeholder focus



The AOP comprises 11 programs which flow from 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, Water and the Environment.

Industry feedback has been obtained through a combination of the Industry Snapshot Survey, Australian Eggs Industry Consultative Committees and direct engagement with egg farmers online and through events.

The AOP has also been shaped by the CSIRO community research conducted as part of the Sustainability Framework. This provided structured community feedback on the impacts and contributions of greatest interest to the community and provided guidance on areas of improvement that can be pursued through research and other programs.

AOP Guidelines

Balanced portfolio

The AOP complies with the Funding Contract 2017-21 with the Department of Agriculture, Water and the Environment (Funding Contract) which requires Australian Eggs to invest in a balanced portfolio of research projects.

The balance of the research program is set out in the charts below which display the proportion of research, development and extension projects under the AOP in each of the research categories.



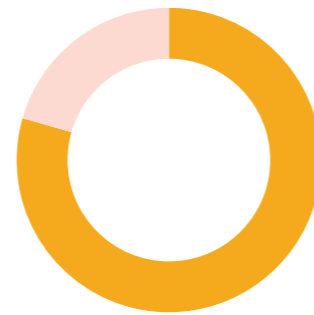
Strategic & Adaptive

- 36% Strategic
- 64% Adaptive



Term

- 40% Long term
- 60% Short term



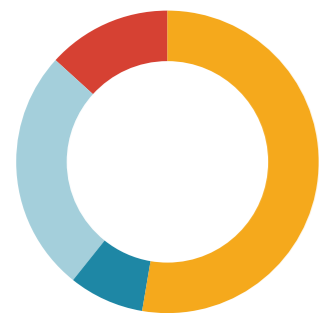
Risk Profile

- 80% Low risk
- 20% High risk

Research priorities

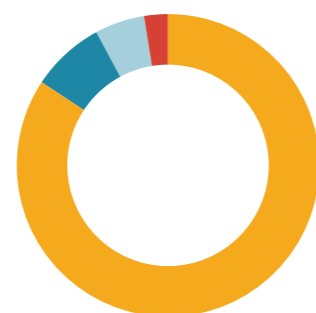
The AOP aligns with guidance on sector-wide research priorities set to ensure cohesiveness and collaboration across the innovation system including the Science and Research Priorities

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.



Rural R&D Priority

- 53% Adoption (20 projects)
- 8% Advanced Technology (3 projects)
- 26% Biosecurity (10 projects)
- 13% Soil, Water and NRM (5 projects)



Science and Research Priority

- 84% Food (32 projects)
- 8% Health (3 projects)
- 5% Soil and Water (2 projects)
- 3% Energy (1 project)



“ The AOP aligns with guidance on sector-wide research priorities set to ensure cohesiveness and collaboration across the innovation system. ”

Operating plan structure

Goal	Program
Increased Consumption	<ul style="list-style-type: none"> • Analytics • Next Generation • Nutrition Gateway • Eating Eggs
Sustainable Production	<ul style="list-style-type: none"> • Production – Hen Health and Nutrition • Industry Sustainability – Welfare and Environment
Effective Engagement	<ul style="list-style-type: none"> • Industry Reputation • Industry Engagement
Corporate and Governance	<ul style="list-style-type: none"> • Efficient team • Governance • Stakeholder focus

Programs and outcomes

Increased consumption

Analytics

Maximise the effectiveness of marketing by providing for stakeholder input and evidence-based investment and assessment.

Nutrition Gateway

Engage with influential HCPs to share nutrition research on the benefits of eggs, remove barriers & encourage consumption.

Next Generation

Drive egg consumption habits by promoting top-of-mind awareness, knowledge of nutritional value, & life-long enjoyment of eggs for Australian families.

Eating Eggs

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

Sustainable production

Production – Hen Health and Nutrition

Improve farm productivity by improving efficiency and extending flock life.

Industry Sustainability – Welfare and Environment

Contribute to sustainability outcomes through improvement on key industry impacts.

Effective engagement

Industry Reputation

Underpin industry sustainability and growth through QA and community engagement processes.

Industry Engagement

Ensure clear stakeholder input to Australian Eggs activities and increase adoption of innovation outputs by egg farmers.

Corporate and governance

Efficient Team

Ensure appropriate resources to deliver on the work program.

Stakeholder Focus

Ensure a broad range of stakeholders are considered in undertaking activities.

Governance

Provide robust decision-making processes and evaluation of activities.

Ensure a broad range of stakeholders are considered in undertaking activities.



Key projects

Increased consumption

Project	Program	Purpose	Outcomes
Consumer and Campaign Analytics	Analytics	Maintain effectiveness of marketing & public engagement activities through consumer research.	<ul style="list-style-type: none"> Tracking of consumer awareness of advertising, attitudes and consumption behaviour. Tracking of corporate public engagement reach, message resonance & attitude influence.
Cooking Skills for Life	Next Generation	Resources to facilitate change in household behaviours to increase cooking together more frequently as a family unit.	<ul style="list-style-type: none"> Creation of content and marketing collateral to share the joy of cooking with eggs through family use in the home.
HCP PR and Communications	Nutrition Gateway	Improve top of mind awareness of eggs & provide contemporary nutritional resources to HCPs.	<ul style="list-style-type: none"> Hosting of KOL panels to pursue human nutritional outcomes & messaging. Development of market & nutritional research-based content to encourage inclusion of eggs in diets & eating behaviours.
Advertising Media	Eating Eggs	Keep eggs top of mind for inclusion in weekly consumption, both in home & out of home.	<ul style="list-style-type: none"> Media planning and buying in line with campaign strategy across Families, Boomers, Millennials and Gen Z segments.

Sustainable production

Project	Program	Purpose	Outcomes
Managing pullets for extended layer life, improved productivity and shell quality.	Production – Health & Nutrition	Whole of life experiment to generate late layer information and improved feed efficiency of layer hens across their life span.	<ul style="list-style-type: none"> • Understanding of the interaction of diet and lighting manipulation on pullets and how that transfers to late life performance. • Hen physiology, carcass composition, bone strength and bird health will also be evaluated. • The minimum weight beyond which bird performance is compromised is likely to be established.
Automated, real-time monitoring of bird and flock behaviour.	Sustainability – Welfare & Environment	System for remote monitoring of birds in sheds ready for commercialisation.	<ul style="list-style-type: none"> • Develop systems and algorithms to automate identification of pile-ups from video images in real time. • Develop artificial intelligence to identify individual birds, their activities at a flock level.

“ Whole of life experiment to generate late layer information and improved feed efficiency. ”



Effective engagement

Project	Program	Purpose	Outcomes
Sustainability Framework	Industry reputation	Improved position of egg industry in the community as a trusted industry.	<ul style="list-style-type: none"> Undertake community survey for year four. Generate report on community survey. Develop industry response.
Extension	Industry engagement	To ensure an informed and engaged egg industry and drive adoption of research outcomes.	<ul style="list-style-type: none"> Research updates on key topics. Industry Snapshot 2020. Development and distribution of collateral. Peer reviews of research and generation of report summaries.

Corporate and governance

Project	Program	Purpose	Outcomes
Corporate Management	Efficient team	Ensure Australian Eggs Management have resources to work efficiently.	<ul style="list-style-type: none"> Provision of office premises, organisational IT, equipment and resources. Financial/management accounting information meeting statutory reporting requirements.
Project Evaluation	Governance	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. Manage Fraud Control, Risk Management and IP Protection Plans.
Stakeholder engagement	Stakeholder focus	Ensure the perspectives of a broad range of stakeholders are considered in undertaking activities.	<ul style="list-style-type: none"> Cross-sector memberships and engagement. Reporting on compliance with Funding Contract to the Federal Minister/DWAR. Government briefings on activities. Contribute to CRRDC processes.

Improved position of egg industry in the community as a trusted industry.

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 first released in 2017 and a report on activities under the preceding Annual Operating Plan is now made available in July each year.

Australian Eggs has structured the 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.

In previous years, Australian Eggs has adopted a largely 'activity-based' approach to measuring program performance. This has assisted in demonstrating the scale and scope of our activities in the Evaluation Framework Report but does not provide a clear link to Australian Eggs Goals under the Strategic Plan.

To address this, the performance indicators under the AOP will be directed towards outcomes that our programs seek to achieve, including over broader time frames where relevant. It is intended that these performance indicators will provide for an increased focus on the rationale for our programs and the return on investment to stakeholders.

Key performance indicators

Goal	KPI	Target
Increased Consumption	Egg consumption per capita - 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.	259
Sustainable Production	Average benefit cost ratios achieved for R&D Projects - calculated by applying Benefit Cost Analysis to completed projects based on the Council of Rural Research Development Corporations Impact Assessment Guidelines and averaging outcomes.	3.6
Effective Engagement	Effective engagement with stakeholders - calculated by a composite of stakeholder satisfaction with Australian Eggs performance and community trust in the egg industry.	66
Corporate and Governance	Administration services ratio – calculated by the ratio of total corporate and program administration costs over total program area expenses.	12




Australian Eggs has structured the Evaluation Framework for this AOP to reflect our work program and provide a practical basis for stakeholders to scrutinise our activities.


Program performance indicators

Increased consumption

Program	Outcome	Performance Indicator
Analytics	Maximise the effectiveness of marketing by providing for stakeholder input and evidence-based investment and assessment.	<ul style="list-style-type: none"> 95% of program expenditure directed by evidence. 85% of program performance measured by evidence.
Next Generation	Drive egg consumption habits by promoting top-of-mind awareness, knowledge of nutritional value, & life-long enjoyment of eggs for Australian families.	<ul style="list-style-type: none"> Surveyed households increase egg consumption by cooking 1 extra meal per week together as a family. Surveyed households increase cooking skills to two recipes featuring eggs. Utilisation of cooking assets increased to 10% of households.
Nutrition Gateway	Engage with influential HCPs to share nutrition research on the benefits of eggs, remove barriers & encourage consumption.	<ul style="list-style-type: none"> Increase the proportion of HCPs that encourage regular consumption of eggs in the diet from 61% to 65%. Decrease the number of HCPs restricting the consumption of eggs across patient groups from 39% to 35%.
Eating Eggs	Educate consumers on the versatility, affordability & ease of egg inclusion in their meals, & promote top-of-mind awareness & the life-long enjoyment of eggs.	<ul style="list-style-type: none"> Increase grocery retail sales egg volume by 5%. Increase consumer recall of key campaign messages from 35% to 40%. Consumer recognition that eggs are healthy for you increased from 48% to 55%.

Sustainable production

Program	Outcome	Performance Indicator
Production – Hen Health and Nutrition	Improve farm productivity by improving efficiency and extending flock life.	<ul style="list-style-type: none"> Reduce farm mortality by 1%. Improve feed efficiency (FCR) by 0.1. Increase average flock life to 75 weeks.
Industry Sustainability - Welfare & Environment	Contribute to sustainability outcomes through improvement on key industry impacts.	<ul style="list-style-type: none"> Increase egg farmer participation in welfare training by 10%. Egg farmer engagement on sustainability increased by 10%. Community recognition of responsiveness of the industry increased by 5%.

Effective engagement

Program	Outcome	Performance Indicator
Industry reputation	Underpin industry sustainability and growth through QA and community engagement processes.	<ul style="list-style-type: none"> Community trust in egg industry at 64%. Increase reach of positive media by 5%. Increase in the number of ESA accredited sites by 5%.
Industry Engagement	Ensure clear stakeholder input to Australian Eggs' activities and increase adoption of innovation outputs by egg farmers.	<ul style="list-style-type: none"> Improve industry satisfaction in Snapshot to 7.5. Increase industry engagement in innovation project development by 10%. Increase adoption of extension program by farms by 10%.

Corporate and governance

Program	Outcome	Performance Indicator
Efficient team	Ensure appropriate resources to deliver on the work program.	<ul style="list-style-type: none"> Non-staff corporate expenses below 12% of program costs.
Governance	Provide robust decision-making processes and evaluation of activities.	<ul style="list-style-type: none"> 100% compliance with ASX corporate governance principles.
Stakeholder focus	Ensure a broad range of stakeholders are considered in undertaking activities.	<ul style="list-style-type: none"> Over 20 engagements with non-industry stakeholders.


Contribute to sustainability outcomes through improvement on key industry impacts.




Income and expenditure

Financial year 2020/21

Cash Reserves Opening Balance		3,798,444
Operating Income		
Egg promotion levy		3,224,764
Layer chick levy		2,224,483
Commonwealth contribution		2,198,750
Associate Member Subscriptions		74,875
Interest income		83,398
Grant income		25,000
Royalties		54,874
Training income		10,240
Other income		77,402
Subtotal		10,074,586
Less levy collection costs		17,342
		10,057,244
Operating Expenditure		
Value for Money		1,427,405
Marketing		4,862,280
Industry Reputation		785,200
Innovation		1,278,137
Industry Engagement		1,240,000
Total Program Costs		9,893,022
Egg Farmers of Australia		75,000
		9,968,022
Operating Surplus/Deficit		142,748
Capital purchases		85,000
Cash Reserves Closing Balance		3,479,204



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