



# Performance Principles Framework

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# Principles and Guidelines

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Australian Eggs Funding Contract requires Australian Eggs to align its activities with a principles-based approach to ensuring performance and these principles are set out in the Guideline for Statutory Funding Agreements provided by the Department of Agriculture, Fisheries and Forestry.

The performance principles require Australian Eggs to focus on five fields of activity: stakeholder engagement, maintaining a balanced innovation portfolio, cross-sectoral collaboration, best practice governance and demonstrating outcomes. Each of these principles is directed towards defined outcomes and includes specific Key Performance Indicators through which compliance can be demonstrated.

This Framework sets out Australian Eggs approach to the Performance Principles. The Framework includes an overview of how each of these principles will be progressed as well as the approach to demonstrating compliance with each of the Key Performance Indicators.

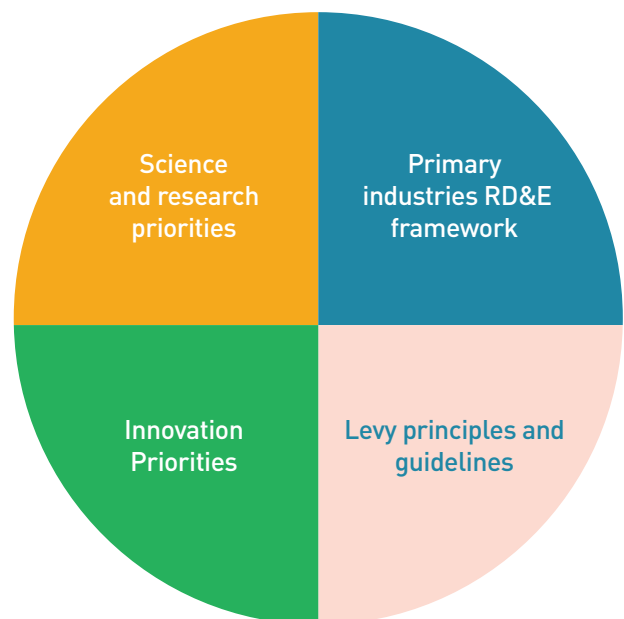
The Funding Contract also requires Australian Eggs to align its activities with guidance on sector-wide research priorities set to ensure cohesiveness and collaboration across the innovation system. These guidelines include the Australian Government’s Rural Research, Development and Extension Priorities and the Australian Government’s Science and Research Priorities.

Australian Eggs has incorporated this guidance into its Strategic Plan and Governance Framework to ensure that these inputs are considered as part of the process of engaging with stakeholder and the planning, development and execution of each Annual Operating Plan.

## Performance Principles



## Guidelines



# Stakeholder Engagement

Australian Eggs implements a cycle of engagement with each of its three key stakeholder groups to ensure that our services remained aligned with stakeholder expectations and priorities. These processes are captured in the Australian Eggs Stakeholder Consultation Plan.

Industry engagement is a major focus with every effort made to involve egg farmers in the development and delivery of our services. Structured engagement is conducted through three Industry Consultative Committees, Innovation, Sustainability and Marketing. Australian Eggs also conducts an industry Snapshot Survey each year to obtain feedback from egg farmers and monitor stakeholder satisfaction. These processes are a complement to regular, ongoing informal engagement through which stakeholders are able to access and shape Australian Eggs services.

Australian Eggs' cycle of engagement with government is principally driven by the Fundings Contract which provides a framework for informal engagement, transparent reporting on performance and an Annual Performance Meeting. This is in addition to Australian Eggs' participation in CRRDC processes which provide an opportunity for all RDCs to engage and collaborate on government priorities.

Finally, Australian Eggs undertakes a structured engagement process with public stakeholders through the Egg Industry Sustainability Framework. This process is centred around a large-scale community survey of Australians to explore priority issues for the Australian public. Through stakeholder engagement and support, these priorities are then incorporated into Australian Eggs work program and reported on as part of an annual cycle.

Outcome	Key Performance Indicators	Approach
Engage stakeholders to identify research, development and extension (RD&E) priorities and activities that provide benefits to portfolio industries	Strategy prioritisation and development processes include appropriate consultation plans, based on the best practice guide to stakeholder consultation.	<ul style="list-style-type: none"> <li>Stakeholder Consultation Plan published on Australian Eggs Website</li> <li>Consultation plans guided by the best practice guidelines to ensure they are transparent, accessible, straight forward, well planned, fit for purpose and responsive</li> <li>Consultation plans for Strategic Plan and Annual Operating Plans developed and recorded transparently</li> </ul>
	Demonstrated industry stakeholder engagement in the identification of RD&E priorities and activities consistent with the consultation plan	<ul style="list-style-type: none"> <li>Informal feedback captured through farmer engagement and virtual farm tours</li> <li>Ongoing opportunities for stakeholders to input through research updates and Industry Snapshot Survey</li> <li>Structured engagement and refinement of priority issues through Industry Consultative Committees</li> </ul>
	Demonstrated incorporation of industry stakeholder feedback on RD&E priorities and activities. Where incorporation is not possible, demonstration of feedback to a stakeholder/s on why incorporation was not possible.	<ul style="list-style-type: none"> <li>Reporting of RD&amp;E priorities identified in Industry Snapshot survey</li> <li>Consultation outcomes recorded transparently in industry and corporate communications</li> </ul>

## Balanced Portfolio

Australian Eggs maintains a balanced portfolio of innovation projects which is developed with reference to industry and government stakeholder priorities. The balance struck between strategic and adaptive, high and low risk and short- and long-term investments under operating plans is ultimately driven by stakeholder consultation and the nature of issues facing the egg industry.

During the stakeholder consultation for Australian Eggs current and previous Strategic Plans, levy payers expressed a preference for adaptive, shorter term and lower risk innovation projects that have the capacity to deliver benefits 'on the ground' in a commercially relevant timeframe.

While this is a clear preference, engagement with levy payers in developing and executing operation plans has demonstrated a preparedness to also support longer term and more strategic investments. This generally arises in circumstances where complex industry issues, such as productivity improvements or biosecurity challenges, need to be explored through foundational research at first instance before adaptive projects with adoptable outputs can be undertaken.

Australian Eggs also ensures that its innovation activities are developed with reference to the Government Science and Research priorities (food, health, soil and water and energy) and the Innovation Priorities (trust, climate resilience, biosecurity, digital agriculture).

Outcome	Key Performance Indicators	Approach
<p>Ensure RD&amp;E [and marketing] priorities and activities are strategic, collaborative and targeted to improve profitability, productivity, competitiveness and preparedness for future opportunities and challenges through a balanced portfolio.</p>	<p>RDC investments align with strategic plans and have demonstrated outcomes to levy payers and taxpayers, including through growth in the industry, increased profitability of producers, commercialisation, access to new markets.</p>	<ul style="list-style-type: none"> <li>Project evaluation processes to apply benefit cost criteria requiring the identification of strategic alignment and demonstratable outcomes.</li> </ul>
	<p>Levy payers who participate in RDC supported extension and adoption programs:</p> <ul style="list-style-type: none"> <li>gain new knowledge or new information to improve their long-term profitability, productivity, competitiveness and preparedness.</li> <li>intend to make or have made changes to existing practices by adopting the outcomes of R&amp;D.</li> </ul>	<ul style="list-style-type: none"> <li>Substantive resources deployed to extension under Strategic and Annual Operating Plans.</li> <li>Industry Snapshot Survey to test and record farmer engagement and practice change.</li> </ul>

# Collaboration

As one of the smaller RDCs, Australian Eggs has always recognised the power of cross sector collaboration to leverage resources and expand the impact of activities for our stakeholders. For this reason, Australian Eggs has taken a leadership position in driving the development of more structured collaboration process within the innovation system, including the creation of a new investment vehicle to identify collaboration opportunities, Agriculture Innovation Australia.

Participation in AIA as part of a system-wide approach to RDC collaboration begins with Council of Rural RDC’s role in engaging with government stakeholders to identify innovation priorities. The practical steps to pursue opportunities and avoid duplication at a program level are then examined through AgriFuture’s Emerging National Rural Issues process, as well as ad hoc partnerships. Australian Eggs is also participating in AgriFutures’ GrowAg platform to ensure our innovation outcomes are promoted to commercial investors.

In addition to these processes, AIA will drive cross-sector transformational innovation that has previously been challenging to identify and progress. This will include engaging with the eight regional Innovation Hubs to ensure a critical mass of cohesive innovation investments can be established in regional areas where the greatest extension opportunity exists. Australian Eggs looks forward to exploring collaboration opportunities that AIA is able to identify as a complement to ongoing program level collaborative investments.

Outcome	Key Performance Indicators	Approach
Undertake strategic and sustained cross-industry and cross-sectoral collaboration that addresses shared challenges and draws on experience from other sectors	Completed, current and future R&D including commercialisation opportunities is accessible through the growAG platform.	<ul style="list-style-type: none"> <li>• Australian Eggs participation in the growAG platform.</li> <li>• All completed research projects since 2018 listed.</li> </ul>
	Number and quantum of cross-industry and cross-sector RD&E investments available.	<ul style="list-style-type: none"> <li>• Membership and participation in CRRDC, AIA and AgriFutures ENRI processes.</li> <li>• Transparent reporting of number and value of collaborative investments in Annual Report.</li> </ul>

# Governance

In the context of the new Funding Contract 2021-31, Australian Eggs has developed a Governance Framework that incorporates the compliance measures previously overseen by the Department of Agriculture, Fisheries and Forestry, along with the new Performance Principles.

The Governance Framework is monitored by the Board and Board Committees, which are currently the Audit & Risk Committee and the Nominations and Culture Committee.

A significant focus of the Audit & Risk Committee is the financial audit which ensures accountability and transparency over the way Australian Eggs deploys levy payer and public funds. The Committee also oversees the evolution of the risk management, fraud control and IP management plans and compliance with the Funding Contract and Corporation Act. The Committee meets four times a year and is composed of all non-executive directors.

These internal measures are complemented with a cycle of transparent reporting that allows all stakeholders to understand how Australian Eggs operates and investments are made. Through the Strategic Plan, Annual Operating Plan, Evaluation Framework, Financial Reports, Annual Report and periodic Independent Performance Reviews, industry, government and public stakeholders can access Australian Eggs' short and long term plans, reporting on outcomes and improvements implemented over time.

Outcome	Key Performance Indicators	Approach
Governance arrangements and practices fulfil legislative requirements and align with contemporary Australian best practice for open, transparent, and proper use and management of Funds.	Ongoing oversight, planning and reporting of investment activities is done in accordance with legislative and Australian Government requirements and timeframes.	<ul style="list-style-type: none"> <li>• Governance cycle provides for systematic monitoring and transparent reporting of governance activities.</li> <li>• Annual Report and Audited Financial Statements structured to meet both legislative and funding contract requirements.</li> </ul>
	Demonstrated management of financial and non- financial risk.	<ul style="list-style-type: none"> <li>• Audit and Risk Committee oversight of financial and non-financial risk management. This includes ensuring that operational management provides regular reports to the committee.</li> </ul>
	Relevant policies and procedures adopted and implemented (e.g. privacy etc).	<ul style="list-style-type: none"> <li>• Policies and procedures reviewed annually and overseen by the Board.</li> </ul>
	Non-financial resources implemented effectively (Human resources, IT, IP etc).	<ul style="list-style-type: none"> <li>• Non-financial resources addressed in policies and procedures and the subject of regular Board reporting.</li> </ul>

# Monitoring and Evaluation

As part of Australian Eggs Governance Cycle and Stakeholder Consultation Plan, a range of steps are taken to ensure effective monitoring and evaluation mechanism are in place.

This begins with the five-year Strategic Plan which identifies bold outcomes to work towards and the strategies that will be implemented to pursue them. These strategies are incorporated to Annual Operating Plans with strategies and program performance indicators defined at the commencement of the AOP, including the CRRDC Benefit Cost Analyses methodology being applied on all completed research projects.

This process is then mirrored at the end of the financial year with the publication of an Evaluation Framework Report which provides for transparent reporting of performance against targets.

Separately, Australian Eggs conducts an annual Industry Snapshot Survey which assists in monitoring Australian Eggs performance in terms of levy payer satisfaction and impact.

Finally, Australian Eggs' Funding Contract provides for an Independent Performance Review to be conducted periodically by governance experts and made publicly available. This process provides for an in-depth examination of Australian Eggs' operations to ensure the right systems are in place internally and externally to meet stakeholder expectations.

Outcome	Key Performance Indicators	Approach
<p>Demonstrate positive outcomes and delivery of RD&amp;E [and marketing] benefits to Levy Payers and the Australian community in general, and continuous improvement in governance and administrative efficiency.</p>	<p>Impact (cost-benefit) assessment of a broad cross-section of RD&amp;E [and marketing] investments undertaken annually.</p>	<ul style="list-style-type: none"> <li>Regular program of cost-benefit analysis of all Research programs by consulting Agricultural economists</li> <li>Application of marketing data and performance measure points</li> </ul>
	<p>Demonstrated consideration of and response to outcomes of monitoring and evaluation processes.</p>	<ul style="list-style-type: none"> <li>Incorporation of feedback reflected in the Industry Snapshot Survey and the Evaluation Framework in AOP planning.</li> </ul>
	<p>Transparent communication to stakeholders (including government) on the impacts and benefits of the RD&amp;E [and marketing] activities.</p>	<ul style="list-style-type: none"> <li>Transparent reporting of activities and outcomes through Strategic Plan, Annual Operating Plan, Evaluation Framework, Sustainability Framework Report and Annual Report.</li> <li>Engagement opportunities through Annual General Meeting, DAWE annual performance meetings and media engagement on research outcomes.</li> </ul>



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