



# STRATEGIC PLAN 2021 – 2026

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# Introduction

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It is a pleasure to present the Australian Eggs Strategic Plan 2021 – 2026. Australian Eggs exists to drive improvement in the egg industry and enhance its sustainability for the benefit of egg farmers and the community.

Australian Eggs has taken a new direction in recent years with industry services increasingly focused on the egg industry's external operating environment and some significant outcomes achieved. The Strategic Plan seeks to build on this success and ensure that Australian Eggs can play a leadership role by identifying emerging issues and taking proactive steps to position the industry for a sustainable future.

Emerging issues impacting the egg industry were considered in detail in developing the Strategic Plan. The key industry challenge and opportunity over the last decade has been the transition of consumer demand from cage to cage-free eggs, requiring substantial reinvestment by egg farming businesses. Going forward there appears to be even greater complexity as community interest in food supply has led to sustainability issues such as nutrition, food safety, welfare and environmental impact being the subject of close scrutiny.

These emerging issues were the subject of consultation with stakeholders in the development of the Strategic Plan which confirmed the value of the Sustainability Framework process in aligning egg industry innovation and action with community expectations. Industry stakeholders confirmed that a balance between on-farm innovation and engagement in pursuit of sustainable growth would generate the greatest impact from levy investments.

Consultation with the Commonwealth pointed to the importance of Australian Eggs ongoing areas of focus in industry engagement, collaboration and extension. These issues have now been translated into performance principles under Australian Eggs funding contract which will ensure they continue to drive operations and are incorporated into transparent reporting.

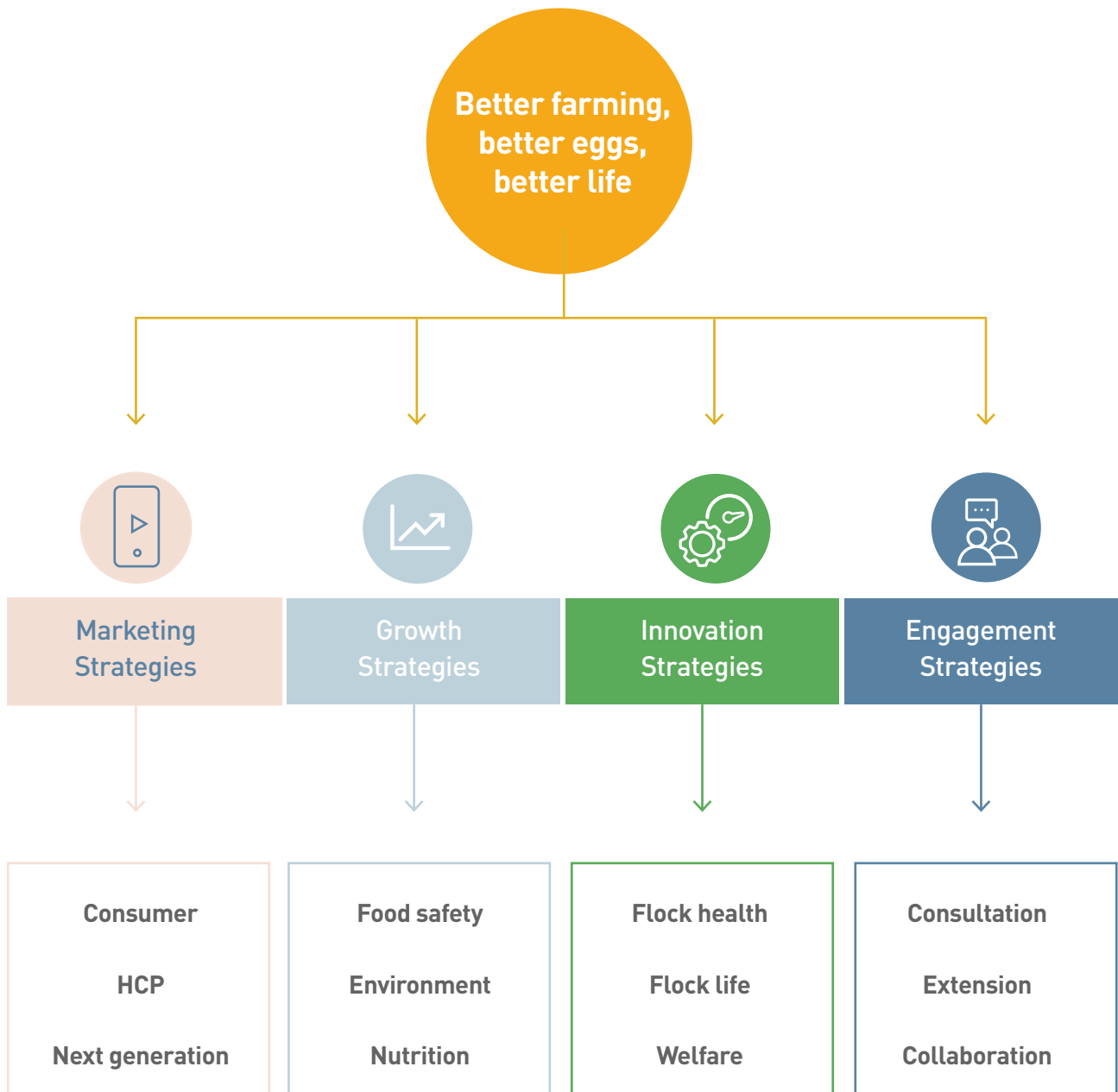
In addition to what we do, the Strategic Plan involves consideration of the way that Australian Eggs services are provided. Through internal review, opportunities were identified for greater alignment in the communications activities of our marketing, public engagement and extension activities as the key stages in which impact is delivered. The Strategic Plan also involves a move towards making bold, long term outcomes the centre of everything we do. By identifying a select number of high value goals to work towards, Australian Eggs will be able to more effectively plan its activities and deliver greater transparency on our performance.

Through these key themes of improvement, sustainability and long term outcomes, the Strategic Plan will improve Australian Eggs' performance by providing meaningful guidance as we develop and deliver programs.



# Strategic Plan at a Glance

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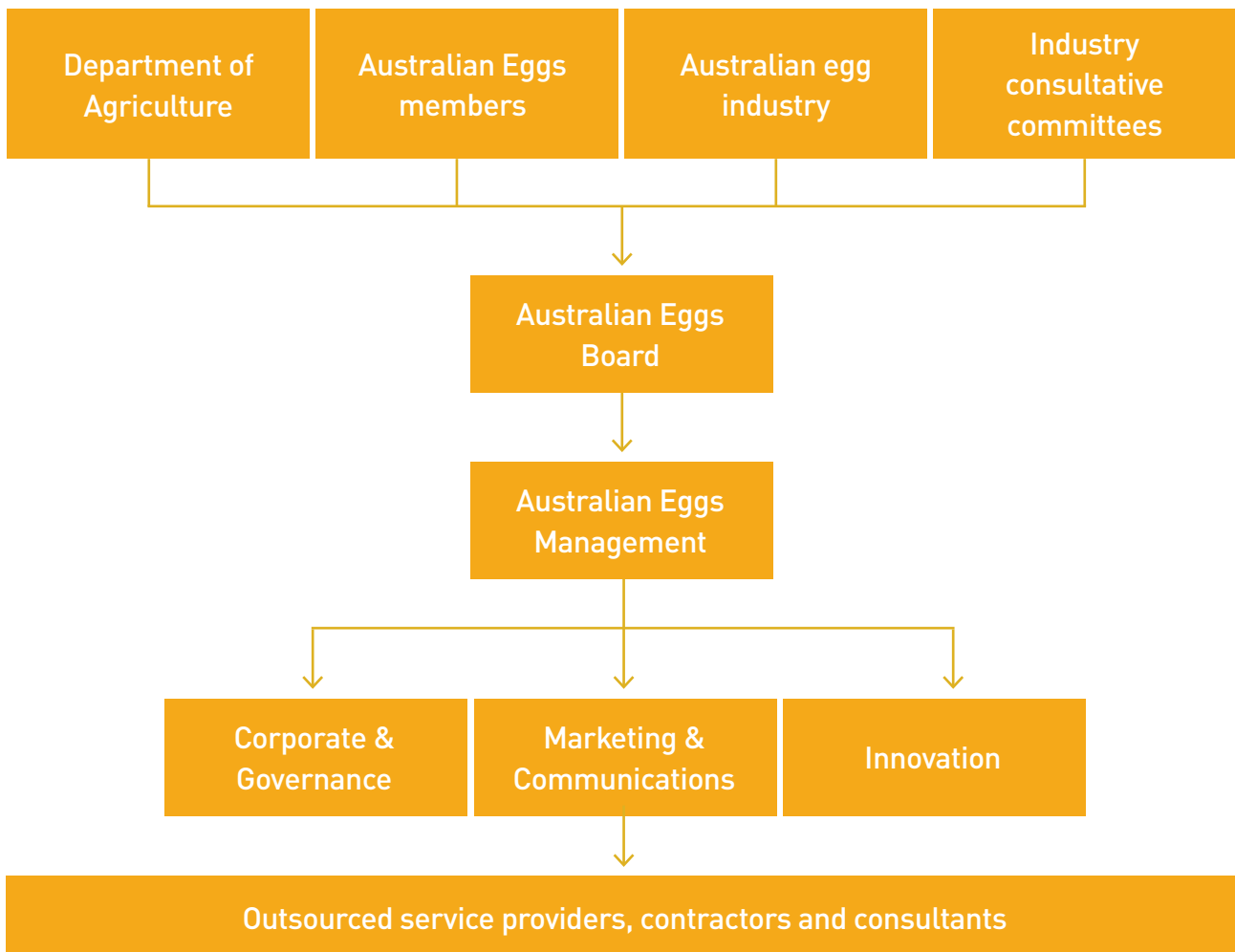
## Roles and Responsibility

Australian Eggs is an egg farmer-owned public non-listed company. 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 Commonwealth matching funds.

Australian Eggs operates with a management team that reports to the Managing Director, 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 Australian Eggs Constitution, are either deemed to be 'elected' or 'specialist' directors.

Australian Eggs operations are undertaken in line with the Strategic Plan which will guide the direction of Australian Eggs programs and investments from 2021 to 2025 to achieve outcomes for the Australian egg industry and the community.



## Industry Overview

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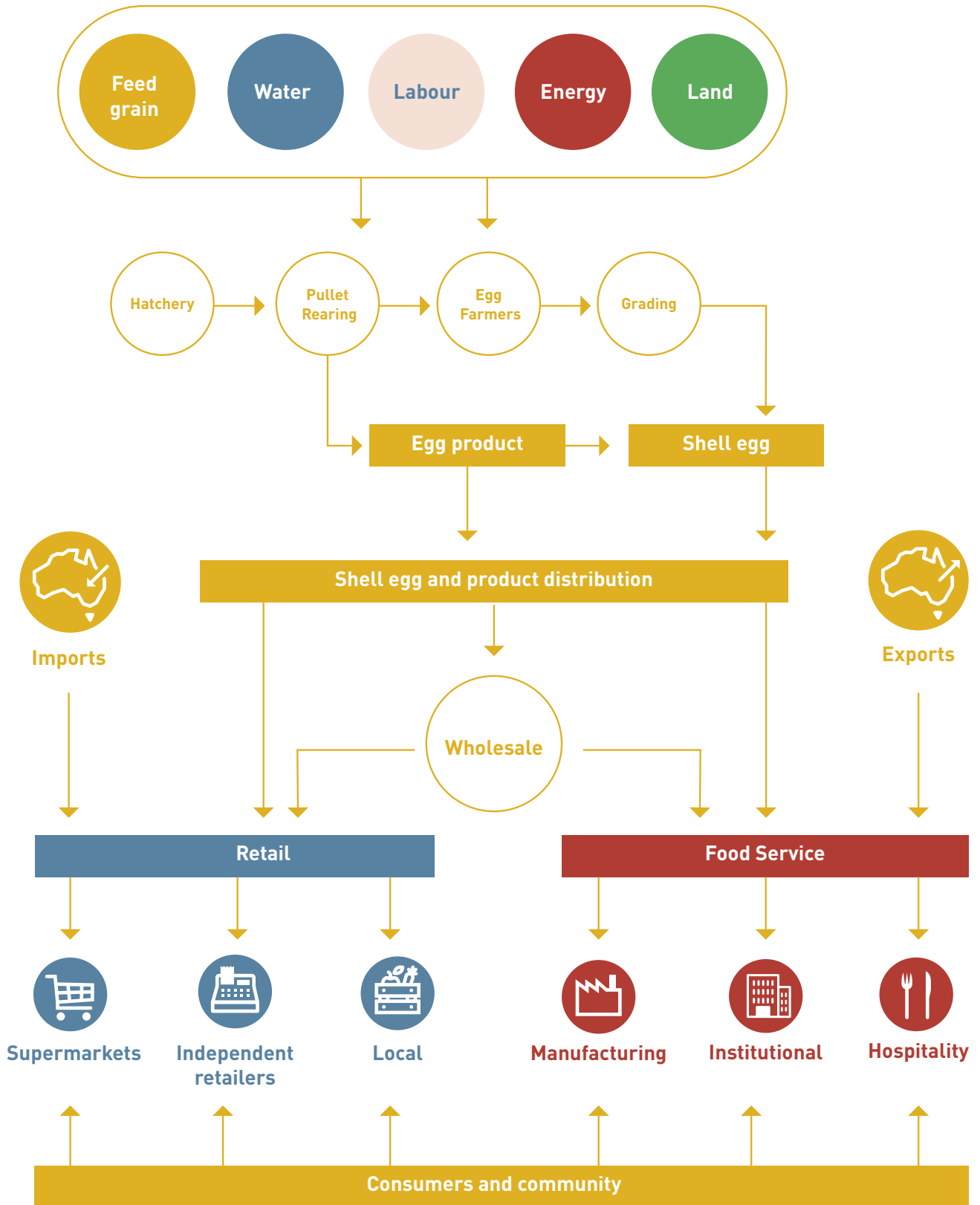
As an Australian household staple, eggs are an important source of nutrition for our community. Australians eat 17.2 million egg every day and egg farmers work to supply a range of eggs and egg products to suit everyone. Egg farms are spread across Australia and farmers sell to a variety of markets, including retailers, wholesalers, food service establishments and food manufacturers.

The industry is largely domestic focused and only a very small volume of eggs is exported, mainly premium products to South East Asia. The egg industry is made up of a diverse range of businesses, from large vertically integrated farms that control rearing, production, grading, packing and transportation, to very small-scale farms that sell to local markets.

The three main egg farming systems used in Australia are free range, cage and barn-laid. Free range egg production has grown significantly over the last 15 years and now makes up the largest grocery retail segment. However, there remains strong demand for cage and barn-laid eggs as an affordable source of high-quality protein.



# Egg Production and Supply



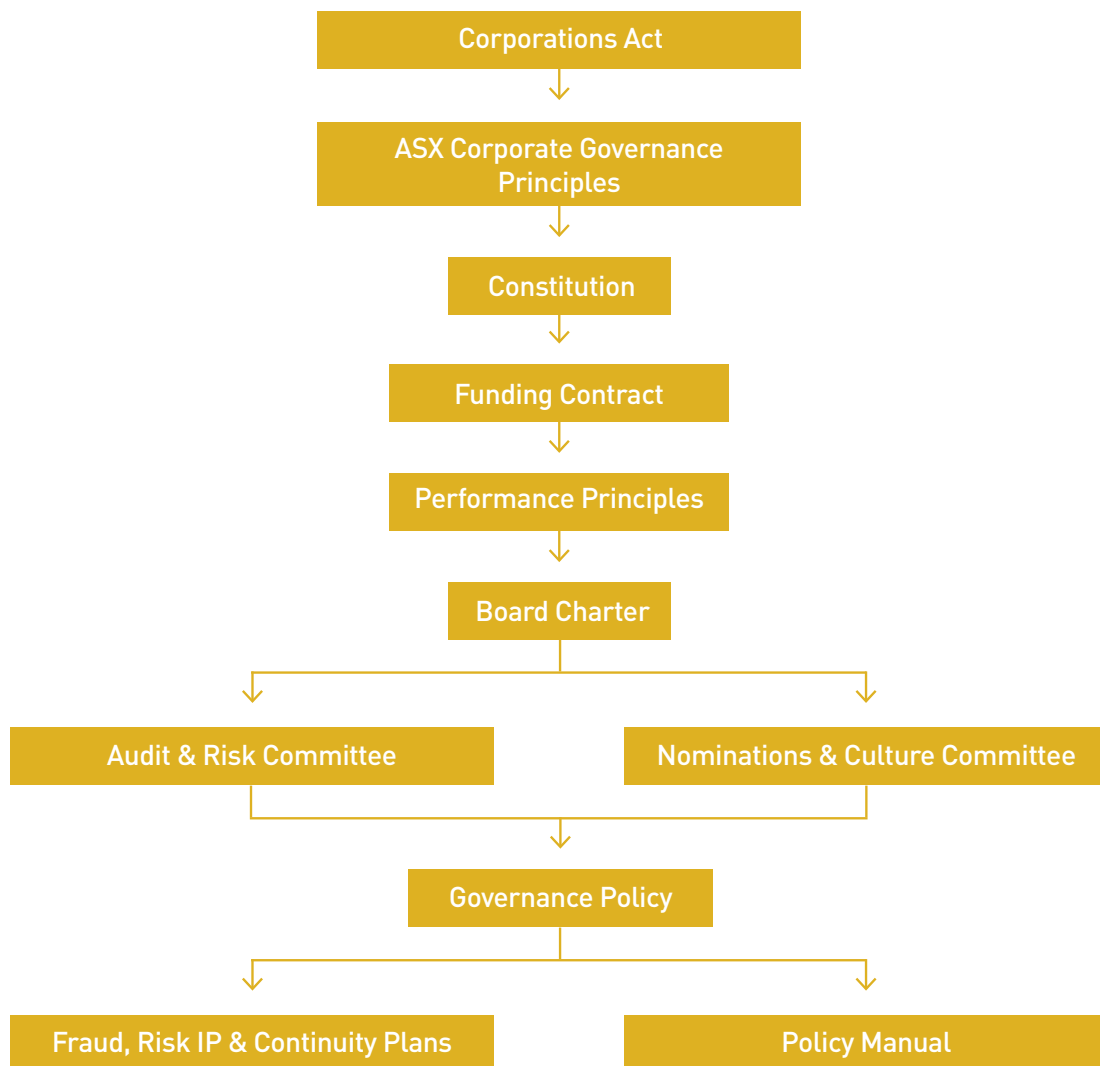


# Corporate Governance

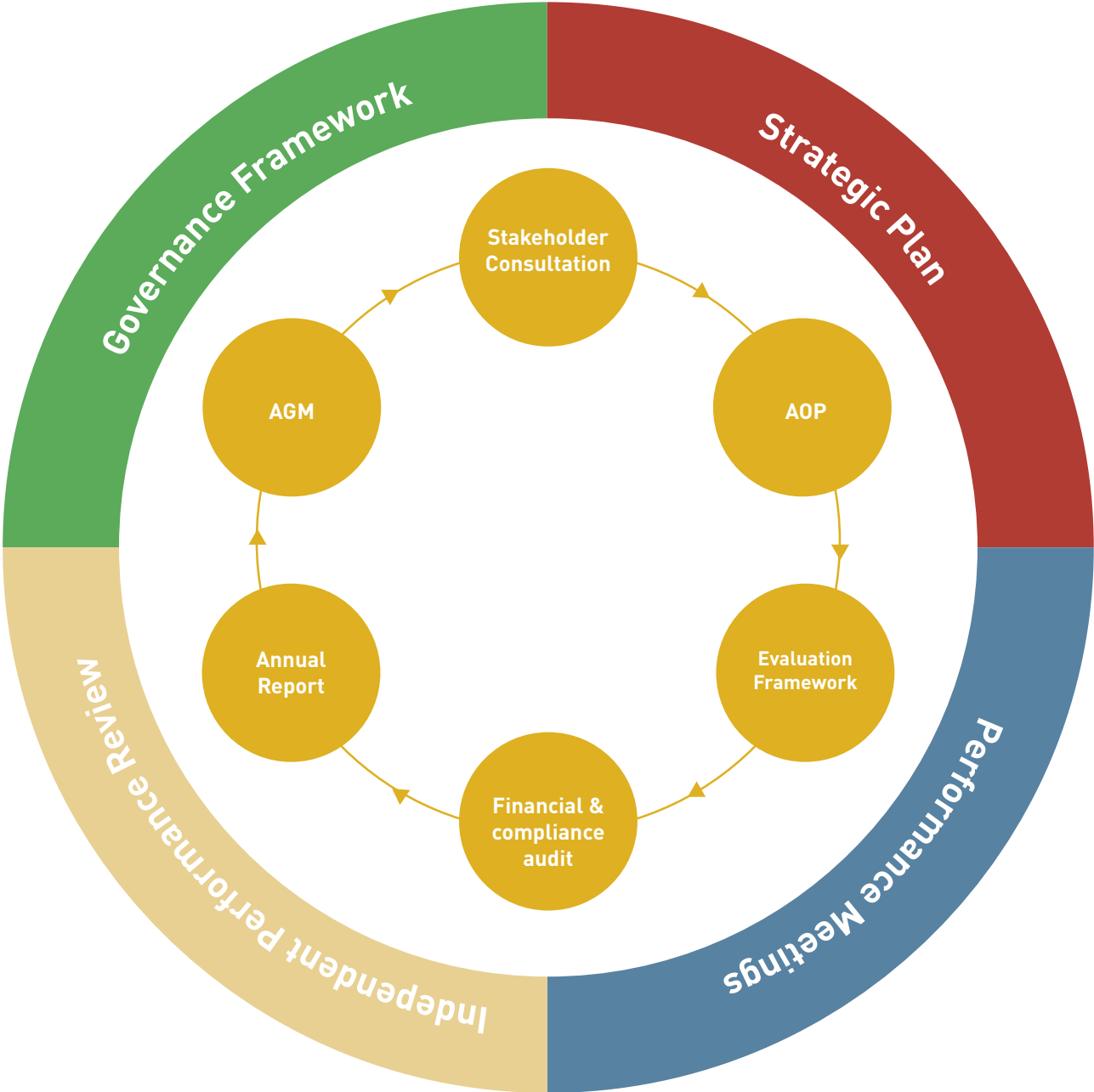
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Australian Eggs is a not-for-profit public company limited by guarantee and is not listed on the Australian Stock Exchange (ASX) but has developed its framework for corporate governance in line with the Corporate Governance Principles and Recommendations as developed by the ASX Corporate Governance Council. Australian Eggs is committed to effective governance and ongoing improvements by conducting its business in a way that is open and accountable to all stakeholders. Australian Eggs believes its corporate governance practices are rigorous and of a high standard and as a result is willing to report against the recognised principles of corporate governance on an annual basis.

Across the period of the Strategic Plan, Australian Eggs will continue to maintain a framework of corporate governance to regulate the use and management of the funding it receives. This includes compliance with all legal requirements as well as best practice corporate governance principles adopted by much larger organisations. The governance framework will be regularly reviewed to explore alignment with new developments and areas for improvement.



# Governance Cycle



# Principles and Guidelines

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The Strategic Plan coincides with the finalisation of Australian Eggs new ten-year funding contract with the Department of Agriculture, Water and the Environment.

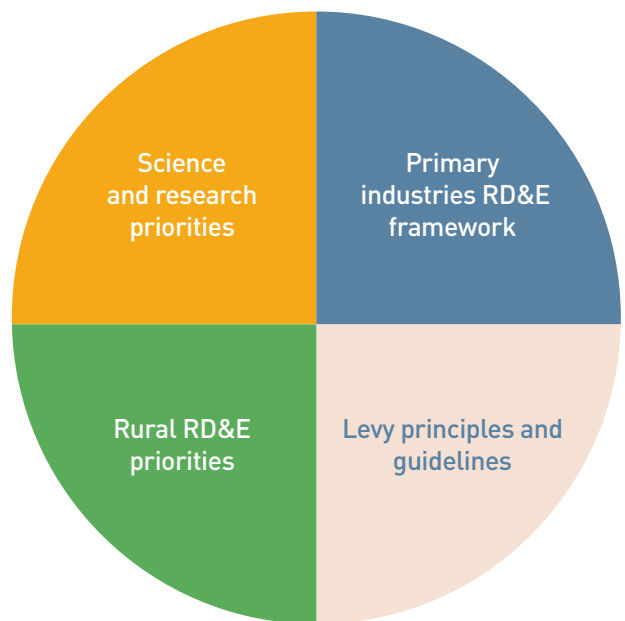
The Funding Contract requires Australian Eggs to align its activities with a new principles-based approach to ensuring performance and the Guidelines on Australian Government research priorities.

Australian Eggs has incorporated these principles and guidelines into the consultation and development of the Strategic Plan and will develop its programs over the term of the plan to reflect this focus.

## Performance Principles



## Guidelines



## Consultation Process

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- April 2021**  
Board Approval of final Strategic Plan
- March 2021**  
Finalise new Funding Contract
- November 2020 –February 2021**  
Strategic Plan development reflecting stakeholder priorities
- October 2020**  
Board strategic planning session
- August 2020**  
Australian Eggs Snapshot Survey to test findings
- July 2020**  
Consultation with egg industry representative bodies to test preliminary findings
- June 2020**  
Consultation on strategic issues with the Commonwealth and the Council of Rural RDCs
- May 2020**  
Egg Farmer Strategic Planning Workshop to identify priorities
- April 2020**  
Promotion of Strategic Planning process to all known egg farmers
- March 2020**  
Consultation Plan finalised

## Vision and Values

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Australian Eggs Vision is anchored in improvement. We see the egg industry and the community it serves, and look for ways to make it better.

Our programs are focused on better farming practices to improve the environmental sustainability and viability of egg farmers, better marketing to share the extraordinary benefits of eggs and better health and nutrition outcomes for the community.

### Our vision: Better farming, better eggs, better life

#### Values

Australian Eggs values sit behind everything we do. The Board and staff are committed to ensuring that our programs and interactions always reflect these attributes.

Innovative	Accountable	Collaborative	Respectful	Performing
We are proactive and creative in supporting the egg industry	We commit, act, deliver and communicate transparently	We build meaningful partnerships to create value	We invest in relationships and embrace diversity to build trust	We are dedicated to providing quality outputs for stakeholders

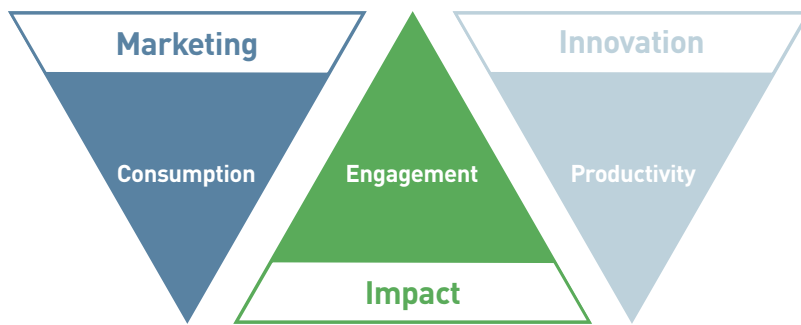


## Our Approach

In developing the Strategic Plan, Australian Eggs has reviewed its internal operations to identify opportunities for improvement. This revealed insights about the relationship between our services. Impact cannot be achieved through Australian Eggs marketing and innovation programs without engagement with stakeholders.

The Strategic Plan will be implemented with an increased focus on collaboration across our communications, public engagement and farmer engagement activities to increase efficiency and maximise the return on levy investments.

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# Sustainability Framework

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The Australian Eggs Industry Sustainability Framework commenced in 2018 to provide a process for the egg industry to engage with the community.

It has proven to be very effective and has assisted the industry to chart a course towards long term industry sustainability. Through regular research conducted by the CSIRO, the egg farmers have been able to identify the priority issues of the Australian community and develop a long term plan for incremental industry improvement to align with the UN Sustainable Development Goals.

This process will continue under the Strategic Plan and continue to guide Australian Eggs marketing, innovation and engagement activities.

## UN Sustainable Development Goals



# Strategies

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## Marketing Strategies



Australian Eggs is committed to driving increased egg consumption as an input to industry sustainability.

This will be achieved under the Strategic Plan through three important levers that support the inclusion of eggs in Australian diets: consumer advertising, health and nutrition and next generation consumption habits.

**Consumer** – Drive awareness and benefits of egg consumption through targeted advertising, promotion and education

**HCP** – Extending health and nutrition information to nutritionists, dietitians, doctors

**Next generation** - Drive egg consumption habits by demonstrating the benefits and use of eggs

The outcome of these strategies will be captured through consistent tracking and reporting of key industry metrics.

## Growth Strategies



The Strategic Plan consultation demonstrated strong support for activities to better position the egg industry for growth in the medium to long term.

This includes research, extension to industry and public engagement in areas that can increase the contribution the egg industry can make to the Australian community.

**Food safety** - Protecting consumers and industry through biosecurity and egg handling systems to ensure consistently safe eggs

**Environment** – Leadership on environmental management

**Nutrition** – Improve community health by exploring and promoting the nutrition of eggs

The outcome of these strategies will be captured in external recognition of egg industry improvement.

### Outcome

Increase per capita and reported egg consumption

### Outcome

Increase recognition of industry leadership on sustainability



# Strategies continued

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## Productivity Strategies



Improving egg production productivity lies at the heart of Australian Eggs innovation mandate and industry sustainability.

In addition to responding to industry issues as they arise through extension activities, the Strategic Plan will provide for a research program focused on areas that can make the greatest contribution to egg farm productivity and profitability.

**Flock health** – Identify solutions to enduring and emerging flock health problems

**Flock life** – Develop nutrition and husbandry strategies to realise the genetic potential of hens

**Welfare** – Facilitate improved welfare outcomes on-farm through knowledge and adoption

## Engagement Strategies



Australian Eggs cannot deliver outcomes without engagement with stakeholders.

The Strategic Plan will drive a greater focus on the quality of engagement with our stakeholders and ensure that the right balance is struck between innovation and extension activities.

Australian Eggs will also continue to leverage impact through collaboration with external stakeholders to create new opportunities for the industry, the sector and the community.

**Consultation** – Ensure activities reflect the priorities of egg farmers and government by providing ongoing engagement opportunities

**Extension** – Underpin sustainability and productivity by making knowledge and information available to egg farmers and the community

**Collaboration** – Realise efficiencies and opportunities by partnering with stakeholders on common issues

The outcome of these strategies will be captured in the level of recognition of Australian Eggs performance.

### Outcome

Increase life of lay and feed efficiency

### Outcome

Increase support of internal and external stakeholders

# Planning and Evaluation

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To ensure there is transparency and accountability in relation to investments, Australian Eggs has in place a planning and evaluation process that tracks the annual operating cycle.

The planning steps involve consideration of programs that have the capacity to contribute to the Strategic Plan outcomes with reference to:

- Alignment to Strategic Plan strategies
- Industry priorities
- Financial impact
- The feasibility to implement efficiently

The development of performance measures for each program is incorporated into the in the program development process and approved by the Board contemporaneously.

Program activity is tracked across the year to record internal performance outcomes and surveys are conducted to determine the external impact of strategies.

Quantitative and qualitative results are reported in the Evaluation Framework Report which is made publicly available on the Australian Eggs website and provided to industry and government stakeholders.



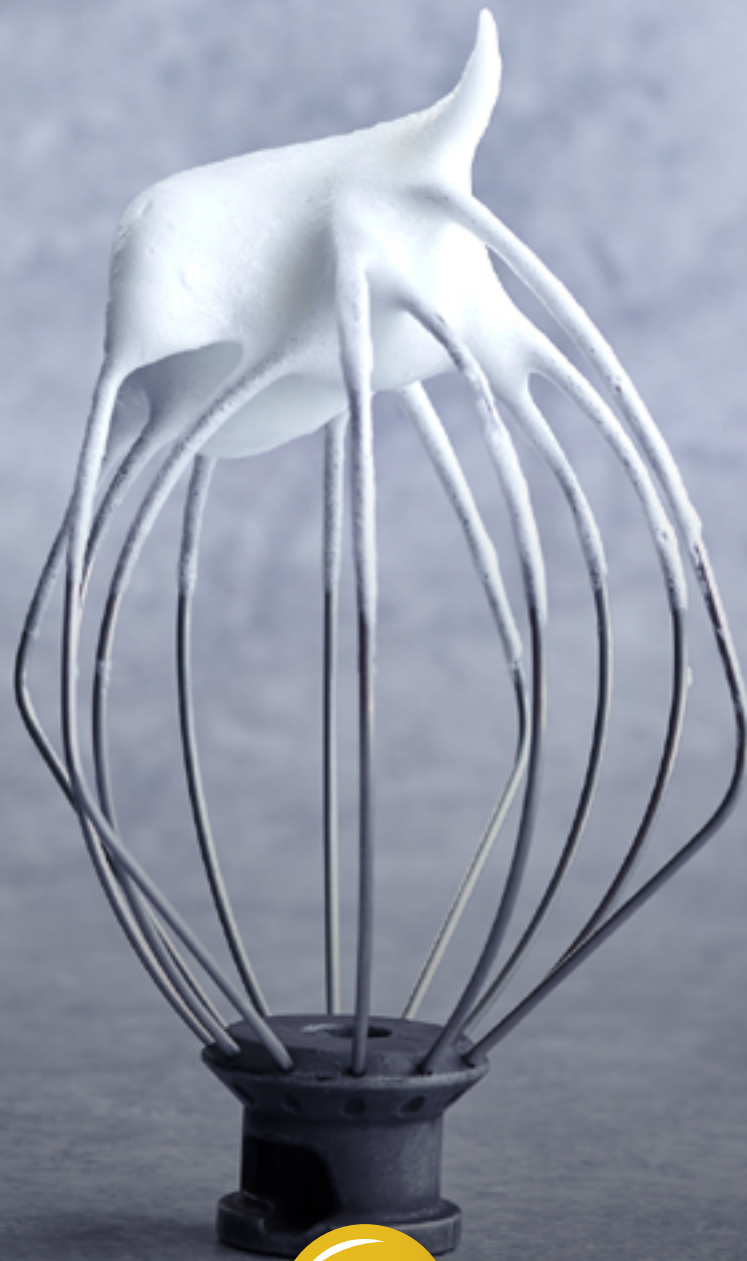
# Financial Outlook

Australian Eggs relied on secure funding under the RDC levy system to plan and make short, medium and long term investments on behalf of the egg industry and public stakeholders.

The renewal of Funding Contract with the Department of Agriculture, Water and the Environment for a ten year period enables Australian Eggs to continue this process with a focus on the long term sustainability of the industry and the Australian community.

Australian Eggs financial outlook over the term of the Strategic Plan is set out below.

Financial Year	2022	2023	2024	2025	2026
<b>Income</b>					
Egg promotion levy	5,466,000	5,602,650	5,742,716	5,886,284	6,033,441
Layer chick levy	2,463,000	2,542,575	2,587,689	2,652,382	2,718,691
Commonwealth contribution	2,202,000	2,257,050	2,313,476	2,371,313	2,430,596
Other income	564,000	578,100	592,552	607,366	622,550
	<b>10,595,000</b>	<b>10,859,875</b>	<b>11,131,372</b>	<b>11,409,656</b>	<b>11,694,898</b>
<b>Operating Expenditure</b>					
Corporate & Governance	1,576,000	1,615,400	1,655,785	1,697,179	1,739,609
Marketing	4,501,000	4,613,525	4,728,863	4,847,084	4,968,261
Growth	1,518,000	1,555,950	1,594,849	1,634,720	1,675,588
Innovation	1,240,000	1,271,000	1,302,775	1,335,344	1,368,728
Engagement	1,670,000	1,711,750	1,754,543	1,798,407	1,843,367
Egg Farmers of Australia	80,000	80,000	80,000	80,000	80,000
	<b>10,585,000</b>	<b>10,847,625</b>	<b>11,116,815</b>	<b>11,392,734</b>	<b>11,675,553</b>



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