



Annual Operating Plan

2023/2024







Annual Operating Plan

2023/2024

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Annual Operating Plan

Strategic Plan

The Australian Eggs Annual Operating Plan 2023-24 (AOP) sets out Australian Eggs' proposed activities for the new financial year.

This AOP is the third annual plan developed under the Australian Eggs Strategic Plan 2021-2026 and seeks to build upon the strategies supporting consumption growth, long term industry sustainability, production efficiencies and effective engagement.

The AOP has been developed to respond to emerging issues facing the industry, address inflation of input costs and acknowledges cost of living pressures impacting the Australian community.

Driving awareness of the benefit of egg consumption to increase egg sales through advertising and promotion targeted at Australian families will continue to be a key focus. Nutrition, affordability, versatility and convenience messaging will underpin marketing activities across earned, paid and social media channels.

The plan seeks to continue to improve community health through further research on the nutrition of eggs and food safety.

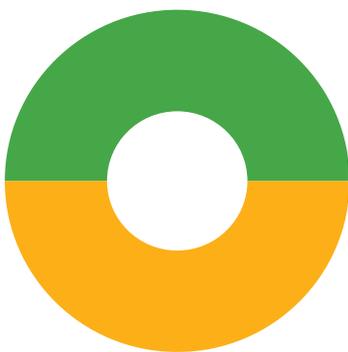
The Sustainability Framework remains to be a key driver of long term industry growth and community engagement by exploring community expectations of the egg industry and identifying areas for industry improvement.

Optimising performance and addressing enduring and emerging flock health and production challenges will be a key focus of adaptable research outcomes of this plan.

Ensuring that the creation of quality resources as well as training and engagement opportunities that support egg production remains an important point of focus for Australian Eggs that continues into this AOP. Improving access for farmers to these resources and opportunities will be a priority.

Finally, the AOP has been developed with in line with government priorities and maximizing the value of innovation investments via collaboration across agriculture industries.

Balance of Expenditure



Levy Expenditure

- 50% Layer Chick & Commonwealth Contribution
- 50% Egg Promotion

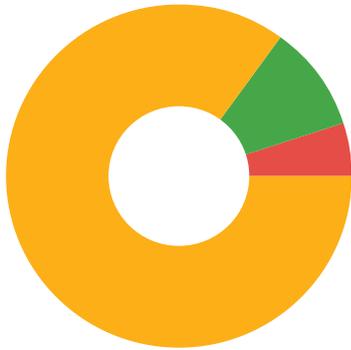


Program Expenditure

- 44% Marketing
- 11% Growth
- 17% Innovation
- 17% Engagement
- 11% Corporate & Governance

Annual Operating Plan (continued)

Balance of Expenditure (continued)



Marketing & Communications

- 85% Consumer
- 10% Health Care
- 5% Next Generation



Innovation and Growth

- 25% Flock Health
- 25% Flock Life
- 15% Welfare
- 13% Nutrition
- 6% Environment
- 16% Food Safety

Stakeholder Focus

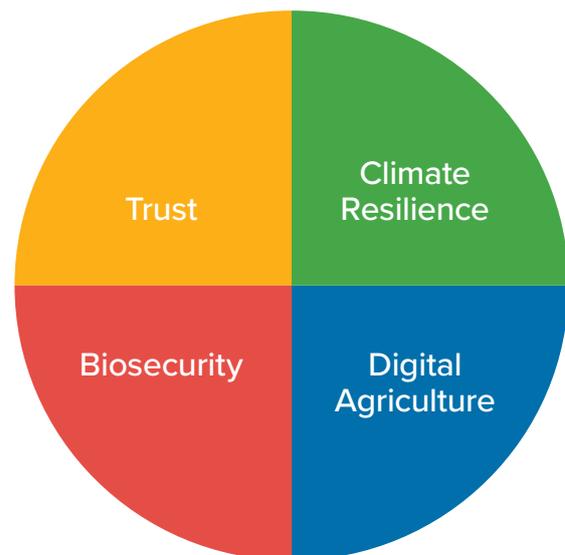
The AOP comprises 13 programs which clearly align with the Strategic Plan.

The AOP is developed with reference to the Australian Eggs Strategic Plan 2021-26, feedback from stakeholders and guidance of the Department of Agriculture, Fisheries and Forestry (Department).

Industry feedback has been obtained through an annual stakeholder consultation cycle involving a comprehensive range of processes.

The AOP has also been developed with reference to the National Innovation Priorities released by the Commonwealth Government in December 2021. These revised priorities followed a detailed consultation process conducted by the Department which Australian Eggs participating in and are closely aligned to industry priorities.

National Innovation Priorities



Stakeholder Consultation

Australian Eggs implements a cycle of engagement with each of its three key stakeholder groups as part of a structured consultation plan. The objective of the consultation plan is to ensure that our services remained aligned with stakeholder expectations and priorities.

These processes have been developed to align with the six consultation principles set out

in the Best Practice Guide for Stakeholder Consultation issued by the Department of Agriculture, Fisheries and Forestry which ensure consultation remains:

- › Transparent
- › Accessible
- › Well planned
- › Straight forward
- › Fit for purpose
- › Responsive

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.

These processes are a complement to regular, ongoing informal engagement through which stakeholders are able to access and shape Australian Eggs services.

The centrepiece of Australian Eggs farmer consultation process relates to the innovation program development. To ensure projects remain commercial relevant and are effective in targeting industry priorities, a process of collating farmer feedback through extension updates and project panels is undertaken across the year. This feedback is then collated in an industry Snapshot Survey and tested against a broader industry audience.

The outcome is used to frame a request for research proposals that is tested through two ICC Innovation meetings before projects are finally approved and commenced.

Australian Eggs' cycle of engagement with government is principally driven by the Fundings Contract which provides a framework for informal engagement, an Annual Performance Meeting and transparent reporting on performance through industry and corporate publications. 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.

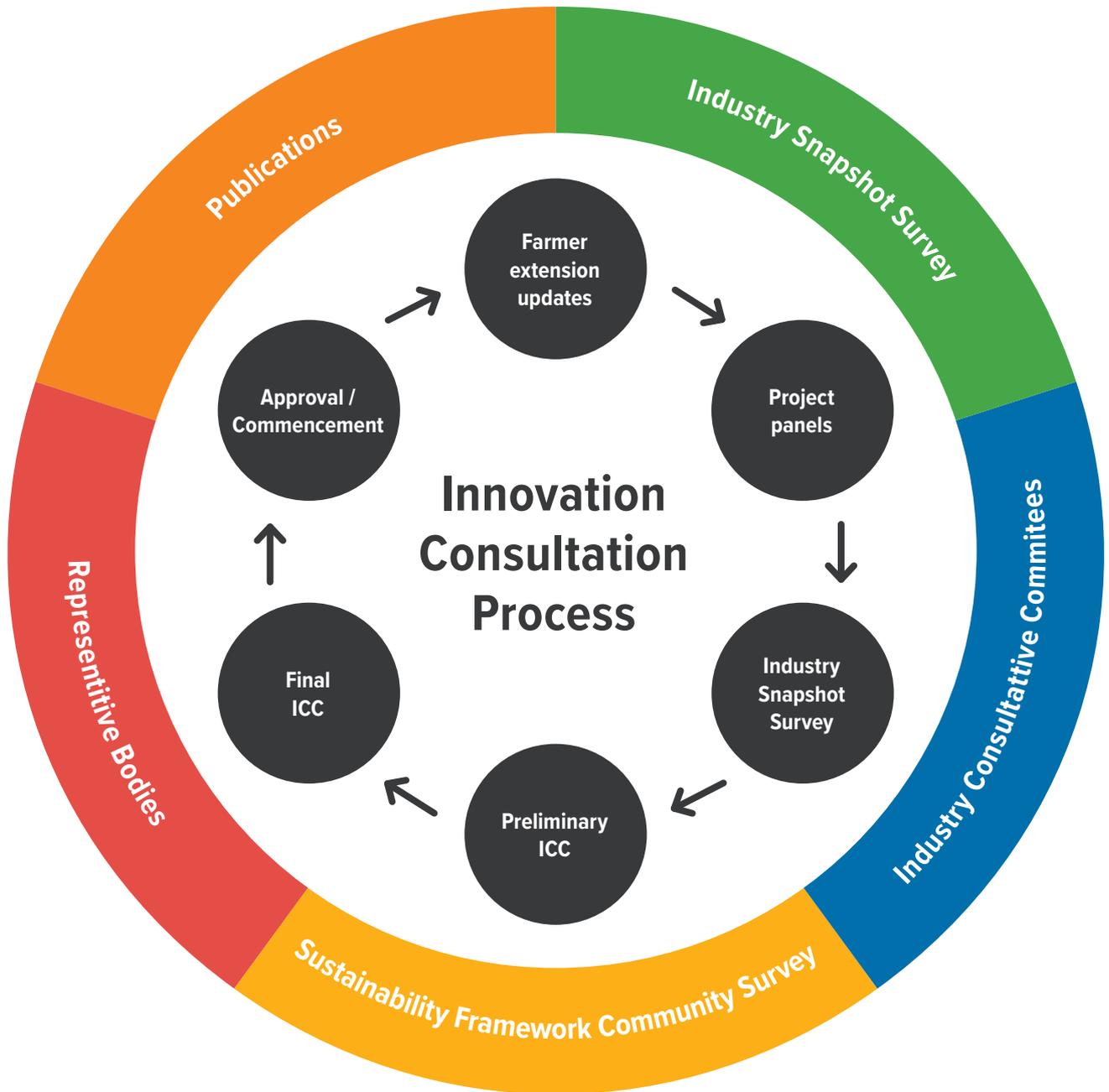
Finally, Australian Eggs undertakes a structured engagement process with public stakeholders through the Egg Industry Sustainability Framework. This process is centred around a large-scale community survey of Australians to explore priority issues for the Australian public. Through stakeholder engagement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

Through these consultation processes, Australian Eggs ensures it is well positioned to meet the Key Performance Indicators under the Guidelines for Statutory Funding Agreements issued by the Department which require that:

- › Australian Eggs applies best practice consultation processes
- › Stakeholder engagement on innovation priorities and activities can be clearly demonstrated
- › Stakeholder feedback is incorporated in innovation programs with transparency in circumstances where this is not possible.

Annual Operating Plan (continued)

Stakeholder Consultation Processes





The AOP has been developed to respond to emerging issues facing the industry, address inflation of input costs and acknowledges cost of living pressures impacting the Australian community.

Principles & Guidelines

Australian Eggs Funding Contract requires Australian Eggs to align its activities with a new principles-based approach to ensuring performance and these principles have been incorporated into the consultation and development of the Annual Operating Plan.

The performance principles encourage Australian Eggs to maintain a balanced innovation portfolio with a blend of issues of national importance based on government and levy-payer priorities that balances the term, strategic focus and risk profile of innovation investments. 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.

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,

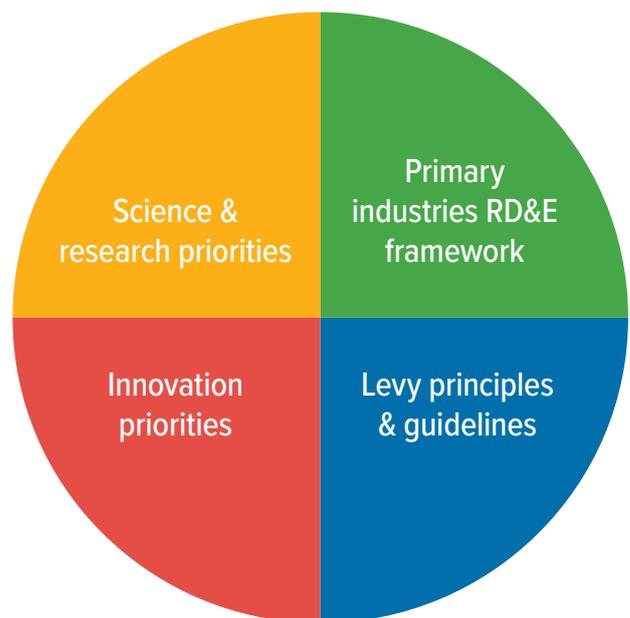
Development and Extension Priorities and the Australian Government's Science and Research Priorities.

The charts set out the Principles and Guidelines and the proportion of our research, development and extension projects that align with the research priorities.

Performance Principles

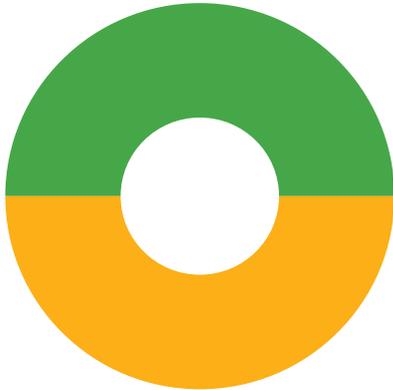


Guidelines



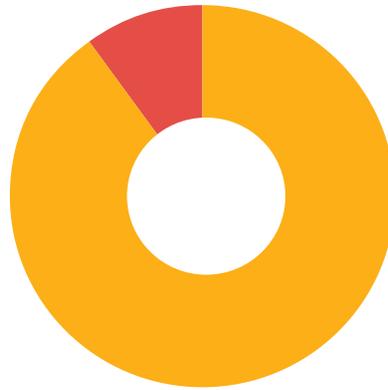
Principles & Guidelines (continued)

Balanced Portfolio



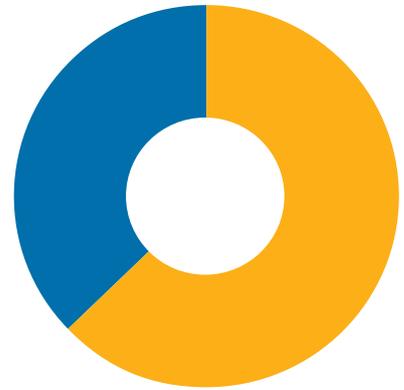
Term

- 25% Welfare
- 25% Flock Health



Risk Profile

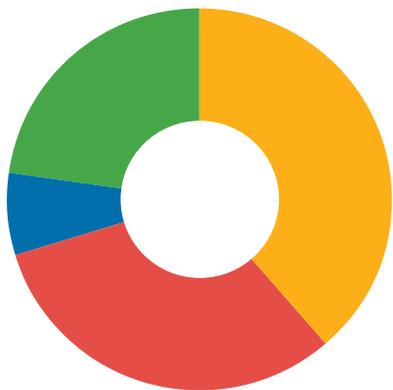
- 90% Low risk
- 10% High risk



Strategic & Adaptive

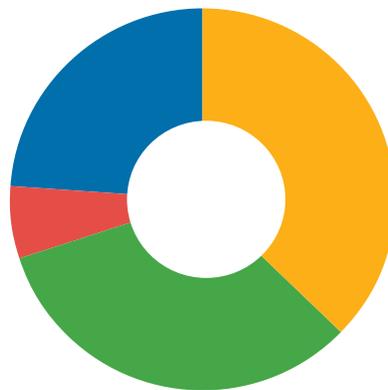
- 63% Strategic
- 37% Adaptive

Research Priorities



Science & Research Priority

- 39% Food (17 projects)
- 32% Health (14 projects)
- 7% Energy (3 projects)
- 23% Environmental Change (10 projects)



Innovation Priority

- 41% Trust (18 projects)
- 36% Climate Resilience (16 projects)
- 7% Biosecurity (3 projects)
- 16% Digital Agriculture (7 projects)



The performance principles encourage Australian Eggs to maintain a balanced innovation portfolio with a blend of issues of national importance.

A close-up photograph of a cracked brown egg. The egg is positioned at the top of the frame, with a jagged hole in its shell. A thick, golden-yellow stream of egg yolk is falling from the hole, creating a dynamic, blurred trail as it descends. At the bottom of the frame, the yolk is splashing into a dark, reflective surface, likely a frying pan. The background is a solid, dark color, which makes the bright yellow of the egg yolk stand out prominently.

A priority of the marketing program is to keep eggs top of mind at all meal occasions for in-home consumption.

Operating Plan Structure

Strategy	Programs
Marketing	<ul style="list-style-type: none">› Consumer› Health Care Professional› Next Generation

Strategy	Programs
Sustainable Growth	<ul style="list-style-type: none">› Nutrition› Environment› Food Safety› Sustainability Framework

Strategy	Programs
Innovation	<ul style="list-style-type: none">› Flock Health› Flock Life› Welfare

Strategy	Programs
Engagement	<ul style="list-style-type: none">› Consultation› Collaboration› Extension

Strategy	Programs
Corporate & Governance	<ul style="list-style-type: none">› Efficient Team› Governance and Reporting

Programs & Outcomes

Marketing

› Consumer

Drive egg consumption habits by promoting top-of-mind awareness of versatility, convenience, nutrition, affordability and how eggs elevate meals at every eating occasion, & promote the life-long enjoyment of eggs.

› Health Care Professionals

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

› Next Generation

Drive consumption habits amongst Generation Z and young millennials by demonstrating the benefits and uses of eggs.

Sustainable Growth

› Nutrition

Improve community health by exploring and promoting the nutrition of eggs

› Environment

Driving leadership in environmental management.

› Food Safety

Protecting consumers and industry through biosecurity systems to ensure consistently safe eggs.

› Sustainability Framework

Community engagement to drive sustainable growth.

Innovation

› 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

Improved welfare outcomes on-farm through knowledge and adoption.

Engagement

› Consultation

Ensure activities reflect the priorities of egg farmers and government by providing ongoing engagement opportunities.

› Collaboration

Realise efficiencies and opportunities by partnering with stakeholders on common issues.

› Extension

Underpin industry sustainability and productivity by making knowledge and information available to egg farmers and the community.

Corporate & Governance

› Efficient Team

Ensure appropriate resources to deliver on the work program.

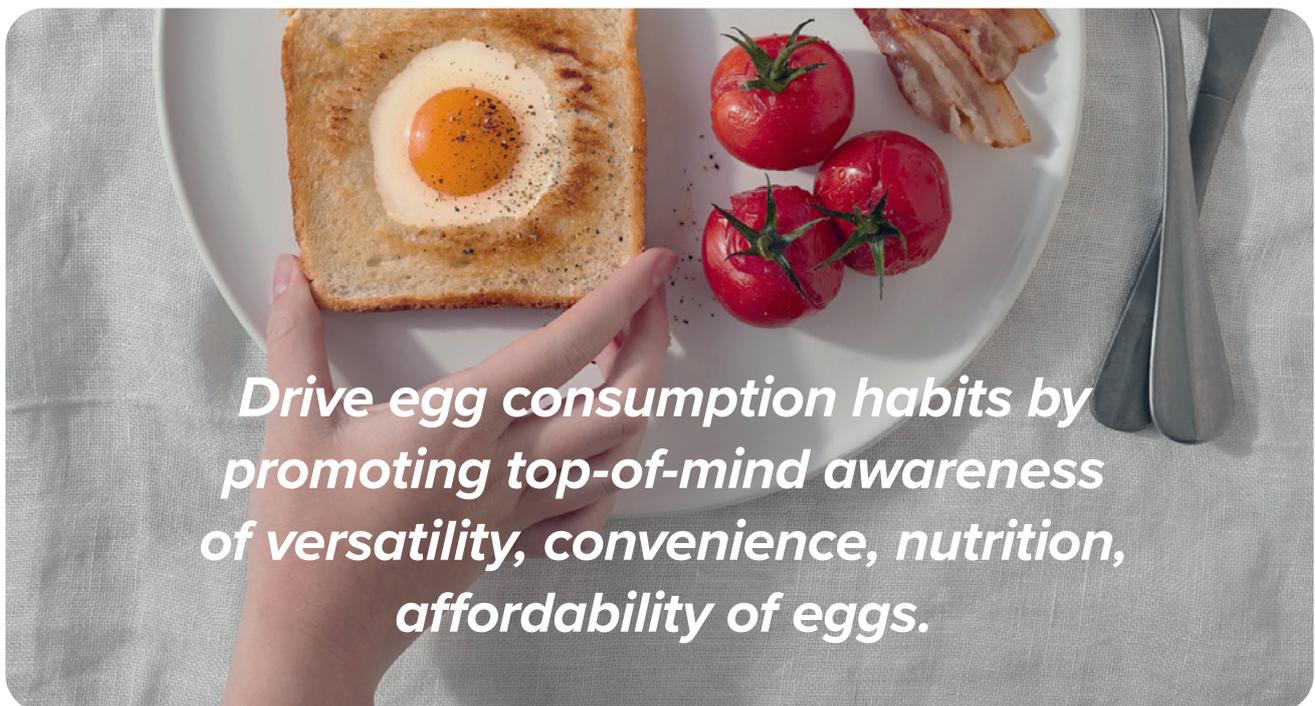
› Governance and Reporting

Provide robust decision-making processes and evaluation of activities.

Key Projects

Marketing

Project	Program	Activities	Outcomes
Advertising media	Consumer	<ul style="list-style-type: none"> › Media planning and buying in line with campaign strategy targeting Australian families. 	<ul style="list-style-type: none"> › Keep eggs top of mind at all meal occasions for in-home consumption. › Increased egg consumption in families.
HCP PR & Communications	Health Care Professionals	<ul style="list-style-type: none"> › Development of nutrition content to encourage inclusion of eggs in diets. › Implementation of HCP communication calendar with objectives aligned to support marketing campaign objectives. 	<ul style="list-style-type: none"> › Improve top of mind awareness of eggs & provide contemporary nutritional resources to HCPs.
Generation Z	Next Generation	<ul style="list-style-type: none"> › Drive consumption habits amongst Generation Z and young millennials by demonstrating the benefits and uses of eggs. 	<ul style="list-style-type: none"> › Development of a 6-week online introductory eggs cooking class suitable for 18-30 year olds. › An increase in younger Australians considering eggs for lunch.



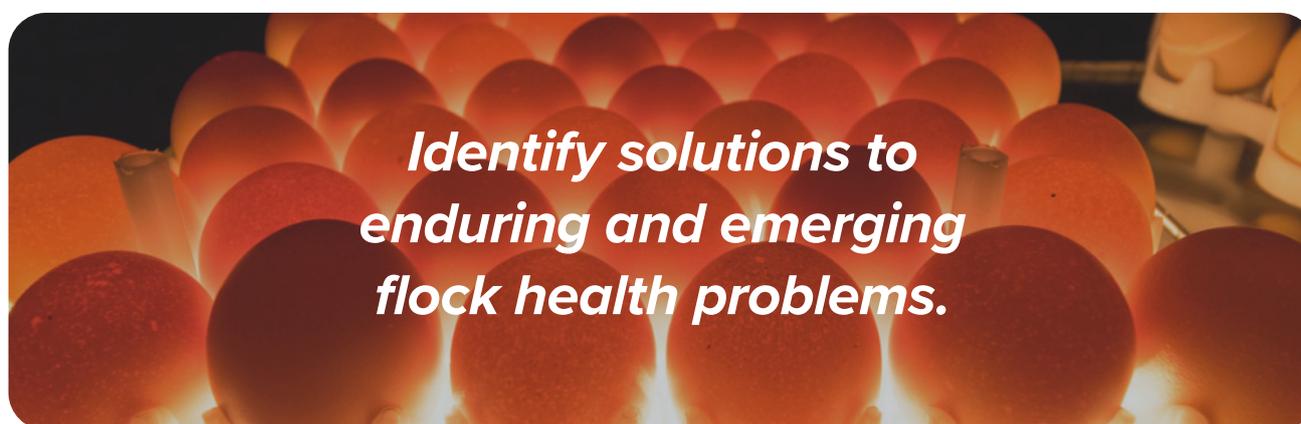
Key Projects (continued)

Sustainable Growth			
Project	Program	Purpose	Outcomes
Eggs to improve choline intake in young Australian children: providing the evidence	Nutrition	<ul style="list-style-type: none"> › Food Works database updated with choline and new infants and toddler foods. › Calculation of nutrition intake distribution to recommend choline intake for children <2 years. 	<ul style="list-style-type: none"> › Recommendation on quantity of eggs needed to close the gap between current intakes and recommendations for children <2 years.
Carbon Benchmarking study	Environment	<ul style="list-style-type: none"> › Develop tool to measure the carbon emissions of egg farms and extend to farming businesses to create an industry benchmark. 	<ul style="list-style-type: none"> › Industry better informed on carbon reduction pathways.
Literature review for understanding eggs contamination during cold-chain transportation	Food Safety	<ul style="list-style-type: none"> › Review of refrigeration on the survival of Salmonella on eggshell surfaces and in egg internal contents. › Identify gaps in knowledge on effects of refrigeration temperature on Total viable bacterial count (TVC) and Salmonella on eggs, in Australian context. 	<ul style="list-style-type: none"> › A document for FSANZ to validate industry practices around eggs supply-chain in Australia.



Key Projects (continued)

Innovation			
Project	Program	Activities	Outcomes
Extension and communication strategies to improve biosecurity	Flock Health	<ul style="list-style-type: none"> › Desktop review of current literature on biosecurity practices on Australian egg farms. › Workshops to develop a strategy for each production system. › Final strategy, including a roadmap and specific activities ready for implementation. 	<ul style="list-style-type: none"> › Improved understanding of biosecurity practices in Australia. › Tools and resources for improved biosecurity adoption and compliance.
Investigations of upper respiratory tract infections	Flock Health	<ul style="list-style-type: none"> › Apply next generation sequencing to define and diagnose diseases and challenges in disease prevention. 	<ul style="list-style-type: none"> › Improved understanding of respiratory infections. › Tools for on-farm welfare indicators.
Optimising performance, health, flock consistency and egg quality	Flock Life	<ul style="list-style-type: none"> › Identify the barriers to adoption of best practices layer management by farm staff. › Collecting production data from multiple flocks and performing analysis to identify how management influences production. 	<ul style="list-style-type: none"> › Tools to help farms better understand and motivate their workforce.
Intelligent real-time monitoring of flock behaviour and welfare	Welfare	<ul style="list-style-type: none"> › Progress on algorithm development for flock behaviour detection and development of prototype flock behaviour data analysis platform. 	<ul style="list-style-type: none"> › A platform developed which enables remote monitoring of the flocks.



Key Projects (continued)

Engagement			
Project	Program	Purpose	Outcomes
Farmer Engagement	Consultation	<ul style="list-style-type: none"> › Support meaningful practice change by sharing targeted, relevant information with the egg industry. › Manage and promote two-way communications platforms on website › Face-to-face & virtual events to facilitate engagement. 	<ul style="list-style-type: none"> › Awareness, knowledge & appreciation of Australian Eggs programs. › Provision of opportunities for levy payer views, concerns and priorities to be heard.
Collaborative projects	Collaboration	<ul style="list-style-type: none"> › Collaborate with other agricultural industries to address shared priorities. › Participate in the ENRI process and pursue collaborative opportunities. 	<ul style="list-style-type: none"> › Expand egg industry capacity. › Increase efficiency of investments through shared resources.
Industry Education	Extension	<ul style="list-style-type: none"> › Support industry participation in scholarship opportunities and capacity building programs. › Develop digital content and run campaigns to increase awareness of egg industry opportunities. 	<ul style="list-style-type: none"> › Increase industry knowledge, farm management and labour capacity.
ESA program	Consultation	<ul style="list-style-type: none"> › Provide support, training and resources for farmers on ESA standard for Rearing and Laying farms 	<ul style="list-style-type: none"> › Protecting consumers and industry through quality assurance systems to ensure consistently safe eggs
Youth Initiatives	Extension	<ul style="list-style-type: none"> › Develop and promote the All About Eggs program through digital and social media platforms. › Engagement with teaching key opinion leaders to promote the resources and opportunities in the egg industry. 	<ul style="list-style-type: none"> › Promote awareness of the egg industry and engagement on industry career opportunities.
Extension	Extension	<ul style="list-style-type: none"> › Deliver research outcomes, farmer resources and capture industry priorities through webinars, workshops, farm visits and EggNet. 	<ul style="list-style-type: none"> › Promote industry sustainability and productivity by making knowledge and information available to egg farmers. › Support producers in adopting industry best practice and research outcomes on-farm.

Key Projects (continued)

Corporate & Governance			
Project	Program	Activities	Outcomes
Human Resources	Efficient Team	<ul style="list-style-type: none"> › Management of payroll, leave and records. › Staff recruitment and evaluations as required. › Workforce and resource planning. › Compliance with regulations and policies. 	<ul style="list-style-type: none"> › Provision of a small, professional team managing the research and marketing activities and supporting member engagement.
Governance	Governance and Reporting	<ul style="list-style-type: none"> › Governance reviews and improvement. › Ensure compliance with legal requirements. › Fraud Control, Risk Management and IP Plans. › RDC governance framework and reporting requirements. 	<ul style="list-style-type: none"> › Improved understanding of respiratory infections. › Tools for on-farm welfare indicators.



Performance indicators provide for transparency over Australian Eggs performance and a point of engagement with stakeholders.



Evaluation Framework

Overview

Australian Eggs Funding Contract and the Performance Principles require governance arrangements and practices to be established which align with best practice for open and transparent use of funds.

To meet this obligation, Australian Eggs undertakes an evaluation framework as part of its management cycle 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.

The evaluation framework commenced in 2017 with the publication of the Evaluation Framework Report. This report has provided for tracking of Australian Eggs' performance over time through annual reporting on the outcome of each AOP.

The Evaluation Framework Report seeks to provide a practical basis for stakeholders to understand and scrutinise Australian Eggs activities, including key performance indicators applied to each strategy to test Australian Eggs' primary objectives and program performance indicators for each program.

The performance indicators are set out below and are directed towards outcomes that our programs seek to achieve, including over broader time frames where relevant.

In doing so, these performance indicators provide for transparency over Australian Eggs performance and a point of engagement with stakeholders on the return delivered on investments.



Evaluation Framework (continued)

Key Performance Indicators

GOAL	KPI	TARGET
Marketing	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.	290

GOAL	KPI	TARGET
Sustainable Growth	Effective community engagement – calculated by community trust in the egg industry.	65

GOAL	KPI	TARGET
Innovation	Average benefit cost ratios achieved for R&D Projects – calculated by applying Benefit Cost Analysis to completed projects based on the CRRDC Impact Assessment Guidelines and averaging outcomes.	4.0

GOAL	KPI	TARGET
Engagement	Effective engagement with stakeholders - calculated by stakeholder satisfaction with Australian Eggs performance.	7.0

GOAL	KPI	TARGET
Corporate & Governance	Administration services ratio – calculated by the ratio (%) of corporate costs over total expenses.	15

Evaluation Framework (continued)

Program Performance Indicators

Marketing		
Program	Outcome	Performance Indicator
Consumer	Drive awareness of the benefit of egg consumption through targeted advertising and promotion targeted at Australian families.	<ul style="list-style-type: none"> › Increase grocery retail sales egg volume by 2%. › A consumer recall of key campaign messages amongst families of 20%. › Increase the percentage of families eating eggs at each meal occasion by 2%.
Health Care Professionals	Extending health and nutrition information to nutritionists, dietitians, doctors and midwives.	<ul style="list-style-type: none"> › Increase the proportion of HCPs that encourage regular consumption of eggs in diets to 65% › Decrease the number of HCPs restricting the consumption of eggs across patient groups in the last 6mths to 38%.
Next Generation	Drive consumption habits amongst Generation Z and young millennials by demonstrating the benefits and uses of eggs.	<ul style="list-style-type: none"> › Acquire an engaged database of 5,000 x 18-30 yr old Australians who need help with cooking meals. › 2,000 Australians completing the 'Introduction to Eggs' online cooking course.

Evaluation Framework (continued)

Program Performance Indicators

Sustainable Growth		
Program	Outcome	Performance Indicator
Nutrition	Improve community health by exploring and promoting the nutrition off eggs.	<ul style="list-style-type: none"> › Increase awareness of it being ok to eat eggs everyday by 1%. › Increase awareness of vitamin D content in eggs by 1%. › Increase awareness of choline content in eggs by 1%.
Environment	Leadership in environmental management.	<ul style="list-style-type: none"> › Increase farmer awareness of environmental management strategies by 10%.
Food Safety	Protecting consumers and industry through biosecurity systems to ensure consistently safe eggs.	<ul style="list-style-type: none"> › Increase industry recognition of traceability and biosecurity by 10%.
Sustainability Framework	Community engagement to drive sustainable growth.	<ul style="list-style-type: none"> › Increase expressed community trust in the egg industry to listen and respond to 65%.

Evaluation Framework (continued)

Program Performance Indicators

Innovation		
Program	Outcome	Performance Indicator
Flock Health	Identify solutions to enduring and emerging flock health problems.	<ul style="list-style-type: none">› Reduce farm mortality by 1%.
Flock life	Develop nutrition and husbandry strategies to realise the genetic potential of hens.	<ul style="list-style-type: none">› Increase average flock life to 80 weeks.› Improve feed efficiency ratio (FCR) by 0.1.› Improve percentage hen production by 1%.
Welfare	Facilitate improved welfare outcomes on-farm through knowledge and adoption.	<ul style="list-style-type: none">› Increase farmer awareness of welfare resources by 10%.

Evaluation Framework (continued)

Program Performance Indicators

Engagement

Program	Outcome	Performance Indicator
Consultation	Ensure activities reflect the priorities of egg farmers and government by providing ongoing engagement opportunities.	<ul style="list-style-type: none"> › Increase farmer membership base by 5%. › Increase in the number of ESA accredited sites by 5%.
Collaboration	Realise efficiencies and opportunities by partnering with stakeholders on common issues.	<ul style="list-style-type: none"> › Increase collaborative partnerships by 5%.
Extension	Underpin industry sustainability and productivity by making knowledge and information available to egg farmers and the community.	<ul style="list-style-type: none"> › Improve industry satisfaction in Snapshot to 7.0. › Increase industry engagement in innovation project development by 10%. › Increase adoption of extension program by farms by 10%.

Corporate & 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 costs below 12% of program costs.
Governance and Reporting	Provide robust decision-making processes and evaluation of activities.	<ul style="list-style-type: none"> › 100% compliance with ASX corporate governance principles.

Income & Expenditure

Financial Year 2023/24

Operating Income		
	Egg promotion levy	5,641,070
	Layer chick levy	2,530,264
	Commonwealth contribution	2,530,264
	Assoc. Membership Subscriptions Grant Income	80,000
	Royalties	40,000
	Other income	119,000
	Sub total	10,940,598
	Less levy collection costs	-22,000
		10,918,598
Operating Expenditure		
	Marketing	4,898,583
	Sustainable Growth	1,247,111
	Innovation	1,916,197
	Engagement	1,918,381
	Corporate & Governance	1,293,275
	Total Program Costs	11,273,548
	Egg Farmers of Australia	80,000
	Sub total	11,353,548
Operating Surplus/Deficit		-434,950
	Capital purchases	107,800



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