



Independent Performance Review

Meat & Livestock Australia

Executive Summary

April 2024

→ The Power of Commitment



GHD Pty Ltd was commissioned to undertake an independent review of Meat & Livestock Australia’s performance over the period 2020-2023 in accordance with the requirements of its Statutory Funding Agreement (SFA) with the Commonwealth. This review evaluates MLA’s continuous improvement and performance against the principles outlined in the SFA relating to: Stakeholder Engagement; Research, Development & Extension (RD&E) and Marketing investment; Collaboration; Governance Arrangements; and Monitoring and Evaluation.

Meat & Livestock Australia Limited (MLA) and its related body corporates Integrity Systems Company Limited (ISC) and MLA Donor Company Limited (MDC) undertake a range of marketing, research and development (R&D) programs for leviable beef, sheepmeat and goatmeat industry participants. It also provides a number of R&D and marketing services to related industry sectors including meat processors and live animal exporters.

MLA is an independent corporate entity with a skills-based board and is one of 10 Industry Owned R&D Companies (IOCs). IOCs are established under the *Corporations Act 2001* and declared by the Minister as an industry service body under industry specific legislation, which for MLA is the *Australian Meat and Live-stock Industry Act 1997* (the Act).

Independent Performance Review

The SFA requires MLA to undertake periodic independent reviews of its performance. The last review was undertaken in 2020.

This review covers the period since the previous review and was undertaken between October 2023 and March 2024. The review was based on a desktop review of documents and consultation with a range of MLA’s internal and external stakeholders.

>2500
Documents received

75
Individuals consulted









The review included an open call for submissions, of which 13 responses were received.

Review conclusions

The review found no instances of non-compliance with the SFA, with MLA demonstrating a strong commitment to operating in line with the five agreed Performance Principles and associated Commonwealth Government Guidelines and Priorities. The recommendations from the 2020 review were fully considered and progress on implementation was publicly communicated. As the industry owned, not-for-profit RDC for Australia’s meat and livestock industry, the company and its subsidiaries are considered to be delivering value for red meat producers and those across the value chain.







The Australian red meat sector

Australia’s red meat and livestock industry is valued at \$20 billion and in 2022-23 accounted for around 20% of Australia’s total gross value of farm, fisheries and forestry production. In 2021, Australia was the fourth largest beef exporter, the largest sheepmeat exporter, and the largest goatmeat exporter (MLA State of the Industry Report 2023).

	Australia’s red meat and livestock industry \$20bn total gross value
	Cattle herd 28.6 million head (Australia 1.5% of global herd)
	Sheep flock 76.5 million (Australia 5% of global flock)
	Top three Export Markets
	Japan (21.5%), South Korea (18.8%), China (18.5%)
	China (26%), USA (22%), Middle East (14%)
	USA (57%), South Korea (17%), Taiwan (10%)
	433,389 people were employed across the Australian red meat and livestock industry value chain, and 187,916 people employed directly.
	74,413 businesses across the red meat and livestock supply chain

The red meat industry’s structural arrangements are set out under the Act with the arrangements underpinned by a Memorandum of Understanding (MoU). These arrangements provide important context for the review, as they outline the agreed roles and responsibilities, funding, planning and service delivery arrangements of the red meat industry’s service providers and Peak Industry Councils (PICs).

Like other agricultural sectors, there have been a range of external trends and drivers relevant to the review period:

	Extreme volatility in livestock markets
	Potential biosecurity and trade threats from incursions of Foot and Mouth Disease (FMD) and Lumpy Skin Disease (LSD)
	Australia – United Kingdom FTA signed
	Suspension of 10 Australian abattoirs from trade with China
	Increased global focus on environmental sustainability and carbon emissions
	Disruptions from COVID-19

Summary of key findings

TOR 1: Performance against the ‘Performance Principles’ outlined in the SFA 2020-2030

Performance Principle 1 – Stakeholder Engagement

- MLA has a comprehensive approach to stakeholder engagement consistent with the *Best Practice Guide to Consultation: Meat and Livestock Australia* and outlined in its *Consultation Summary* (dated June 2023). Both these documents are made publicly available on MLA’s website providing transparency around its approach. The approach provides for input on strategy and planning, as well as on specific RD&E and marketing priorities and activities.
- The breadth of stakeholders and range of matters that MLA needs to engage on means that its approach is necessarily complex, which can make it difficult for stakeholders to navigate.
- MLA has demonstrated a commitment to continuously improving its approach to stakeholder engagement through both formal and informal review and feedback processes.

Performance Principle 2 – RD&E and Marketing

- The review found that MLA maintains a balanced portfolio that is aligned with both government and the industry priorities set out in *Red Meat 2030*.
- MLA has a comprehensive approach to annual planning and reporting against its longer-term strategies, which incorporates MDC and ISC activities. Delivery of MLA’s strategic plan is based on a detailed, rolling 3-year business plan for each of its 16 programs, which scale up to MLA’s publicly available Annual Investment Plan.
- The review found appropriate processes are in place for monitoring performance against plan KPIs and that there is a high level of transparency in performance reporting. The overall achievement of KPIs over the period was >75%, which is consistent with the results in the previous review period, indicating a solid track record of performance.
- MLA’s annual member surveys show that satisfaction levels with MLA’s R&D and marketing activities have remained relatively stable compared to the previous review period. Average overall satisfaction with MLA has grown from 6.6 to 7 (out of ten) from 2019 to 2023.

Performance Principle 3 – Collaboration

- MLA has been active in undertaking cross-industry and cross sectoral collaboration through a range of RD&E activities with industry and RDCs to address common challenges and opportunities.
- MLA collaborates through a mixture of well-established long-term programs as well as individual project opportunities. Despite these efforts many stakeholders cited the rapidly increasing need for cross-sectoral collaboration amongst RDCs particularly in areas of carbon emissions, sustainability, biosecurity, mixed farming systems, market access and trade.

Performance Principle 4 – Governance Arrangements

- GHD has reviewed MLA and its subsidiaries’ governance arrangements for alignment with the eight central principles contained in the *ASX Corporate Governance Principles and Recommendations* as well as relevant guidelines provided by the *Not-for-Profit Governance Principles* published by the Australian Institute of Company Directors.
- The review found that MLA’s governance arrangements strongly align with these principles. MLA’s strength in this area was widely recognised amongst its various stakeholders.

Performance Principle 5 – Monitoring and Evaluation

- MLA has appropriate procedures in place to demonstrate the impact of its investments allowing the outcomes of its RD&E and marketing activities to be used to improve learnings and inform future decisions.
- Through progressive improvements, MLA has made monitoring and evaluation a central function of the organisation, helping to drive accountability and shape the culture of the organisation. Stakeholders commended MLA for its continued improvement in this area.

TOR 2: Performance against the Commonwealth ‘Guidelines’ and ‘other guidelines or priorities’

- MLA has a strong compliance culture and was found to be operating in line with the suite of Guidelines provided by the Commonwealth to support implementation of SFAs.

TOR 3: Implementation of actions from annual reviews of performance undertaken since 2020

- Consistent with the requirements of the SFA, MLA has participated in annual reviews of performance with the Department of Agriculture, Fisheries and Forestry (DAFF). While there is no formal register of actions, DAFF minutes show that actions generally related to minor or procedural matters. Consultation with DAFF confirmed that each of these items were actioned by MLA in a timely manner.
- Establishing a shared register of action items arising from these meetings would aid in future independent review processes.

TOR 4: Implementation of recommendations from the last independent performance review 2020

- MLA issued a formal response and implementation plan to each of the 5 Recommendations from the Independent Performance Review (2020) in line with the requirements of the SFA.
- GHD is satisfied that the recommendations from the previous Independent Performance Review (2020) have been acted upon and that MLA has demonstrated an active and ongoing culture of continuous improvement since the 2020 review.

TOR 5: Identification of any issues arising from the Review for MLA and the Commonwealth, where necessary, to address

- The review has identified seven recommendations for MLA's continuous improvement. These are summarised in the table below.

TOR 6: Collaboration with LiveCorp and AMPC and project co-funding arrangements

- The relationship between MLA and LiveCorp and AMPC appears to have significantly strengthened over the review period, with improved trust and cooperation.
- While the relationship has improved considerably, there are still opportunities to build mutual trust and display greater transparency in the implementation of joint funded programs, which involves collaboration from the Board down to operational levels.





TOR 7: Consultation with levy payers and key stakeholders as part of the review

- The review was informed by targeted consultation with a sample of MLA's stakeholders across the following categories: Board members, MLA Leadership Team and staff, DAFF, PICs, Advisory Committees and Taskforce members, levy payers and members, delivery partners and investors, key supply chain participants. GHD further hosted an open submission process to ensure that any stakeholder who wished to do so was able to provide input to the review.

Continuous improvement

Independent performance reviews provide an opportunity to assess MLA's interim progress, including that of its subsidiaries, against its ten-year agreement with the Commonwealth, providing an external lens to supplement annual performance meetings that are held with DAFF. Consistent with the annual review process, the independent performance review has found that MLA has demonstrated its performance against the five Performance Principles, including achievement of KPIs outlined in the accompanying Commonwealth guidelines for the three-year period 2020-2023.

The review has provided the opportunity to highlight initiatives already underway by MLA in its ongoing efforts for continuous improvement, as well as areas of particular interest to its key stakeholders. The table below provides a summary of recommendations from the review against the respective Performance Principles to assist MLA continue to demonstrate its transparency and accountability to stakeholders.

Performance Principle	Summary of recommendations by Performance Principle	Report Section
 <p>Stakeholder Engagement</p>	<p>Continuation of MLA’s annual process of self-evaluating its consultative and advisory forums is an important systematic approach for MLA to continue to be able to assess and balance the efficiency and effectiveness of its consultation approach. Similarly, publishing terms of references for the various consultative forums MLA convenes will increase stakeholder visibility across the respective forums and assist identify opportunities for cross-collaboration and/or reduce the potential for duplication of effort.</p> <p>Recommendation:</p> <ol style="list-style-type: none"> 1. MLA should publish the terms of reference for the consultative and advisory forums it convenes. <p>Implementation of MLA’s Key Account Management framework supported by a dedicated CRM system will be an ongoing process to embed the framework and achieve full benefits of the CRM system’s capabilities. There is likely to be a need to ensure staff are trained and incentivised to use the platform and undertake regular reporting of their activities.</p> <p>Recommendation:</p> <ol style="list-style-type: none"> 2. MLA should continue to develop its CRM tool to identify and align key stakeholders within the organisation and ensure staff are trained and incentivised to use the platform and undertake regular reporting of Key Account Manager activities. 	<p>4</p> <p>4.5.2</p>
 <p>RD&E and Marketing</p>	<p>There is an ongoing opportunity to leverage advances in MLA’s approach to monitoring and evaluation to inform its future investment in RD&E and Marketing activities.</p> <p>Recommendation:</p> <ol style="list-style-type: none"> 3. MLA should pursue opportunities to continue to improve communication of its evaluation results to internal and external stakeholders, including real-time dashboards and tools to assist in investment planning and decision-making. <p>Delivery of the \$22.5 million NLIS Database Uplift Project scheduled to be completed by June 2026 will be a key measure of success for ISC over the next review period. ISC has commenced communicating and publishing regular updates on the status of the NLIS Uplift Project and should continue to do so throughout the delivery period.</p> <p>Recommendation:</p> <ol style="list-style-type: none"> 4. ISC should continue to provide regular status updates and consult with stakeholders to ensure they remain informed and engaged throughout the delivery of the NLIS Uplift Project. 	<p>5.3</p> <p>5.3.2</p>
 <p>Collaboration</p>	<p>In line with the Red Meat industry MoU, MLA is responsible for managing the co-investment of programs jointly funded by MLA, AMPC and LiveCorp. As the manager of joint-funded programs, MLA should continue to work with AMPC and LiveCorp to ensure appropriate oversight of these programs, including representation on program steering committees and consultative forums such as the Industry Corporate Affairs Taskforce.</p> <p>Recommendation:</p> <ol style="list-style-type: none"> 5. MLA should continue to work with AMPC and LiveCorp to ensure appropriate oversight of jointly funded programs, including representation on joint funded program steering committees and consultative forums. <p>As one of the largest Rural RDC’s MLA plays an important role in driving cross-sectoral collaboration. Other RDC’s pointed to the strength of MLA’s approach to monitoring and evaluation, and as such, there may be opportunity for MLA to collaborate with other RDCs (including smaller organisations) to share its learnings and IP in the interests of achieving improved monitoring and evaluation methods across the agricultural sector.</p> <p>Recommendation:</p> <ol style="list-style-type: none"> 6. MLA should consider, where appropriate, sharing learnings and IP on its monitoring and evaluation approach with other RDCs. 	<p>6</p> <p>6</p>
 <p>Monitoring and Evaluation</p>	<p>As ESG and sustainability reporting continues to increase in prominence focus will need to remain on evaluating the more difficult to quantify environmental and social impacts needed to support both the red meat industry’s overall objectives and MLA’s increasing level of investment in its environmental sustainability program.</p> <p>Recommendation:</p> <ol style="list-style-type: none"> 7. MLA should continue its work to establish data collection, collation and reporting for non-economic (environmental and social) impacts in line with the TBL Evaluation Framework. In particular, priority should be given to establishing an improved methodology for evaluating investment in its CN30 (carbon neutrality by 2030) projects. 	<p>8</p>

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GHD Pty Ltd | ABN 39 008 488 373

Contact: Susan Madden, Technical Director- Natural Resources & Agriculture | GHD

133 Castlereagh Street, Level 15

Sydney, New South Wales 2000, Australia

T +61 2 9239 7100 | F +61 2 9239 7199 | E sydmail@ghd.com | ghd.com

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