



/ Adopt and accelerate

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/ Overview



Auditors: Ernst & Young **Bankers:** Commonwealth Bank

MLA acknowledges the matching funds provided by the Australian Government to support the research and development detailed in this report. Numbers in graphs and tables within the report may be affected by rounding.

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Published September 2023.

This report is printed on Precision Offset Laser, an environmentally responsible paper manufactured under the environmental management system ISO 14001 using Elemental Chlorine Free pulp sourced from sustainable forests.

Cover image:

Salliann Bowen at NAPCO Glenormiston Station – Boulia, Queensland.

/ About MLA

What we do

MLA invests in research and marketing activities for the benefit of the Australian red meat and livestock industry

Research, development and adoption

MLA invested \$196.6 million in a range of research, development and adoption programs during 2022-23.

This included \$101.3 million invested through MLA Donor Company (MDC). This investment includes matching funds from the Australian Government and grants.

In 2022-23, MLA completed or terminated 326 research contracts, worth \$228.1 million. These include 106 MDC contracts, contributing a total value of \$147.6 million.

MLA commenced 212 new research and development contracts totalling \$108.7 million in 2022-23. This included 57 contracts through MDC that were worth \$78.5 million, with milestones across multiple years. This has resulted in 461 current contracts as at 30 June 2023, worth \$550.4 million.

Marketing, market access and insights

During the year MLA invested \$111.4 million in marketing, market access and insights to grow demand for Australian red meat and livestock domestically and abroad. The majority of this investment was ineligible to be matched with funds from the Australian Government.

How we work

As the declared industry research and marketing body under the *Australian Meat and Live-stock Act*, we operate in partnership with the Australian Government and value chain partners. The Australian Government sets high priority research and development objectives covering community, industry and environmental concerns.

Peak industry councils Cattle Australia, Australian Lot Feeders' Association, Sheep Producers Australia and Goat Industry Council Australia assist MLA in consulting with levy payers on industry needs and priorities and provide guidance to ensure MLA strategy reflects these.

MLA also works closely with the Red Meat Advisory Council, the Australian Meat Processor Corporation, the Australian Meat Industry Council, LiveCorp and the Australian Livestock Exporters' Council to develop programs that address key industry issues and opportunities through the supply chain, manage projects and communicate outcomes.

How we're funded

MLA is primarily funded via transaction levies paid on livestock sales by producers and these levies are used to support marketing, research and development activities. However, we also receive funding through:

- funding co-contributions matching levy investment through the Australian Government
- unmatched grants
- other funding streams.

For the full breakdown of MLA's funding sources, visit mla.com.au/how-we-are-funded

How we're governed

Our research, development and marketing activities are guided by a robust corporate planning and reporting framework. Find out more at mla.com.au/how-we-are-governed or turn to page 84 for our corporate governance principles (in comparison to ASX corporate governance principles and recommendations).

Who we are

Our Board

The MLA Board's nine directors combine a broad range of skills, experience and expertise to set strategic priorities for the company, and approve and monitor progress against MLA's *Strategic Plan 2025*.

mla.com.au/board

Our business units

MLA delivers marketing, research and development on behalf of cattle, sheep and goat levy payers through five business units and two subsidiary companies.

mla.com.au/how-we-deliver

Our staff

As at 30 June 2023, MLA had 290 employees, both domestically and internationally.



/ Investments

Measuring the efficiency and effectiveness of MLA's investments




All MLA programs are evaluated on a regular basis using a comprehensive Triple Bottom Line (TBL) evaluation framework. This allows MLA to calculate investment returns in a systematic and timely basis rather than relying on a five-year evaluation cycle, as well as the ability to continuously monitor the timing and value of the economic, social and environmental benefits derived from MLA's investments.

MLA's TBL evaluation includes reporting on the direct benefits to MLA stakeholders (within the red meat industry), as well as the second-round benefits to the Australian community (consumers, non-red meat industry sectors etc) arising from MLA investments.

As part of the framework, MLA has also developed a comprehensive greenhouse gas model for the red meat industry. This allows MLA to model the potential or actual emissions reduction from its environmental investments in carbon or methane-reducing products and track progress towards the industry target of carbon neutrality by 2030 (CN30).

MLA TBL evaluation framework is embedded within MLA's planning, project selection and reporting processes, so as to maximise the impacts from MLA's investment portfolio.

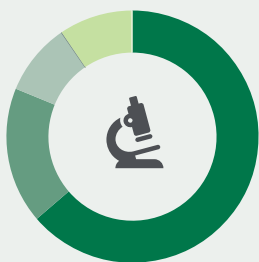
Table 1: Triple Bottom Line framework – how MLA contributes to economic, environmental and social impact through its investments

Our strategic purpose	To foster the long-term prosperity of the Australian red meat and livestock industry		
Our impact pillar	Social		
Industry priority	 Our people	 Our customers, consumers and communities	 Our livestock
Our intention	Thriving regional communities To provide rural and regional communities the skills, capabilities and opportunities to remain strong and economically vibrant.	Healthy people To provide Australians with the information they need to make healthy, informed choices about their diet.	Respect for animals To provide the red meat industry with the tools, technologies and innovations to support the welfare of its animals.
Our objectives	The red meat industry and related communities remain an attractive and innovative sector to live and work.	Australians benefit from reliable and credible nutritional information, supporting them to live a healthy life.	A red meat industry that treats its animals with respect, valuing their health and welfare.

/ R&D priorities

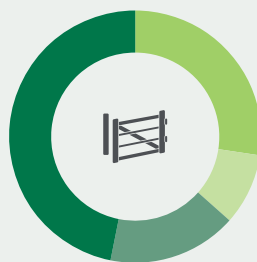
Alignment with government priorities

Science and research priorities



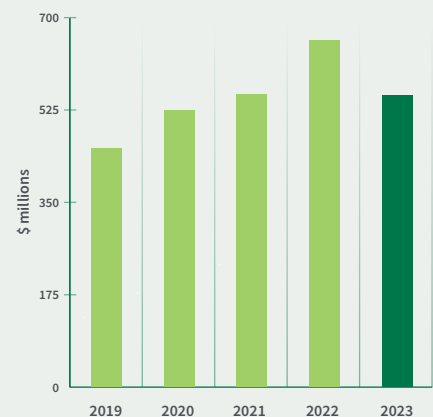
- Food **63.7%**
- Environmental change **17.5%**
- Soil and water **9.3%**
- Transport **0%**
- Cyber security **0%**
- Energy **0%**
- Advanced manufacturing **9.3%**
- Health **0.2%**
- Resources **0%**




Rural research, development and extension priorities



- Advanced technology **27.4%**
- Biosecurity **9.2%**
- Soil, water and managing natural resources **16.6%**
- Adoption of research and development **46.9%**






Value of research contracts at 30 June each financial year








Our investment strategy			Our strategy delivers bigger, bolder and high impact investments that make a difference to our stakeholders and the Australian community		
Environmental			Economic		
 <p>Our environment</p>			 <p>Our market</p>		 <p>Our systems</p>
Climate action	Climate resilience	Productive ecosystems	Industry profitability	Global competitiveness	Enhance trust
To contribute to global mitigation efforts by reducing greenhouse gas emissions across the red meat industry.	To assist the red meat industry to adapt to climate variability and climate change.	To enable the red meat industry to maintain and enhance biodiversity and healthy ecosystems while minimising negative environmental impacts.	To foster the productivity and profitability of the Australian red meat industry.	To support Australian red meat industry to continue to be a global market leader in red meat and livestock products.	To support trust in the Australian red meat industry through improved systems, strong partnerships, information sharing and reducing any unnecessary regulation.
The red meat industry achieves carbon neutrality by 2030.	Producers' livelihoods are safeguarded and community resilience to a changing climate is reinforced.	A red meat industry that remediates and enhances the natural environment.	An industry that drives industry profitability by increasing red meat demand, value adding and supply chain productivity.	Australian red meat and livestock continue to be preferred in the market segments and categories we wish to trade in.	A world class integrity system that supports food safety, quality and demand for our products.

/ Performance

Table 2: Status of MLA's 2022-23 key performance indicators as at 30 June 2023

KPIs in Annual Investment Plan 2021-22		
 83	 9	 19
74.8%	8.1%	17.1%
Strategic focus KPIs in MLA's Strategic Plan 2025		
 15	 5	
75%	25%	

 Achieved
  Partly achieved
  Not achieved
  On track
  Not on track

/ Membership

Membership of MLA is voluntary and free to all levy-paying grassfed cattle, grainfed cattle, sheep, lamb and goat producers. MLA had 50,137 members as at 30 June 2023, an increase of 362 members from 2022. The table below shows the composition of MLA's members.

Table 3: Composition of MLA's members

Members	2018-19	2019-20	2020-21	2021-22	2022-23
Grassfed cattle	41,910	41,774	41,629	42,097	42,409
Grainfed cattle	5,456	5,497	5,482	5,491	5,459
Sheep/prime lamb	18,820	18,710	18,586	18,660	18,642
Sheep only	9,135	8,988	8,865	8,919	8,804
Goats	2,402	2,380	2,364	2,414	2,433
Total members	49,692	49,590	49,302	49,775	50,137

/ 2022-2023 highlights

Highlights from major projects MLA has led, managed or contributed to include:



Annual summer lamb ad achieved its

highest-ever view count on YouTube

The MLA-supported



'FMD Ready' project

delivered new tools to prevent the spread of emergency animal diseases



launched by MLA's
**International
Markets team**

The red meat industry's share of national greenhouse gas (GHG) emissions dropped from

**22% in 2005 –
10.3% in 2020**



Shorter lairage time (<4 hours) was found to

**improve hot standard
carcase weight**



for feedlot
cattle by

up to 7.4kg



MSA beef program
delivered an estimated

\$259 million

in additional farm gate returns



**eNVD Livestock
Consignments
app launched**

by Integrity Systems Company (ISC)

6.7:1 return on investment
 achieved by the **Advanced Livestock Measurement Technologies (ALMTEch) program**



The combined benefit for integrated Lamb LEAP Boning Systems is **>\$7/head**



CN30 Co-Innovation program launched

to support leading supply chains to accelerate carbon management strategies



Disease, defect and carcass data soon to be in one place: **myFeedback**



World-first certified Australian organic **beef collagen** supplements developed and commercialised

Australian Feedbase Monitor



tool used by more than **1,900 producers** to improve their grazing management

1.8 million

social media users reached through Australian Good Meat's influencer campaign



MLA producer adoption programs delivered an annual net benefit of **\$59 million to producers**



/ Board of directors



Alan Beckett

Chair

BEC, FICA, GAICD

Director since November 2014

Mr Beckett runs an Angus breeding and backgrounding operation in Yea, Victoria. He brings 40 years' experience with a major professional services firm, practising in the area of audit and corporate services to large companies with an emphasis on listed public companies along with practical experience in doing business in Oceania, South-East Asia, China, Japan and India. Mr Beckett is Chair of Defence Health Limited, Meat & Livestock Australia Limited, and a non-executive director of MLA Donor Company Limited and Integrity Systems Company Limited. Mr Beckett is also a member of the Remuneration, People & Culture Committee.

Previous roles

Chairman of ASX listed Basper Limited (formally Berklee Ltd) and Deputy Chairman of the Department of Defence Audit & Risk Committee. He is a former independent member of the Audit & Risk Committee of Reserve Bank of Australia's wholly owned subsidiary, Note Printing Australia Limited and a non-executive director of Westbourne Capital Pty Ltd and Westbourne Credit Management Limited.



Jason Strong

Managing Director

MAICD

Appointed 25 March 2019

Mr Strong has more than 30 years' red meat and livestock experience, knowledge and connections from the farm through to the end consumer in both domestic and international markets. He is a well-recognised and respected senior executive with extensive skills in commercial and industry business management and administration, supply chain development, meat science and grading, genetics and marketing as well as on-farm experience. Mr Strong is Managing Director of Meat & Livestock Australia Ltd and Chair of MLA Donor Company Limited. Mr Strong is also a director of AUS-MEAT Limited and Red Meat Traceability Systems Pty Ltd.

Previous roles

CEO, Smithfield Cattle Company, Managing Director AA Co, MLA's regional manager in Europe and Russia, Pfizer (now Zoetis), past Chair of the Australian Beef Industry Foundation. Manager and coach of the Australian Inter Collegiate Meat Judging Team and councillor and NSW Chairman and National Vice President of Cattlemen's Union of Australia.



Andrew Michael

GAICD

Director since November 2017

Mr Michael is a fourth-generation farmer, working his 1,500ha family farm at Snowtown, South Australia, as well as grazing land in the state's north-east and south-east. Over the last 45 years he has built and operated a large scale sheepmeat and wool business. He has extensive experience in breeding technologies in both the sheep and cattle industries, and has, for over 35 years, incorporated the latest leading-edge breeding technologies available. Using these technologies and working with industry groups has assisted him to develop a highly productive business, breeding top performing sheep for quality red meat production, along with high value skins and wools on animals that do not require mulesing. Mr Michael is a director of Meat & Livestock Australia Limited, Integrity Systems Company Limited and a member of the Remuneration, People & Culture Committee and the Research & Development Investment Committee.

Previous roles

Mr Michael was a member of the Royal Adelaide Show Pastoral Committee serving 22 years, two as President. He was a board member of the Lumeah Trust, a member with SA Sheep Disease Management Committee focusing on OJD and Spider Syndrome, and an Australian White Suffolk Foundation Committee Member. Mr Michael is also Honorary Life Member and Distinguished Service Award member of the Australian White Suffolk Association.



Russell Lethbridge

Dip Rural Bus Mgt, Cert AH & FarmEng (Hons), GAICD

Director since November 2017

Mr Lethbridge, with his family, runs Werrington Cattle Company, a commercial beef cattle, breeding, growing and fattening enterprise. Werrington has been in the Lethbridge family for 124 years. The business runs over 13,000 head of cattle and comprises a breeding program on 120,000ha, approximately 250km west of Townsville and 200km north of Hughenden in north Queensland. The business also consists of Rainmore Station, a 27,000ha property near Alpha in central Queensland. Mr Lethbridge has a deep understanding of cattle production systems, managing breeder and feeder cattle under extreme environmental conditions and pasture nutrition levels, utilising genetic selection and strategic herd management to achieve production and business success. Mr Lethbridge is a director of Meat & Livestock Australia Limited, Integrity Systems Company Limited and a member of the Audit, Finance & Risk Committee.

Previous roles

Mr Lethbridge was an elected representative of AgForce for seven years, beginning as Regional Vice President for the north region, then as Regional President and Board Member and member of AgForce Finance Audit and Risk and Agribusiness Finance Drought and Climate Policy Committees. He was a member of the steering committee for the Northern Gulf Resource Management Group to develop and promote a business improvement package for north Australian cattlemen.



Manny Noakes

BSc, Dip Nut & Diet, PhD, GAICD
Director since November 2018

Professor Noakes is a research scientist in nutrition and health with over 30 years of R&D and nutrition communication experience. She has extensive knowledge in nutrition and health including the food regulatory system and functional food substantiation, and an in depth knowledge of the role of red meat in human nutrition. She has also published research on diet and sustainability and challenged the environmental agenda from a food and health perspective. Professor Noakes was instrumental in the development of the CSIRO Total Wellbeing Diet which positions red meat as part of a healthy diet for weight control. The CSIRO Total Wellbeing Diet has sold over 1 million copies and has been further commercialised to a successful online program. Professor Noakes currently runs her own nutrition consultancy, is an Adjunct Research Professor with the University of South Australia and a Fellow of the Nutrition Society of Australia. Professor Noakes is a director of Meat & Livestock Australia Limited and Chair of the Research Development & Investment Committee.

Previous roles

Professor Noakes was formerly a Senior Principal Research Scientist and Director for the Nutrition and Health Program at CSIRO. She was also a member of the National Committee for Nutrition for the Australian Academy of Sciences as well as on its Expert Working Group Special Project: Nourishing Australia: A decadal plan for nutrition science.



John Lloyd

BSc, MBA
Director since November 2019

Mr Lloyd, with his family runs a small agricultural enterprise at Borenore, near Orange, NSW. He has a deep understanding of red meat industry dynamics, knowledge and connections across the agri-food ecosystem including the RDC sector, government and research providers. Mr Lloyd has led and created new funding models that have catered for longer-term strategic issues such as export markets, biosecurity, health and nutrition, pollination, major pests, intensive farming systems and urban greening as well as accessing broader and non-traditional sources of investment. Mr Lloyd has also completed the Company Directors course with the Australian Institute of Company Directors. He is the former CEO of Horticulture Innovation Australia/HAL, leading both organisations over a nine-year period of significant growth, change and transition. Mr Lloyd is a Council Member of Charles Sturt University, a director of Menari Business Solutions Pty Ltd, Wine Australia and Meat & Livestock Australia. Mr Lloyd is also Chair of the Audit, Finance & Risk Committee and a member of the Research & Development Investment Committee.

Previous roles

Mr Lloyd has broad experience across the Australian agribusiness sector with previous roles in senior leadership positions including Managing Director of Case IH/ New Holland ANZ; General Manager of Commercial Incitec Pivot; and General Manager of Merchandise Wesfarmers Dalgety.



Jacqueline Wilson-Smith

BCom, GAICD
Director since November 2021

Mrs Wilson-Smith is a Director for Food Agility CRC, Director of Travellers Choice, Chair of the Agrifutures Ginger Advisory Panel & a member of the Food & Beverage Accelerator (FaBA) Industry Steering Committee. Mrs Wilson-Smith is Founder of the Sustainable Innovation Co. and Co-Founder of the Food and Agribusiness Network (FAN) & former Chair. In 2017, Mrs Wilson-Smith was the Queensland recipient of the AgriFutures Rural Woman's Award. Mrs Wilson-Smith is also director of Meat & Livestock Australia and chair of the Remuneration, People & Culture Committee. Mrs Wilson-Smith brings to the table a commercial lens, especially in marketing, innovation and understanding customers and stakeholders needs.

Previous roles

Since 1994, Mrs Wilson-Smith has held various corporate & international roles with McCormick, Gourmet Garden, Mondelez, Accolade Wines, Constellation & EY.



Tess Herbert

B. A, Grad Dip Ed, M. Litt, Grad. Cert. Rural Leadership, Masters in Agribusiness, GAICD, ARLF

Director since November 2022

Mrs Herbert owns and manages a sixth-generation family farming businesses in the central west of New South Wales. The operations consist of a cattle feedlot, lamb and wool production and crops, silage, and hay production. She spends most of her time in her office at the feedlot in its daily operations managing compliance, finances, and human resources for the family business. Mrs Herbert has a particular long-standing interest in red meat sustainability initiatives and the integrity systems that underpin Australian red meat production. Mrs Herbert is a director of Meat & Livestock Australia, Integrity Systems Company and a member of the Audit, Finance and Risk Committee.

Previous roles

Mrs Herbert was previously the President of the Australian Lot Feeders Association, a director of the Red Meat Advisory Council, (RMAC) and chaired the Australian Beef Sustainability Framework Steering Group. She was also a board member for Central Tablelands Local Land Services and chaired the Red Meat Panel.

/ Board of directors *continued*



Jack Holden

B Env Mgt, M Public
Policy & Management, MAICD

Director since November 2022

Mr Holden is a sustainability practitioner with over twenty-five years' experience in agriculture and forests. He has worked in government, consulting and industry roles and is currently the General Manager - Sustainability for Global Markets in Fonterra Group. Since joining Fonterra in 2011, he has worked with farmers on a full range of farm sustainability issues, most notably on innovations to provide sustainable solutions for livestock farming. He is also Deputy Chair of the Australian Dairy Sustainability Framework, and a member of the Victorian Agriculture and Climate Change Council. Mr Holden is a Director of Meat & Livestock Australia and a member of the Research & Development Investment Committee.

Previous roles

Mr Holden was previously a sustainable agriculture extension officer in Western Victoria and was the inaugural Coordinator of the Southern Otway Landcare Network. He became a climate policy analyst in the Greenhouse Policy unit of Victorian Government and then joined KPMG's Climate Change and Sustainability advisory practice prior to joining Fonterra. He also served as President of the Sustainable Agriculture Initiative (SAI) Australia for 5 years until 2022.



Erin Gorter*

BA (education), GAICD

Director from November 2015–2022

Ms Gorter is a rural and regional industry consultant with many years of experience as a WA livestock producer. Ms Gorter comes from a farming background and was a landholder and involved in running a mixed farming operation in Kojonup, WA, producing prime lamb, wool and grains, conducting sheep trading and a small amount of agroforestry for nearly 30 years. Ms Gorter runs her own business in providing industry project and management advice in rural areas and support of university students entering the agricultural workforce. She was awarded the WA RIRDC Rural Women's Award Runner Up in 2010 and is a director of AgVivo, the Grower Group Alliance and Australian Grain Technologies. Ms Gorter has advisory roles with the Council of Australian Arab Relations and the Centre for Agricultural Economic Development. Ms Gorter is a director of Meat & Livestock Australia Limited, Chair of the Remuneration, People and Culture Committee and a member of the Research & Development Investment Committee.

Previous roles

Producer representative on the Board of the WA Meat Industry Authority, Non-Executive Director on Primary Industries Education Foundations Australia and managed all aspects of two WA-based grower production groups.

*Ms Gorter retired from her directorship in November 2022.



Robert Fitzpatrick*

BEC, LLB, MBA, GAICD

Director from November 2015–2022

Mr Fitzpatrick is an industry and technology expert with more than 30 years' experience in senior executive roles across the spectrum of large corporates, government agencies, and small and medium enterprises and start-ups. He has a detailed understanding of industry representative bodies, research and higher education, retail, fast-moving consumer goods, telecommunications, renewable energy and information and communications technology sectors. Mr Fitzpatrick has a passion for improving the integrity and efficiency of Australia's agricultural sector, applying new analytics to improve on farm productivity, de-bottleneck supply chains and reduce the cost of moving product from farmgate to global markets. Mr Fitzpatrick is director of the Australian Academic and Research Network, NPS MedicineWise, Laava, Farmbot and Meat & Livestock Australia Limited (MLA) and Chair of MLA's Audit, Finance & Risk Committee.

Previous roles

Previous board and senior executive roles include McKinsey & Company, Optus, ShopFast, Monitoring Division Inc and wishlist.com.au, councillor of Charles Sturt University, senior executive of Data61 (formerly NICTA) and CEO of Australian Information Industry Association (AIIA), Gelion UK and Gelion Technologies.

*Mr Fitzpatrick retired from his directorship in November 2022.



Joanne Taylor-Craig

Company secretary

Appointed March 2020

Ms Taylor-Craig joined MLA in 2012 and was appointed as Company Secretary in 2020. She is responsible for all governance matters, ensuring compliance with all corporate and ethical standards and monitoring that board policy and procedures are followed.

Previous roles

PricewaterhouseCoopers (PwC).

/ Leadership team



Andrew Ferguson

Chief Operating Officer

BA, CA

54 employees

Mr Ferguson joined MLA as Chief Financial Officer in 2016 and was recently appointed as Chief Operating Officer. He is responsible for MLA's financial integrity, including reporting, information systems and compliance, as well as the legal, human resources and risk functions. He is a Chartered Accountant with over 25 years of experience in both the UK and Australia.



Nathan Low

General Manager – Marketing and Insights

MCom

44 employees

Mr Low joined MLA in July 2020 and leads the Marketing and Insights team which includes brand marketing, business development, nutrition, consumer insights, industry insights and the National Livestock Reporting Service. Nathan brings extensive global and domestic marketing, brand and consumer insight experience in large fast-moving consumer goods, retail, e-commerce, agribusiness and manufacturing organisations. Nathan has held senior management and leadership roles in organisations such as Unilever, SunRice, Ladbrokes and Pact Group.



Dr Jane Weatherley

Chief Executive Officer, Integrity Systems Company

PhD (Farming sys), GAICD

46 employees

Dr Weatherley took on the role of Chief Executive Officer of Integrity Systems Company (ISC) in 2016. Before this role, she was General Manager – Livestock Productivity, managing Meat Standards Australia, livestock genetics and sheep productivity RD&E. Prior to MLA, Dr Weatherley held positions spanning red meat extension, farming systems research and development and evaluation.



Andrew Cox

General Manager – International Markets

BEC

47 employees

Mr Cox joined MLA in 2006 after eight years managing insights projects for clients such as Unilever, Campbell-Arnotts, Kelloggs and Ferrero. Upon joining MLA, he took on a number of roles within the domestic marketing team. Mr Cox moved to Tokyo in 2014 to manage MLA's operations in Japan and Korea before taking on the General Manager – International Markets role in January 2020. As well as extensive markets experience, Mr Cox also brings an agricultural background to his position at MLA.



Michael Crowley*

Research, Development and Adoption

B. Rural Science, Grad Cert Business Administration, GAICD

67 employees

Mr Crowley joined MLA in 2009 as the manager of Meat Standards Australia (MSA). In 2012 he moved to Brussels as MLA's International Business Manager for EU and Russia. He returned in 2015 to manage Meat Standards Australia, then joined MLA's Leadership Team in 2016. Prior to joining MLA, Mr Crowley held commercial positions within red meat processing, production, procurement, marketing and sales.

*Mr Crowley left the organisation at the end of January 2023. Mr Kevin Argyle commenced as General Manager - Research & Development on 10 July 2023.



Lucy Broad*

General Manager – Communications

BAGSc, GAIC

27 employees

Ms Broad joined MLA in June 2020 and led MLA's Communications team. She brought a wealth of experience in strategic communications, extension and behaviour change across Australia's agricultural industries to the organisation. Ms Broad has held many senior management and leadership roles over her career, including heading up the ABC's national rural department, Managing Director of Cox Inall Communications, and General Manager Communication and Extension with the Grains Research and Development Corporation.

*Ms Broad left the organisation on 30 June 2023. Dr Jane Weatherley commenced as General Manager - Communications & Adoption on 21 August 2023.

/ Chair's report



Alan Beckett

Chair

Operating environment

The favourable position of Australia's red meat industry continues despite a number of significant challenges over the past year, which will continue to develop as we look ahead.

Lamb, sheep and cattle carcase weights were at historically high levels in 2022 due to the seasonal conditions, as well as high prices and a greater proportion of grainfed animals being turned off. Carcase weights were also bolstered by improvements in genetics and management practices however, as conditions have normalised, carcase weights have eased.

The national flock grew 3.6% in the 2022–23 financial year to reach 78.8 million head, its highest level since 2007. In a similar fashion, the national herd grew 4% to 28.7m head – fuelled by good growing conditions in Queensland and the Northern Territory. The scale and size of this national rebuild has resulted in a significant increase in slaughter-ready animals – both cattle and sheep – during the first half of 2023. This large supply increase has put significant downward forces on the livestock prices that producers are receiving.

This increase in supply is also putting pressure on the supply chain with many

processors working close to their current capacity, with access to labour limiting how many animals they can process. Labour shortages remain an area of concern across the entire supply chain. Resuming international travel post-COVID, new immigration schemes and immigration plans for skilled labour will ideally see labour issues ease in the next 12–18 months, and into the future.

Australian red meat processing costs are consistently higher than all our major competitors' and energy prices continue to escalate. Inflation jumped on the back of supply and demand mismatches, and will continue to drive upward pressure on costs, impacting profit margins.

Further along the supply chain, the economic performance of China and the USA has impacted demand and their price sensitivity. As we head into the 2024 financial year, the supply of goats, sheep, lambs, and cattle are all showing signs of increasing as the national rebuild stabilises. This will translate into record volumes of Australian goat and lamb meat being slaughtered.

On a global perspective, the USA continues to liquidate its herd due to drought conditions. When the USA emerges from the drought and begins its herd rebuild it will need to reduce its production. Australia is well positioned to take advantage of this global protein demand and falling USA production.

Financial returns were positive and the national herd and flock increased

In the 2022–23 financial year, sheep and lamb producers generated receipts of \$4.8 billion and remained the most profitable sheep farmers in the world, according to a global benchmarking study. A survey of nearly 2,000 sheep producers in May 2023 indicated that producers were confident about the future of the industry and that industry sentiment remained positive.

In the 2022 calendar year Australia produced a record amount of lamb meat – 537,013 tonnes. As we move through 2023, the record volume of lamb meat produced in 2022 is set to be surpassed this year – ensuring a strong outlook for global lamb sales.

Like the sheep flock, the national cattle herd also increased in 2022–23 financial year. In the 2022 calendar year, producers retained cattle to rebuild their herds in a manner not observed in many decades. The retention of stock led to the lowest national adult cattle slaughter in 38 years. In the first half 2023, cattle slaughter increased 16% as those breeding cattle used during the rebuild hit the market. In the 2022–23 financial year cattle producers received \$14.2b in proceeds for the sale of slaughter animals which was 1.4% below the previous year.

Cattle and beef supply increased, and prices remained above 5 and 10 year averages

The Eastern Young Cattle Indicator (EYCI) average 813¢/kg carcase weight in the 2022–23 financial year. This was 29% and 7% above the ten-year and five-year averages respectively and demonstrates that prices remained relatively high for most of the year, but have eased in 2023 as supply increased.

Paddocks are full of cattle and calves, ensuring a strong supply of animals will continue into 2024. This increase in turn-off has translated to increased beef production. In 2022–23, Australia produced over two million tonnes of beef. This increase in production and subsequent exports reinforced to global customers that Australia is a reliable and constant source of high-quality protein. Prolonged drought conditions and the subsequent expected period of herd rebuilding will provide further opportunities for Australian beef in export markets.

Sheep flock is at its highest since 2007 with record lamb production and the flock rebuild maturing

In the 2022–23 financial year the national flock reached 78.8 million head, the highest it has been in 15 years. This has been driven by favourable seasons in southern Australia over the past three years and an improvement in marking rates.

The floods in NSW and Victoria in the 2022 spring impacted production and slaughter. The floods also effected pasture growth during a key period in the lamb cycle, which meant many lambs were delivered to the market later than usual.

Despite the disruption to supply chains caused by the flooding, a record 557,274 tonnes of Australian lamb meat was produced in the 2022-23 financial year.

This record did impact the annual trade lamb price. The national trade lamb averaged 728¢/kg carcass weight – this was 8% above the 10-year average, but 8% below the 5-year average. The 5-year average reflects the high prices in 2020 and 2021.

The record lamb production has also translated into higher domestic consumption. In the 2022-23 financial year, consumption of lamb meat in Australia was 193,151 tonnes, a 7% increase on the previous financial year. This level of aggregated domestic consumption is the highest it has been since 2018.

Goatmeat supply high and slaughter reaching record levels

According to the Australian Bureau of Statistics Agricultural Census, there has been an increase in managed goats in Australia of more than 80% in the five years between 2016 and 2021. This increase in managed goat operations and the good seasonal conditions over the past three years have contributed to goat slaughter reaching its highest level in six years.

Once again, this increase in supply has resulted in softer livestock prices. Goats have been significantly impacted given goat meat competes with mutton in many markets – and mutton production is also increasing.

Encouragingly, processing in NSW has increased substantially with the opening of the Bourke abattoir. It has ensured there is national goat processing capacity, as goat supply simultaneously increases.

From an export perspective, there has been significant growth in goat meat exports to China in 2023, providing strong demand at a time of high supply. The USA, China and South Korea remain the key destinations for Australian goat meat exports.

Seasonal conditions have certainly normalised across much of Australia after three years of above-average conditions due to La Niña weather events. Moving forward, there is likely to be continued pressure on production and supply chain efficiency given the on-going issues with climate variability, high inflation and costs of production.

Board Business

At MLA’s 2022 AGM, members voted on the election of three directors to the skills-based board, returning director John Lloyd as well as two first-time directors, Tess Herbert and Jack Holden. Both Tess and Jack have provided extremely valuable input into the Board meetings throughout their first year, and I commend the MLA Selection Committee on their robust process.

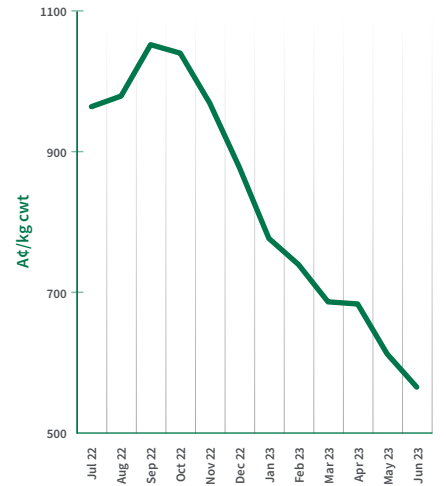
The past year also saw the Board able to go on site visits to engage directly with producers, meet with some of our key R&D partners, and undertake a biosecurity tour to see firsthand how biosecurity threats are handled at our borders. These experiences are all highly valued by the Board and serve to further inform discussion and decision-making.

I would also like to thank my fellow directors and all MLA staff for their dedication to and hard work for our industry over the past year.

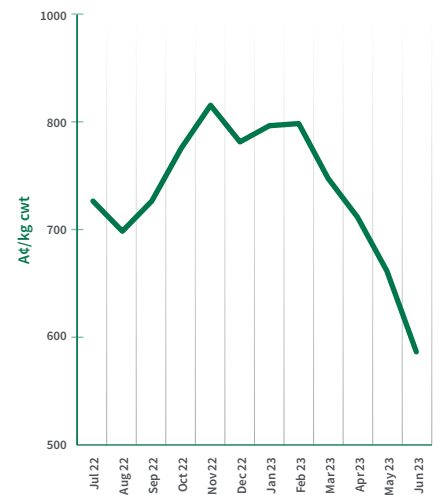
MLA continues to work on marketing, research and development outcomes that foster the long-term prosperity of the Australian red meat and livestock industry and support industry to be as resilient as possible in the face of the on-going challenges. These priorities and investments are the hallmark of industry’s strategy – to contribute to producer profitability, sustainability and global competitiveness.

“The scale and size of the national rebuild has resulted in a significant increase in slaughter-ready animals – both cattle and sheep – during the first half of 2023.

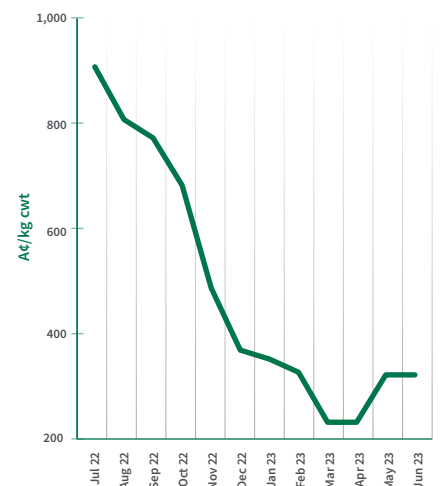
Eastern Young Cattle Indicator



National Heavy Lamb Indicator



Goat Over-The-Hooks Indicator



/ Managing director's report



Jason Strong

Managing director

/ “Boosting efficiency in the red meat industry fits hand in glove with meeting our environmental responsibilities, making it a sensible path to follow – and one that will only lead to increased benefits for our people, livestock and planet.”

Increased adoption will accelerate industry towards our goals

It is my pleasure to present the *Annual Report 2022–23*.

The last year has seen significant change for our industry following three years of herd and flock rebuild on the back of strong seasonal and market conditions.

Through much of 2023, drier conditions have seen re-stocker demand ease and an increased supply of livestock on the market, putting downward pressure on prices as a result.

MLA acknowledges the challenging conditions being experienced by many producers and we continue to focus our efforts on investments and activities that drive meaningful outcomes for the industry.

Over the past 12 months the red meat and livestock industry has built further momentum towards our carbon neutral by 2030 (CN30) target, with solid investments in research, development and adoption (RD&A). I am delighted to share some of the initiatives and major project highlights from the past year, and particularly showcase how they deliver both for the environment and in terms of productivity.

Boosting efficiency in the red meat industry fits hand in glove with meeting our environmental responsibilities, making it a sensible path to follow – and one that will only lead to increased benefits for our people, livestock and planet. We should be proud of the regard in which we are held by our fellow Australians – with three in five Australians currently feeling good about the beef and lamb industry.

As we complete the third year of our five-year *Strategic Plan 2025*, we remain committed to working on ‘fewer, bigger, bolder’ initiatives which will continue to drive us towards the ambitious goals set out in *Red Meat 2030*, namely, to double the value of red meat sales by 2030.

The theme for this year’s report is ‘Adopt and accelerate’ and it holds significant sway when we assess which projects to fund. The effectiveness of this approach is clearly demonstrated when we look

at the impact our investments have had – an impressive \$59 million in annual net benefits have been delivered to producers participating in MLA adoption activities over the past financial year.

A total of 13,757 producers participated in learning and training activities to grow their businesses. Producers’ commitment to the continual pursuit of excellence is a credit to our industry and has had a positive flow-on effect to 9.4 million sheep, 8.89 million cattle, 536,179 goats and 157.6 million hectares of grazing land.

On the international front, an exciting and long-awaited trading milestone was achieved at midnight on 31 May 2023 with the enactment of the Australia-United Kingdom Free Trade Agreement (A-UKFTA) – a landmark agreement that will streamline trade and reduce supply chain costs for our industry.

Sustainability initiatives

Sustainability remains a central focus and the figures we are achieving exemplify that. The red meat industry’s share of national greenhouse gas (GHG) emissions dropped from 22% in 2005 to 10.3% in 2020. MLA aims to support industry to reduce net greenhouse gas emissions by a further 5% by 2025 with an associated 20% improvement in livestock productivity.

As an industry we face the dual challenge of producing nutritious food to feed the world as well as the responsibility to protect our land and biodiversity. We hold ourselves accountable by measuring and reporting our net forest and woodland gain and loss annually and provide transparency through our annual reporting via the Australian Beef Sustainability Framework.

Producers now have access to our new Carbon Calculator, a digitised version of the SB-GAF and G-GAF calculators, which allows them to complete a carbon account for their sheep, beef and/or grain enterprise, with further updates in the pipeline. Calculating baseline

carbon emissions and sequestered carbon is an essential first step for producers considering opportunities arising from low or zero carbon red meat, such as carbon-neutral branded products, or who simply want to improve their productivity and profitability.

MLA aims to bridge the gap and up-skill producers as they progress along their carbon journeys. Two new carbon management modules have been released on MLA's free online learning platform, The Toolbox. 'Measure your own emissions' and 'Carbon sense' build on the success of 'Carbon 101' and provide guidance on the carbon accounting process and steps producers can take to reduce emissions.

On the international stage, our groundbreaking work is getting noticed, with MLA invited to support the Australian Government, National Farmers Federation (NFF) and Australian Forest Products Association (AUSFPA) to profile Australian agriculture's commitment and progress in climate mitigation at the 2022 Conference of the Parties of the UNFCCC summit in Egypt late last year. Our industry is being increasingly recognised as the global gold standard for proactively improving productivity while reducing environmental impact.

Back home, the CN30 program received the top gong for the ESG Enabler special award in the agriculture category within the Australian Financial Review Sustainability Leaders awards.

Ag-tech tools and resources

As producers find themselves in an increasingly digitised environment, MLA aims to ease the transition. By highlighting the productivity and efficiency benefits of the available technology we hope to drive uptake. However, we are aware of the need to provide a framework by ensuring that new technology is user-friendly, provides a good return on investment, and integrates seamlessly into producers' 'business as usual' operations.

Two new tools for northern beef producers to drive fertility in their herds have been released this financial year: MLA-funded Genomic Breeding Values (GBVs) and herd profiling. These tools allow producers to identify high performing replacement females for greater transparency in management decisions to fast-track productivity gains.

Those who were able to attend the MLA Updates in Toowoomba last year would have seen the launch of a new electronic National Vendor Declaration (eNVD) app by Integrity Systems Company (ISC). This game-changing piece of technology will make life easier by removing the need for paper-based forms and overcoming the need for mobile connectivity. Visit the ISC website to access how-to resources to make the transition from paper a smooth one.

The Australian Feedbase Monitor was also launched at the MLA Updates and is a world-first pasture status satellite tool which takes the guesswork out of grazing management. Producers now have access to more precise pasture assessment data to make earlier and more informed grazing decisions to avoid forced stock reductions or unplanned supplementary feeding programs. MLA members can sign up for free at mymla.com.au.

In addition, our new Aussie Meat Trade Hub offers a one-stop-shop for resources on buying, selling and marketing Australian red meat across global markets. Standout features include an exporters database, a simplified brand and licensing application process, a self-managed trade show workflow function for exhibitors and access to self-service global insights to market data.

Keeping one step ahead of incursions

Australia continues to be officially recognised as a country free from foot-and-mouth disease (FMD) and lumpy skin disease (LSD). Keeping on top of

the threat is a priority and our support of the 'FMD Ready' project has enabled the delivery of its final report, new tools including advanced disease spread and economic modelling as well as improved virus strain characterisation. Read more about the project outputs in the Animal wellbeing highlights section on page 16.

We are committed to helping build the capacity of Indonesia's beef industry to deal with ongoing outbreaks of FMD and LSD and have partnered with the Australian Government to provide biosecurity support. The 18-month, \$1.95 million project involves delivering comprehensive biosecurity consultancy to major feedlot and abattoir facilities to reduce the risk of disease incursions and to minimise welfare and financial impacts.

We are assisting our Indonesian counterparts to develop cost-effective biosecurity management plans and have rolled out our FMD vaccination support project which provided \$543,000 towards FMD vaccines for Australian cattle arriving in Indonesian feedlots. Enabling the continuation of our valued trading relationship with Indonesia and offering support when required remains a top priority.

MLA has been a key player in developing a strategy to protect Australia against LSD with the *National Lumpy Skin Disease Action Plan* launched in late 2022 to improve disease surveillance and keep the focus on the disease in our region.

In this vein, we recently funded a project to test mRNA vaccines that could be rapidly mass produced in Australia in the event of a lumpy skin disease (LSD) or other exotic disease outbreak. The vaccine is currently being tested for efficacy in animals and by year-end we will be able to determine if it is effective in ruminants.

For a full overview of our *Strategic Plan* KPIs and to track MLA's progress, please turn to page 74.

/ 2022-23 summary statistics

/ Revenue



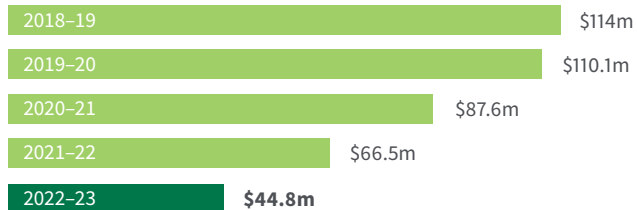
▼ 0.1% to \$287.9 million

/ Expenditure



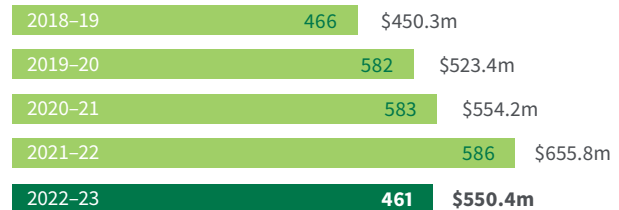
▼ 0.9% to \$308 million

/ Retained earnings



▼ 32.6% to \$44.8 million

/ Research contracts



▼ 21.3% to 461 contracts

/ MLA employees



▼ 1% to 290 employees

/ MLA members



▲ 0.7% to 50,137 members

/ Key performance indicators



▼ 1% to 75% achieved

/ Ellynie Cameron at AACo 'Brunette Downs' - Tablelands, NT

/ Report to stakeholders



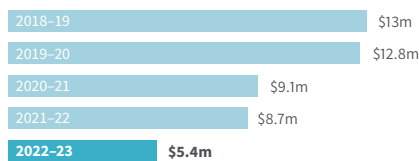
The report to stakeholders reports against the 16 programs as set out in the *Annual Investment Plan 2022-23* and provides transparency around MLA's actual activities and outcomes.

MLA regards the *Annual Investment Plan 2022-23* as the starting point under its *Strategic Plan 2025*, which is aligned to the Australian red meat industry's 10-year strategic plan, *Red Meat 2030*, and the Australian Government's science and research priorities and its rural research, development and extension priorities.

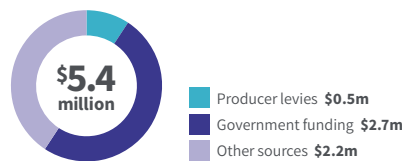
/ Animal wellbeing

MLA's investment in animal wellbeing research, development, extension and adoption (RDEA) aims to safeguard Australia's livestock biosecurity and to ensure proper care of our livestock. Consideration of health and welfare are inextricably linked in defining livestock wellbeing.

Investment over time



2022–23 investment by funding source



Key performance indicators



Red meat industry prepared for foot-and-mouth disease outbreak

The MLA-supported Rural R&D for Profit project, 'FMD Ready: Improved surveillance, preparedness and return to trade for emergency animal disease incursions using foot-and-mouth disease (FMD) as a model', delivered its final report in 2022–23. Tools including advanced disease spread and economic modelling are now available, in addition to improved virus strain characterisation.

The project has:

- contributed scientific input to decision making on which antigens should be included when renewing Australia's FMD vaccine bank (2020–2025)
- improved availability, accuracy and efficiency of diagnostic tests for use in detection of an FMD incursion to ensure accurate diagnosis and surveillance
- improved participation of primary producers in biosecurity and surveillance networks, resulting in increased awareness of how to recognise and report emergency animal diseases and helping build trust in local networks between primary producers and government agencies
- increased interest from government agencies in working with livestock industry networks to improve biosecurity and surveillance outcomes
- developed biosecurity communication tools by producers, for producers
- updated and expanded the Australian Animal Disease Spread Model as a decision support tool and integration with improved economic modelling tools to inform disease control strategies, including vaccination and the use of trading zones to support earlier return to trade
- developed the 'SPREAD' application to incorporate big data into the real-time modelling of disease spread during an emergency animal disease outbreak – this could help determine how viruses spread from farm-to-farm which would

directly benefit affected and neighbouring primary producers, as well as agencies responding to the outbreak.

Project partners included CSIRO, Charles Sturt University, the Bureau of Meteorology and the Australian Department of Agriculture Fisheries and Forestry, with support from Animal Health Australia.

New manual to help producers prepare for and recover from bushfires

Bushfire is a major risk to rural livestock production, productivity and wellbeing and its intensity, frequency and size is likely to increase over time. In 2022–23, MLA funded the development of a new bushfire manual, *Bushfire preparation and recovery: A manual for livestock producers* – a practical resource providing concrete steps to help producers protect their livestock, farms and personal safety.

In response to the devastating Black Summer bushfires of 2019–20, MLA, alongside Ausvet, the University of Sydney and the University of Melbourne, investigated bushfire's impacts on the health and welfare of livestock and provided mitigation strategies for the future.

Compared with producers who are unprepared, those who have a farm fire plan and appropriate equipment and training lose fewer livestock or suffer less infrastructure damage and can get back to business sooner after a fire.

Contained within the manual are a guide and template, informed by the NSW Rural Fire Service and MLA-funded research, to create a farm fire plan based on the following steps:

1. Prepare your property (e.g. reduce fuel, create an action plan).
2. Discuss (leave or stay, action checklist as fire arrives, equipment).
3. Know the conditions and bushfire alert levels.
4. Keep up-to-date (fire authority apps and your own observations).
5. Improve infrastructure to aid farm fire resilience.

6. Ensure you have adequate insurance.
7. Be self-sufficient (e.g. generator, food, medicines, communications, batteries).
8. Plan emergency livestock management (e.g. refuge paddock, emergency veterinary assistance).
9. Plan to recover after fire.

Trials indicate effectiveness of Trichomoniasis vaccine

A vaccine to protect cattle against Trichomoniasis infection has been developed and tested by the University of Queensland, with support from MLA. It was shown to be effective in a pilot experiment, with more testing to come.

Trichomoniasis is a venereal disease of cattle recently confirmed to be prevalent in northern Australian beef herds. Given the prevalence in northern production systems, it's estimated that each infected bull reduces the number of cows that wean a calf by 18%, which in turn costs over \$400 per animal.

Although a vaccine was developed by CSIRO researchers in Australia in the 1980s, it was not commercialised because Trichomoniasis was not considered widespread in southern Australia, especially in dairy herds. However, since the adoption of *Tritrichomonas foetus* (*T. foetus*) quantitative PCR methods approximately 12 years ago, an abattoir study demonstrated that one-in-10 bulls culled across abattoirs in northern WA, NT and northern Queensland are *T. foetus* qPCR positive.

This new awareness has made development of a commercial Australian vaccine a research priority. This study aimed to evaluate an Australian sourced *T. foetus* killed vaccine in a pilot trial to demonstrate efficacy and safety of vaccination of beef bulls against Trichomoniasis. Despite an experimental efficacy of 67%, inconsistent results necessitate a larger project to test younger bulls, dosage requirements and adjuvants, which will lead to a new bovine Trichomoniasis vaccine for northern beef industries.

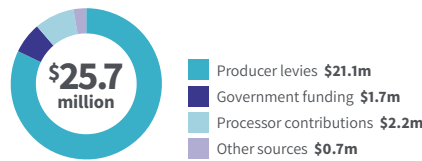
/ Domestic markets

MLA's domestic market program assists MLA to foster the prosperity of the Australian red meat and livestock industry by demonstrating the value of red meat to consumers and customers. This is achieved by generating insights into the drivers of preference and choice amongst both consumers and customers, and then leveraging these insights to promote the relevant benefits of red meat and addressing the barriers that limit consumption, such as value for money (relative to other proteins), cooking confidence, and health perceptions. By addressing these opportunities and barriers, MLA seeks to maintain and enhance the value of domestic red meat sales and slow the historic long-term decline in consumption.

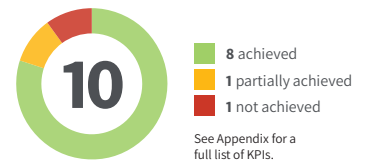
Investment over time



2022-23 investment by funding source



Key performance indicators



Beef the winner at home and on the footy field

The Australian Beef brand's health-focused campaign, 'Beef at your Best', was in full flight for the 2022 and 2023 NRL seasons. The campaign utilised the Brisbane Broncos NRL and NRLW teams to reinforce beef's attributes as a great source of protein and iron. The consistent health and nutrition messaging has seen the consumer perception that beef "makes healthy meals" increase from 46% to 52%.

Australian Beef has also been working hard to help consumers solve the daily meal dilemma of 'what's for dinner' through the 'You're Thinking Beef' campaign. Highlighting the great value, versatility and ease of Australian beef, the campaign has ensured that the protein remains in the meal repertoire of everyday Australians. The perception that beef is 'worth paying more for' increased from 28% to 30% over the year.

Lamb marketing driving fame and more meals on the table

With over 4.8 million views on YouTube, the 2023 summer Australian Lamb ad has proven the most popular one to date and now has the distinction of being the most viewed lamb ad ever.

The highly acclaimed ad imagines an alternate reality where people are banished to an exile land after being dubbed 'un-Australian.' Nothing is off limits, including switching off the test cricket, or Sam Kekovich speaking French, but the day is saved with the arrival of freshly cooked, delicious Australian lamb.

The campaign, supported through retail and foodservice activities such as the opening of the Lamb Paddock, a dedicated lamb outlet at the MCG, and continued through the year with the 'Say More with Lamb' campaign, has driven an increase in the key metric of 'number of serves per week', and maintained the consumer perception of 'worth paying more for'.

Putting the microscope on Australian dietary habits

A campaign from MLA's nutrition program was developed in 2023 to:

- promote consumption of lean red meat in amounts in line with the *Australian Dietary Guidelines*
- consider lean red meat's attributes of nutrition, versatility and enjoyment within the context of healthy, balanced meals
- provide information to Australians in a way that enables them to make informed choices according to their personal values, dietary preferences and specific needs.

The campaign connects data and insights on Australian dietary habits surrounding red meat consumption, and provides information and resources based on those findings.

With a combination of research projects, reports, webinars and podcasts, the campaign helps Australians feel confident enjoying lean red meat in a healthy and sustainable way.

New market indicators and refreshed statistics database

Indicator review

In 2022-23, MLA undertook a review of all our market indicators – the first review in over six years.

As part of the indicator review, the Market Information team completed a desktop analysis looking at the: historical throughput of all the indicators

- usage of the indicators
- specifications of all animals being transacted
- prices received for different categories of animals
- changing market dynamics.

Following the desktop analysis, the team conducted targeted stakeholder interviews alongside a public survey to understand the needs and wants of users.

As a result of the review, MLA released two new indicators, retired five indicators and updated the specifications of eight indicators.

Since the completion of the review, the throughput of some indicators has increased by up to 800% – meaning MLA's indicators are now more robust and accurate than ever before.

Statistics overhaul

The Market Information and NLRs teams also upgraded MLA's statistics platform with the launch of the Statistics Database. The new database:

- makes the site easier to navigate by reducing the number of duplicate reports
- increases reporting accuracy via reduction of transposition errors
- reduces manual data entry, allowing analysts to focus more on added value and data analysis.

The upgraded Statistics Database, which has over 430,000 active visitors each year, also allows users to receive datasets in a visual and interactive manner, and on a 'close to live' basis.

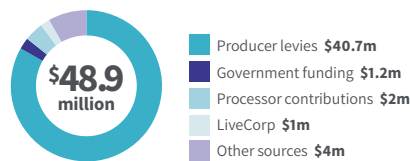
/ International markets

MLA's international markets program fosters prosperity for the Australian red meat and livestock industry by measurably improving economic and technical market access and helping make Australia the preferred choice of customers and consumers globally.

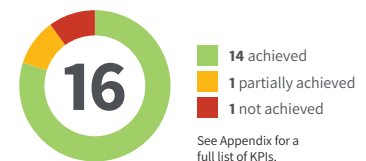
Investment over time



2022–23 investment by funding source



Key performance indicators



Launch of the Aussie Meat Academy

The Aussie Meat Academy launched in July 2022, bringing together MLA's global programs to build international customers' and consumers' knowledge of the Australian red meat industry and inspire them to add our product to their menus. Connecting with food professionals from all sectors of the global food industry, the academy has hosted 178 events since its launch with over 15,000 food professionals attending.

Since launch, the Aussie Meat Academy has planned and executed several key activities:

- seminars
- immersion experiences
- eLearning
- delegations as part of MLA's two international ambassador initiatives, Lambassador and Aussie Beef Mates, in partnership with the Victorian and NSW governments.

Lambassador

While the Lambassador program has been in development since 2015, its recent addition to the Aussie Meat Academy has seen new connections in the UK reached.

In 2023, Lambassador reached more than 295 million people through its activities and was mentioned in over 90 news publications. This generated an advertising value equivalency of \$4.12 million (AUD).

Aussie Beef Mates

The Aussie Beef Mates program made its debut as part of the Aussie Meat Academy initiatives in 2023. The inaugural delegation was hosted in May, with Beef Mates travelling through northern NSW, Sydney and the Hunter Valley.

The Aussie Beef Mates delegation reached over 2.5 million people and received 28 mentions in news publications, delivering an advertising value of \$1 million (AUD).

Global insights at red meat exporters' fingertips

The Aussie Meat Trade Hub – a newly launched online platform where Australian red meat exporters and their customers can explore and download key information and insights about Australian red meat – now has a Global Insights section.

This section of the Hub hosts four unique tools – export statistics dashboard, global market classifications, red meat growth drivers and growth driver assessment tool. These tools were delivered as a result of the MLA Market Insights team interacting with Australian red meat brand owners and understanding their need for a simple, easy to use, and 'always on' solution that supports their business.

The dashboard gives stakeholders instant access to:

- the latest export statistics
- global classifications to visualise our key red meat markets positioning based on 'market attractiveness' and 'our ability to impact'
- growth drivers/assessment tools to enable red meat brand owners explore key opportunity areas by market, and how they may like to dial up their brand offering and communication with consumers.

While still in its early stages, Global Insights has recorded a 450% increase in visitor numbers since its launch (in comparison to the much more restricted SharePoint solution previously offered). There are further enhancements planned for 2023–24 to scale up insight adoption among stakeholders.

Australian red meat promoted at major global trade shows

Throughout the year, MLA joined 53 Australian exporters in promoting Australian beef, sheep and goatmeat across four major global trade shows. With over 1,400 sales leads generated and a 99% satisfaction rating from participants, MLA's appearance at these shows throughout the year proved hugely successful.

The MLA stands at each of the shows – Food Hotel Asia Singapore, Gulfood Dubai, Japan SMTS and SIAL China – saw tens of thousands of visitors across the event period. The highlight was Gulfood, which recorded over 100,000 visitors within its first two days.

Australia-India ECTA entered into force

The Australian-India Economic Cooperation and Trade Agreement (ECTA) entered into force on 29 December 2022.

As a result of this agreement, the previous 30% tariff on Australian sheepmeat was eliminated – thereby improving competitiveness and furthering Australia's preferential access in world markets.

Negotiations are now underway for a more comprehensive agreement with India, with the aim of improving access for additional red meat products.

In combination, these agreements with India will help secure Australia's foothold in the world's fastest growing major economy and enable Australian businesses to unlock or expand their operations in a market of nearly one and a half billion people.



/ Peipei Yang (China) and Richard Tay (Malaysia) of the NSW Aussie Beef Mates delegation, competing in the beef cooking challenge.

Australia-UK FTA opening opportunities

From midnight 31 May 2023, the Australian-United Kingdom Free Trade Agreement (A-UKFTA) came into effect.

The A-UKFTA delivers commercially significant tariff elimination commitments that will create new export opportunities and strengthen trade diversification.

Prior to the FTA coming into effect, the UK market had a highly restrictive ‘low quota, high tariff’ import regime – a legacy of the UK’s previous membership of the European Union.

Now, Australian beef, sheepmeat and goatmeat entering the UK will benefit from improved tariff-free quota volumes, with initial tonnages gradually increasing over a 10-year transition period – beyond which volumes are unlimited.

The following key outcomes were secured:

Beef

- Immediate access to a duty-free quota of 35,000 tonnes, rising in equal instalments to 110,000 tonnes in year 10

- Out-of-quota tariffs will remain at the most favoured nation level until year 10 and will then be eliminated.

Sheepmeat

- Immediate access to a duty-free quota of 25,000 tonnes, rising in equal instalments to 75,000 tonnes in year 10
- Like beef, out-of-quota tariffs will remain at the most favoured nation level until year 10 and then eliminated.

Goatmeat

- While there is no new FTA quota access, goatmeat can enter the UK duty free under Australia’s existing 13,335 tonne WTO quota, while the above quota tariff rates will be eliminated over an eight-year period.

These trade deals will go a long way to helping achieve industry’s goal of doubling the value of Australian red meat sales by 2030. Boosting performance by removing access impediments in existing markets will also help ensure the sustainability and resilience of the Australian red meat industry during this decade and beyond.

Biosecurity support in Indonesia

In response to foot-and-mouth disease (FMD) and lumpy skin disease (LSD) outbreaks in Indonesia, MLA partnered with the Australian Government to provide biosecurity support to the Indonesian beef industry. Starting in July 2022 and running for 18 months, the \$1.95 million project is designed to provide in-depth biosecurity consultancy to major feedlot and abattoir facilities to reduce the risk of disease incursions and to minimise welfare and financial impacts.

Alongside on-site risk assessments and training workshops, Indonesian operators are supported by technical experts to develop cost-effective biosecurity management plans. This capacity building process enables the operators to continue to buy and sell Australian cattle, sustaining their viability and avoiding disruption to the trade. This project was complemented by MLA’s vaccine support project, which provided \$543,000 towards FMD vaccines for naïve Australian cattle arriving in Indonesian feedlots.

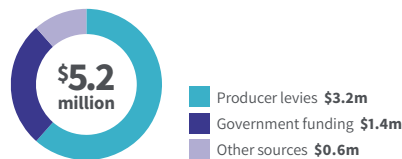
/ Eating quality

MLA's eating quality program, Meat Standards Australia (MSA), is integral to the red meat industry's 2030 goal of doubling the value of Australian red meat sales and ensuring continued trust in Australian red meat. The program also plays an important role in transitioning the red meat industry to value-based marketing. The MSA program delivers significant benefits and value across the whole red meat supply chain through greater farm gate returns, maximising the value extracted from the carcass, and providing consistency and confidence in brands to ensure eating quality for consumers. This builds consumer trust and increases demand for Australian red meat.

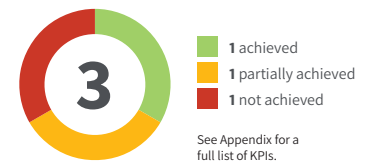
Investment over time



2022–23 investment by funding source



Key performance indicators



MSA program drives strong farm gate returns

Meat Standards Australia (MSA) has once again delivered value to industry, contributing significant additional farm gate returns for producers involved in the globally recognised eating quality program. Farm gate returns in 2022–23 hit \$259 million – an out-of-the-ballpark figure on top of last year's record of \$204 million. This equates to a total of \$1.8 billion farm gate returns since 2011–12.

15 MSA processors and brand owners are employing the Eating Quality-graded cipher to pack beef according to eating quality outcomes as part of their business model.

54% of the national cattle slaughter was MSA graded, ensuring the majority of Australian beef is eating quality graded.

An estimated 68% of the national lamb slaughter was processed through MSA licensed enterprises, optimising eating quality of lamb.

Key factors contributing to the success of the MSA program include:

- The ongoing support and capacity-building of 48 MSA processors and the associated 211 beef/sheepmeat brands through business development activities – delivering value and reliable eating quality to consumers.
- Enhancements to the user-friendly myMSA portal – a feedback tool utilised by 2,870 producers in 2022–23 that enables better decision making and therefore productivity, via carcass feedback, reporting and tools.
- Its commitment to integrity in its systems – thereby meeting consumer expectations through holding itself to account - i.e. 321 audits on MSA licensees were conducted in 2022–23.

MSA Index results

In 2022–23, the national average Index for MSA compliant carcasses was 57.52, an increase of 0.15 from the 2021–22 average of 57.37. The average MSA Index for non-grainfed

cattle was 57.90 – a decrease of 0.3 from the previous year, while for grainfed cattle it was 57.26 – representing an increase of 0.4.

Overall compliance to MSA minimum requirements was 95.1% nationally, slightly down from the record-breaking level of compliance of 95.5% achieved in 2020–21 and 2021–22.

MSA compliance for non-grainfed cattle was 91.1% in 2022–23, slightly down from 91.7% in 2021–22.

MSA compliance for grainfed cattle remained unchanged at 97.9% in 2022–23.

The MSA Index assigns a single number between 30–80 that represents the standard national measure of eating quality of a carcass. Its value to producers goes beyond delivering increased returns to the farm gate. By taking into account the impact on eating quality of management, environmental and genetic differences between cattle at the point of slaughter, a feedback loop is created – allowing producers to augment their management practices to obtain improved carcass results, backed by data.

Producer participation in MSA key to prosperity

MLA continues to prioritise the continued growth of producer participation in the MSA program to ensure the ongoing prosperity of the red meat industry and maximise returns to producers.

An estimated 3.4 million head of cattle were MSA graded in 2022–23, up from 3.25 million cattle graded in 2021–22. This constitutes 54% of national cattle slaughter in Australia.

Non-grainfed cattle made up 41% of MSA graded cattle – up from 38% in 2021–22.

Grainfed cattle represented 59% of MSA-graded cattle – down from 62% in 2021–22.

A total of 11,320 beef producers consigned cattle for MSA grading at MSA licenced processing plants, a significant increase from the 9,921 beef producers who consigned cattle in 2021–22.

Driving international demand

Key drivers to achieving industry's goal to double the value of Australian red meat appear in the 2020–25 MSA strategy. These include:

- increase business development support and activities with processors and brand owners
- expand the awareness of MSA on the international stage
- increase brand owners' confidence to differentiate their product through MSA and other traits of value.

There has been strong progress over the last financial year towards meeting these goals with MSA brand owners continuing to reap the rewards of the MSA program.

MLA has seen an increased demand and engagement with industry stakeholders, particularly importers, wholesalers, and Australian exporters to extract further value from the MSA program. This includes simplified information about MSA to use with their customers and support with market challenges, such as the comparison of MSA with USDA grading.

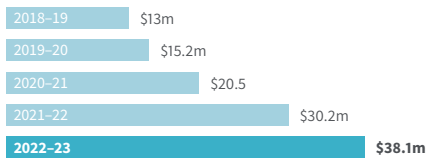
More brand owners have requested workshops and education sessions for staff across their businesses including livestock, operations, sales, marketing, and management. These have been delivered via the MLA International Markets team's information sessions, including participation in a number of Aussie Meat Academy launches and workshops. Over the last financial year, the team has worked with six large supply chains in international markets and delivered 20 online and in-person workshops to over 400 participants.

Through these activities, exporters are becoming more confident to discuss MSA as a point of differentiation with their customers, highlighting the importance of eating quality consistency as a fundamental part of their brands.

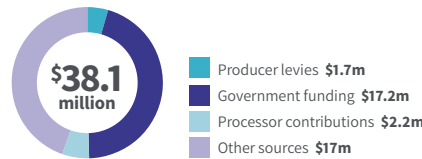
Environmental sustainability

Through the environmental sustainability program, MLA invests in research, development and adoption activities that demonstrate red meat industry leadership in the management of land, water, biodiversity, climate variability and emission reductions.

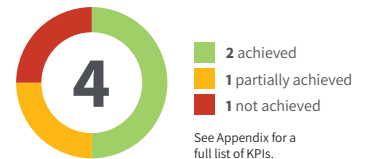
Investment over time



2022-23 investment by funding source



Key performance indicators



Red meat industry continues to make headway in emissions reductions goal

The Australian red meat and livestock industry’s ambitious target to be carbon neutral by 2030 (CN30) has been a key focus of MLA’s research, development and adoption work over the last financial year. Central to its efforts is a commitment to producers to reduce emissions while at the same time, boost their productivity and resilience against an increasingly volatile climate.

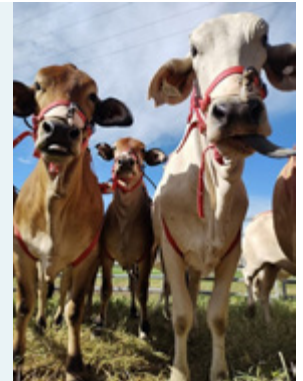
In 2020*, the Australian red meat sector reduced CO₂e emissions by 64.8% since the 2005 baseline. Current emissions total 51.3Mt CO₂-e/year, down from 145.3Mt CO₂-e/year in 2005. This is a reduction in industry’s proportion of national greenhouse gas emissions from 22% in 2005 to 10.3% in 2020.

Building on these achievements, MLA aims to support industry to reduce net greenhouse gas emissions by a further 5% by 2025 with an associated 20% improvement in livestock productivity.

While most net emissions reductions so far have been associated with herd productivity gains and vegetation management, it is foreseen that from 2025 onwards, the adoption of methane-reducing feed additives, along with vegetation and grazing management to enable higher carbon sequestration in soils and vegetation, will further accelerate reductions in industry’s net emissions. The industry is well on the way, with 68.5% of Australian natural resource management regions achieving above healthy ground cover thresholds, protecting soil health and providing ecosystem services.

CN30 research highlights

- Water delivery of methane-reducing additives through direct injection has been trialled in *in-vivo* conditions with successful methane suppression.
- A new project has reported significant potential advantage (cost savings and higher accuracy) in using cattle-mounted devices for in-field methane measurement, compared with alternatives.
- According to 44 producers who manage a mix of enterprises across southern Australia, ‘reduced heat stress in livestock’ is the major benefit of planting trees on-farm.



New carbon tools and resources for producers

In 2022-23, MLA launched a suite of tools and resources to help producers establish their carbon status baseline and understand relevant practices for their businesses, including:

- MLA Carbon Calculator
- Carbon management eLearning modules.

MLA’s Carbon Calculator enables sheep and beef producers to calculate their net emissions on-farm and create a baseline carbon account for their enterprise, providing an advanced alternative to current tools and static excel spreadsheets. By 30 June 2023, almost 1,800 had access to the tool.

Four carbon management eLearning modules were launched in 2022-23 and were designed as self-paced online courses that focus on the key concepts of carbon accounting and the actions producers can take on-farm to support their emissions reduction and carbon sequestration journey. Almost 600 producers have completed the eLearning modules since their release.

Sustainability frameworks tracking red meat industry’s progress

The Australian Beef Sustainability Framework (ABSF) and Sheep Sustainability Framework (SSF) were developed to meet changing market expectations around sustainability and ensure the red meat industry’s ongoing market advantage.

Here are some of the sustainability outcomes reported by the frameworks in 2022-23:

Commitment to beef industry’s sustainability goals

At the launch of ABSF’s 2023 *Annual Update*, the beef industry announced new national sustainability goals. This comes off the back of extensive consultation with industry and external stakeholders.

In addition to the CN30 target, the new goals cover the topics of:

- positive contribution to nature
- an environment where cattle can thrive in line with the five domains of animal welfare

*Emissions are calculated using data from the National Greenhouse Gas Inventory, which has a two-year lag between the time that the data is generated and the time that it becomes publicly available. Generally, the data becomes available in June/July for two years prior.



Upper Murray Angus cattle producers Linda and Gary Nankervis were part of the pilot for the Australian Beef Sustainability Framework inspired *Greenham Beef Sustainability Standard*. Image: Greenham.

Continued from [last page](#)

- a profitable and resilient industry
- an industry trusted and attractive to a diverse workforce.

Greenham Beef Sustainability Standard

The Australian Beef Sustainability Framework has set the blueprint for the Greenham Beef Sustainability Standard and represents the first time a commercial supply chain has applied the framework's four sustainability themes at a farm level to deliver a product to market.

SSF's first consultative committee and industry forums

The Sheep Sustainability Framework held its first external stakeholder-focused consultative committee forum in October 2022 and its first internal stakeholder-focused industry forum in March 2023. Attracting strong attendances to both, the consultative committee forum

focused on the outcomes of key data gathering projects, while the industry forum provided industry with a review of the sheep industry's key sustainability topics as defined by the original materiality assessment.

Global Reporting Initiative alignment

In 2023, the ABSF and SSF began the process of aligning their sustainability priorities and indicators with the Global Reporting Initiative – GRI-13 Sector Standard for Agriculture, Aquaculture and Fishing.

The process has demonstrated overall good alignment between the frameworks' most highly material issues and the GRI topics, with some differences in scope, language, terminology and topics. From 2024, the ABSF and SSF Annual Updates will start reporting with reference to GRI.

Stocktake on animal husbandry practices

Through the ABSF and SSF, MLA and Australian Wool Innovation (AWI) facilitated the most comprehensive survey of animal husbandry practices across the beef, sheepmeat and wool industries. The survey will set new benchmark datasets from which to track trends in animal husbandry practices and performance going forward.

Data collection and reporting

Robust and reliable metrics and data collection is one of the key pillars of the frameworks and crucial to transparently tracking industry's sustainability commitments and performance over time.

In 2023:

- ABSF recorded data for 96% of its indicators
- SSF recorded data for 90% of its indicators.

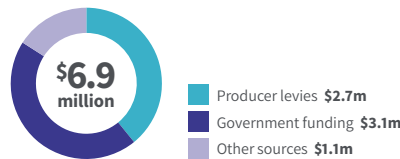
Feedlot

The feedlot program addresses the specific research, development and adoption requirements of the beef feedlot sector. The key undertaking of the program is implementation of initiatives to enable the Australian feedlot industry to be world-leaders in animal health, welfare, sustainability and production practices.

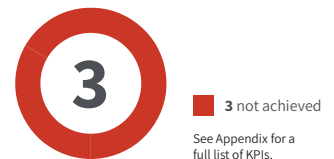
Investment over time



2022-23 investment by funding source



Key performance indicators



Shorter lairage boosts profit, welfare and the environment

In Australia, standard lairage time for slaughter cattle is 15 hours and typically involves an overnight stay. New MLA research into short-duration lairage of between three to four hours has shown positive impacts on hot standard carcass weight (HSCW), dressing percentage, sustainability and welfare, with no negative outcomes to meat quality and food safety parameters found.

Short-duration lairage of four hours or less was found to:

- yield a 7.4kg advantage in HSCW compared to mid-duration lairage
- yield a 6.2kg advantage in HSCW compared to long-duration lairage
- deliver significant economic benefits, estimated at \$35/head using five-year average historical prices
- improve animal welfare by reductions in stress and dehydration
- deliver environmental and sustainability benefits via reduced emissions intensity per carcass (estimated as a 1.2% reduction in emission intensity equal to 0.34kg CO₂-e per kg carcass weight).

MLA and Bovine Dynamics engaged Beattie Consulting Services and Richmond Hill Agribusiness to conduct an impact assessment of the research results. They consulted 27 stakeholders regarding current usage of short-duration lairage, requirements for its effective use, and potential and actual challenges associated with adoption of the practice. This project demonstrated that reduced lairage duration provided a significant benefit in profitability across the supply chain, as well as improved animal welfare and sustainability outcomes.

While shorter lairage times have been assessed as a viable option for large-scale commercial feedlots and abattoirs, a range of factors need to be addressed before widespread adoption can occur. Identifying and offering solutions to these challenges will open up opportunities for greater productivity across the supply chain.

This research was presented at the 2022 BeefEx conference, which hosted over 500 delegates and red meat industry stakeholders. It was also disseminated via an article in the Autumn 2023 edition of MLA's *Feedback* magazine.

Waterproof shelter positively impacts welfare and carcass weights

Partial coverage of open feedlot pens with a waterproof structure can improve hot standard carcass weight on average by 6kg and feed efficiency by 4.5%, new MLA-funded research has found.

This research was conducted via the University of New England and addresses the industry's challenge of negating climatic stressors on feedlot cattle production and enhancing animal welfare. Cattle have a narrow range of climatic conditions where optimal thermal comfort occurs – both for heat and cool and/or wet conditions.

Study snapshot

Summer study:

A total of 720 heifers were enrolled and randomly allocated to three treatment groups:

- unshaded
- shade cloth (shaded)
- partial pen coverage with a waterproof structure (one third of pen – 4m² shelter/head)

Key findings:

- Partial pen coverage with a waterproof system provided significant productivity benefits via an increased carcass adjusted average daily gain of 100g/head/day:
 - Feed efficiency: 4%
 - HSCW: 7kg.
- There were no differences in cattle performance between the shaded and unshaded treatments, most likely reflecting the mild and wet summer conditions.
- During very hot conditions (heat load index ≥86), waterproof cattle and shaded (shade

cloth) treatments had lower mean panting scores when compared to unshaded cattle, highlighting improved animal comfort.

Winter study:

A total of 480 steers were enrolled and randomly allocated to one of two treatments:

- unsheltered
- sheltered with partial pen coverage with a waterproof structure.

Key findings:

- Partial pen coverage with a waterproof shelter improved carcass adjusted average daily gain of 100g/head/day:
 - Feed efficiency: 5.3%
 - HSCW: 5kg.
- Adrenal gland weight, an objective measure of chronic stress, was greater in unshaded pens.

'Going Under Cover' events

Two 'Going Under Cover' feedlot shade and covered housing system events were delivered to 148 feedlot stakeholders in 2023, supporting the Australian lot feeding industry with their objective for all grainfed cattle to be provided with either shade or shelter by 2026.

MLA supported the Australian Lot Feeders' Association (ALFA) to run the two events:

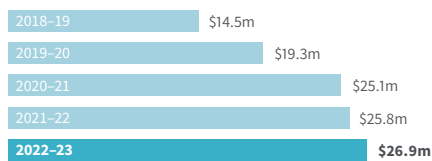
1. A four-day feedlot bus tour from Melbourne to Adelaide
2. An information and exhibition event preceding the Western Australian Lot Feeders Association Better Beef event.

The May 2023 feedlot tour featured visits to multiple feedlots where participants viewed a variety of shade and covered housing systems that have been implemented by pioneering Australian lot feeders. They heard the benefits, management considerations and lessons learnt during construction and operation of these structures.

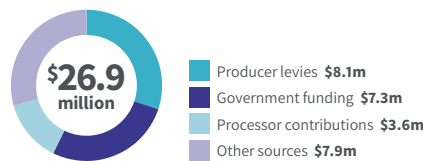
Integrity systems

MLA's integrity systems program assists MLA to foster the prosperity of the Australian red meat and livestock industry by helping to protect its disease-free status and underpinning the marketing of Australian product as clean, safe and traceable. It also helps Australia capture price premiums from customers and consumers willing to pay more for higher levels of product assurance.

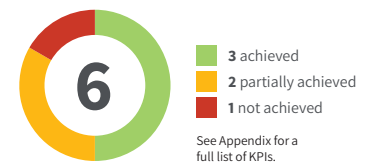
Investment over time



2022–23 investment by funding source



Key performance indicators



eNVD Livestock Consignments app launched

Integrity Systems Company's (ISC) new electronic National Vendor Declaration (eNVD) Livestock Consignments app was officially launched in March 2023, enabling the transfer of livestock consignment information irrespective of location and connectivity.

Following a 'soft' launch of the app at the MLA Updates event in November 2022, the app has:

- reached more than 17,000 downloads
- been updated eight times to reflect enhanced features and improved functionality/user experience
- achieved a 4.2/5 rating on the Apple app store.

Monthly usage is steadily increasing as awareness about the benefits of using the app and its cross functionality with the eNVD web-based system grows.

A range of communication and adoption activities covering the entire supply chain have taken place since the app's launch, including:

- The production of a comprehensive suite of how-to use guides and instructional videos.
- Stories featured in the *Integrity Matters* monthly e-newsletter about producers and other members of the supply chain who are using the app and enjoying its benefits.
- A producer demonstration webinar series was held throughout March and April, with strong attendance and engagement.
- A range of demonstration webinars for agents and advisors.
- ISC representatives have attended key events to raise awareness about the app including Sheep Genetics Leading Breeder, Northern Territory Cattlemen's Association conference, Primex, the WA Lot Feeders Association conference and various MeatUp and BeefUp events.

NLIS set to get an uplift

The National Livestock Identification System (NLIS) database is a vital asset which has supported the traceability requirements of cattle, sheep, and goats, as well as pigs and South American camelids, for 23 years. In October 2022, the Department of Agriculture, Fisheries and Forestry (DAFF) announced a significant funding grant to enhance Australia's biosecurity capabilities, including the uplift of the NLIS database.

Integrity Systems Company submitted a grant proposal to develop a new national traceability platform which would meet today's needs for livestock biosecurity, food safety and market access, while also supporting current and future requirements. In June 2023, DAFF formally accepted the proposal, with scope, design and build of the new platform set to commence in 2023–24.

Taking a user-centred design approach, the scoping and design phase will consider current pain points across the supply chain and examine how these could be addressed as part of the new system build. The new platform will align with the electronic National Vendor Declaration system, enabling a more streamlined process for producers when consigning livestock. It will also have the capability to handle the increased data volumes following the national implementation of sheep and goat electronic identification (eID) from 1 January 2025.

To ensure the current NLIS database is ready for this roll-out, several upgrades have been carried out, including scaling the system to create more space and increase processing speed.

Biosecurity focus

Amid the continued threat of exotic diseases like foot-and-mouth disease (FMD) and lumpy skin disease (LSD) entering Australia, ISC undertook a range of activities in 2022–23 to ensure industry was informed and prepared for any potential disease outbreak.

ISC partnered with state and territory governments to host a series of biosecurity-focused webinars in July and August 2022, and also covered biosecurity and the NLIS in an MLA-hosted biosecurity webinar. Two special 'biosecurity' editions of the *Integrity Matters* e-newsletter were published to further build awareness.

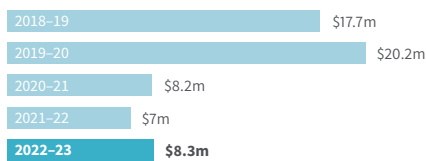
ISC also took part in Incident Response Preparation sessions which involved mock simulations to ensure best practice processes were in place so that if an outbreak was to occur, infected animals and their locations could be rapidly pinpointed. Technical upgrades of the NLIS database were also undertaken to ensure end-to-end traceability was in place and modifications to allow South American camelids to also be tracked were completed.

The *Biosecurity Management Plan* template, which forms part of the Livestock Production Assurance (LPA) program, was updated and resources were also created for workers returning from overseas. LPA audits conducted throughout 2022 showed 80% of producers had a biosecurity plan in place – work is ongoing to increase this compliance rate to 100%.

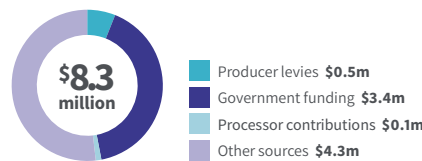
X / Objective measurement

Objective measurement of livestock and carcass attributes is an essential enabler for industry to improve grading accuracy, transparency and enable value-based marketing (VBM) that underpins the industry's *Red Meat 2030* goal to double the value of Australian red meat sales as the trusted source of the highest quality protein. These include unlocking decisions informed through data measurements across key traits to describe carcass value, such as lean meat yield, eating quality, health attributes and sensing to drive meat-cutting automation.

Investment over time



2022-23 investment by funding source



Key performance indicators



ALMTech delivers huge return on investment

After seven years of delivering cutting-edge research and innovation in the Australian beef, sheep and pork processing industries, the Advanced Livestock Measurement Technologies (ALMTech) program concluded in 2022-23.

Since its inception in 2016, the MLA-led program:

- engaged 37 industry partners
- will deliver an estimated net present value of \$858 million (2023-2040)*
- will achieve a return of investment of 6.7:1.

ALMTech focused on five key areas:

1. Lean meat yield measurement technologies, both on-farm and in the abattoir
2. Eating quality measurement technologies in the abattoir
3. Automated offal disease and defect assessments
4. Enhanced producer feedback systems and genetic tools using new measurements from these technologies
5. Decision systems to enhance profitability with aligned data.

Industry engagement activities included:

- 371 ALMTech extension activities
- 194 newsletters, media pieces and publications
- 45 early-career and trainee scientists supported
- two special editions of the international journal *Meat Science*.

New carcass grading traits and technology

AUS-MEAT has adopted new carcass grading traits and accredited 11 objective measurement devices (seven beef, four lamb) to objectively measure carcass grading traits.

The carcass grading traits adopted include:

- lamb intramuscular fat percentage (IMF%)
- lamb lean meat yield (LMY%)
- beef IMF%.

Both IMF% and LMY% are key factors in achieving and identifying premium lamb, and are required to implement the cuts-based lamb MSA model for industry.

To rapidly measure IMF%, a needle device was developed to scan muscle as it is inserted into the carcass. The needle doesn't require any cuts to the carcass and its ability to be used on a hot carcass allows meat processors to identify premium quality meat prior to chilling.

In combination with carcass weight and intramuscular fat, lean meat yield can be used to determine the amount of meat available for sale from a carcass. MLA has been working with numerous organisations across several research programs to help facilitate the development of technologies to measure LMY in live animals and carcasses.

These traits and technologies, along with other factors such as eating quality and provenance, will better determine value in dollar terms of a carcass in a marketplace.

The accreditation process is now well-established, providing technology developers a clear pathway to AUS-MEAT accreditation.

Early adoption open call set to lead to new technologies

An early adoption open call has resulted in 14 objective measurement devices being trialled in 25 beef and 7 lamb supply chains to investigate the value created through objective grading, opportunities for preliminary hot grading, and chiller and boning room efficiencies.

A second open call for live animal objective measurements attracted 11 potential technologies, four of which are now progressing pre-commercial trials with industry collaborators to predict eating quality and carcass yield.

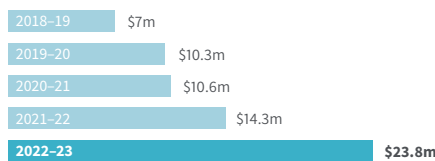
These projects are ongoing and will support industry adoption and integration of objective grading technologies into business systems to improve carcass grading.

*This value is shared by producers (34%), domestic and overseas consumers (55%) and other value-chain participants (11%), with early adopters capturing the greatest benefit.

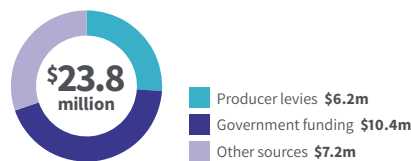
/ Producer adoption

The producer adoption program provides the vehicle to convey the productivity messages and findings from MLA's latest research and development investments to red meat producers with the aim of ultimately improving productivity in livestock farming businesses. The program engages producers in large scale awareness events, capability building and practice change projects that lead to productivity outcomes as a result of the adoption of R&D. The outcomes are evaluated to determine program level impact.

Investment over time



2022–23 investment by funding source



Key performance indicators



Producer Demonstration Sites

MLA's Producer Demonstration Sites (PDS) program gives producers an opportunity to discover and implement new management practices that could improve business profitability, productivity and sustainability.

Over 2022-23, 15 new PDS projects were contracted. This consisted of 67 new demonstration sites which engaged 168 core producers managing:

- >580,000ha
- >700,000 sheep
- >46,000 cattle.

There was also an observer network of more than 1,100 producers.

From projects completed within the last financial year, 76% of core producers and 55% of observer producers indicated they have adopted new practices as a direct result of being part of the PDS program.

PDS has delivered \$215.1 million* in total net benefits to participating producers as a result of projects completed between 2015 and 2022. MLA's investment in PDS since 2015 has delivered \$13.1 million in annual net benefits to producers in 2022–23.

On average, and depending on the area of practice change, producers can expect an additional net benefit of \$1.77–\$4.69/ha annually as a result of their participation in the program.

The PDS projects concluded in this reporting period engaged 60 core producers with over 169,000 sheep and 33,000 cattle under management spanning over 250,000 ha. Practices implemented ranging from pasture improvements to sheep productivity efficiency through increasing lamb survival. The projects engaged an additional 950 observer producers through extension and communication activities, managing over 1.07m ha.

BeefUp and MeatUp forums

MLA's BeefUp and MeatUp forums keep producers up-to-date with the latest on-farm research and best management practices and technologies relevant to their region.

BeefUp

Nine BeefUp forums were delivered across Queensland, NT and northern WA in the past year, attracting over 410 people. Collectively, this represented 65.3 million hectares and 4.6 million head of cattle under management. Host locations included Victoria River Research Station, Winton, Blackall, Clermont, Tom Price, Broome, Kununurra, Taroom and Hughenden.

Each forum was developed in collaboration with local producers, state agencies and supporting organisations to provide a regionally-relevant program. Post-event surveys showed a lasting impact, with 88% of participants reporting they learnt something new and 63% intending to make changes as a result of attending. These included using the Australian Feedbase Monitor, sowing summer legumes, investigating ag-tech for their business, tackling pasture dieback, making weaner feeding changes and being more selective with heifers.

BeefUp has delivered \$48.5 million* in total net benefits to participating producers as a result of forums delivered between 2015 and 2022. MLA's investment in BeefUp since 2015 has delivered \$2.4 million in annual net benefits to producers in 2022–23.

On average, and depending on the area of practice change, this means producers can expect an annual benefit of \$0.50–\$0.72/head when implementing new tools or practices as a result of their attendance.

MeatUp

Five MeatUp forums were held across NSW, SA, and WA, with over 483 participants attending. This represented 2.3 million hectares, 940,000 head of sheep, 6,500 head of goats and 120,000 head of cattle under management. Locations included Northam, Wagga Wagga, Casino, Wudinna and Albany.

MeatUp's producer-led program engages key stakeholders to provide a regionally-relevant agenda with a whole-farm and value chain focus. Post-event surveys showed 95% of attendees learned something new and 73% intend to make a practice change.

MeatUp has delivered \$10.7 million* in total net benefits to participating producers as a result of forums delivered in 2021 and 2022.

On average, this means producers can expect an annual return of \$0.61–\$11.72/head as a result of implementing new tools or practices learnt from their attendance.

The Red Meat and Wool program

The South Australian red meat and wool sector is benefiting from increased awareness, knowledge, understanding and confidence in business acumen and eID technology through the MLA-supported Red Meat and Wool program. Participating producers and their advisors engaged in the following five activities in 2022–23:

- livestock enterprise planning
- producer groups
- demonstration farms
- co-innovation officer at the best practice demonstration farm
- service provider development.

These initiatives build skills, promote the benefits of and facilitate opportunities to adopt technology into livestock enterprises to enhance productivity, labour efficiency and data-based decision making.

*calculated as net present value of adoption to 2045, discounted at 5% annually.



/ BredWell FedWell participants assessing bulls using visual and structural inspection alongside Estimated Breeding Values, for more informed sire selection – Loomberah, NSW.

The program has engaged 1,294 producers and 367 service providers who influence 2.4 million head of sheep and 130,703 head of cattle on 5,362ha across 12 regions of SA.

An independent evaluation of the program was completed and, with a focus on the livestock enterprise planning activities, practice changes associated with the program are anticipated to generate a net benefit to the community of \$153.1 million over a 13-year period.

Rangelands Living Skin

Rangelands Living Skin links farming families, scientists and other collaborators to evaluate producer-chosen, cost-effective practices to support production and regenerate NSW rangelands. It is a four-year, MLA-funded project led by NSW Department of Primary Industries and aims to generate an evidence base for widespread adoption of practices that benefit soil, plants, animals and people.

In 2022–23, Rangelands Living Skin engaged 30 producers who manage:

- 960,000ha
- 91,000 sheep
- 4,000 cattle
- 9,700 goats.

Replicated trials and demonstration sites have been established on four core producer properties, exploring techniques for regenerating degraded country. Workshops

covering topics including soil monitoring, soil biology and grazing management have received an average satisfaction rating of 9.1/10 with 67% of participants indicating an intent to implement changes to their business. Grazing clinic workshop participants reported increased knowledge and skills in areas such as identifying and managing seasonal conditions to improve drought resilience.

BredWell FedWell workshops

MLA’s BredWell FedWell (BFWF) is a practical, one-day introductory workshop on how productivity and profitability can be improved through good breeding and feeding. Redeveloped during 2022–23 to reflect evolving best practice genetics and nutrition management, it is suitable for sheep and northern and southern beef enterprises.

Key outcomes:

- A successful rewrite, rebranding and piloting with survey results showing:
 - a satisfaction rating of 9.1/10
 - a value rating of 9.1/10
 - 98% would recommend to others
- Three pilot workshops engaged with producers covering:
 - 3,378,942ha
 - 72,588 cattle
 - 2,756 sheep
- Training and accreditation of 22 deliverers for national delivery.

Increased use of genetic tools

MLA’s investment in the development and improvement of genetics tools such as Estimated Breeding Values (EBVs) and Australian Sheep Breeding Values (ASBVs) has led to a significant increase in adoption by commercial producers. A representative sample of the industry in terms of location, breed type and production systems were interviewed during 2022–23, including 525 beef and 585 sheep producers.

The recent Genetics Insights Survey revealed the following outcomes:

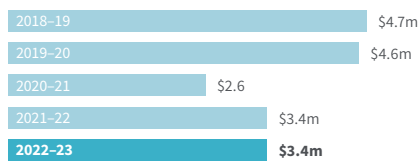
- The use of BREEDPLAN EBVs by commercial beef producers increased between 2016–2023 from 18% to 59%.
- The use of Sheep Genetics ASBVs by commercial sheep producers increased between 2016–2023 from 14% to 55%.
- Use of genetic tools also increased in the stud sector (111 sheep and 114 beef seedstock producers). Increases included:
 - beef: 32% to 56%
 - sheep: 18% to 55%.

Commercial producers who use ASBVs are significantly more likely to say they think their financial health is improving compared to commercial producers who do not use ASBVs (61% vs 41%).

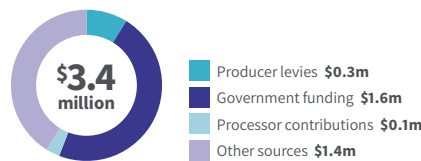
/ Product and packaging innovation

MLA's product and packaging innovation program explores new products and occasions for inclusion of Australian red meat and byproducts, plus new packaging and business model innovations to transform commodity red meat (and its components) into higher valued solutions. It supports the industry's *Red Meat 2030* goal to double the value of Australian red meat sales as the trusted source of the highest quality protein by identifying and understanding consumer segments and preferences and capturing high value opportunities through new product concepts and innovations. By evolving from commodity meat trading to more value-adding, this program also contributes to changing the diversity of people in our industry with subject matter experts from adjacent sectors to the meat industry innovating and making it a more inclusive place to work.

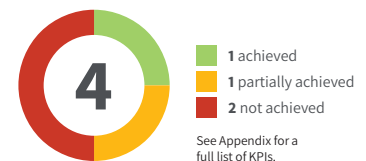
Investment over time



2022–23 investment by funding source



Key performance indicators



From hides to riches

A world-first certified organic collagen supplements range derived from low-value Australian bovine inputs has been developed, with shipments of the first commercial supplement range arriving in the United States in May 2023.

Branded as 'Organic Collagen Australia', this first shipment follows the completion of the 'Hides to Riches' project, which resulted in the development of a scalable and efficient collagen extraction process through the application of freeze dry technology and organic certification by Australian Certified Organic.

Funded through the MLA Donor Company and led by Freeze Dry Proteins, the project's purpose was to discover and develop an all-natural method to process bovine hides to extract human food grade collagen, with measurable scientific results.

'Hides to Riches' sought to discover 3-to-5-fold value-adding opportunities for low-value bovine and ovine carcass inputs, such as hides, glands and organs, through the application of freeze-drying technology.

The project has delivered some significant early outcomes:

1. The development of a commercial-ready, clean organic process to extract collagen from bovine hides.
2. The extraction process receiving Certified Organic status.
3. The amino acid profile of the organic collagen produced from Australian hides is superior to the current market leader.
4. Growing demand by consumers for collagen that is ethically and sustainably produced.

Freeze Dry Proteins has engaged a distributor in Vietnam and is exploring opportunities to increase production capacity and further commercialise their collagen range.

Chief beef bars offer new savoury snack solution

The Chief beef bar range – a new frontier for savoury snacks – launched in 2023 and is available at over 1,100 Ampol petrol and convenience sites across Australia.

The range was developed as part of an MLA Donor Company project that first commenced over four years ago and aimed to identify new usage occasions for Australian red meat.

The project began by exploring new Australian bovine collagen red meat-based snacks to test in-market. The Chief beef bars provide a solution for people looking for healthy, natural and nutrient-dense snacks which can be eaten on-the-go without the need for refrigeration.

Each bar starts off as 80g of 100% organic grassfed beef brisket and topside. The bars are then slow dried to create a tender and easy-to-eat snack that's packed full of flavour and nutrients.

Preserving the nutrients in red meat with high-pressure processing

Care Food Company recently investigated the use of high-pressure processing to preserve the nutrient density of red meat meals, while also making them easier to consume for those with chewing limitations.

This MLA-supported project researched and developed the application of high-pressure processing and its allowance of nutrients to be readily bio-accessible to consumers. Considered superior to traditional pasteurisation methodologies, high-pressure processing locks in the goodness of food and doesn't 'cook out' the nutrients.

Consumer awareness of Care Food's products will inevitably increase the demand for low-value red meat trimmings by transforming them into high-value, clean-labelled, enjoyable and nutritious meals for elderly consumers and dysphagia sufferers, which will ultimately result in increased returns to producers and red meat brand owners.

Silage wrap recycling solution on the horizon

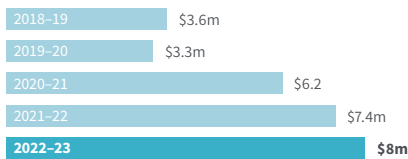
MLA is currently looking into solutions for silage wrap collection and recycling.

Approximately 10,000 tons of silage wrap waste is generated on-farm each year and historically this waste has been dumped or burned. This new work will investigate the opportunity to create a circular economy opportunity for this waste to be converted into other products that could be used in other applications (both on-farm and off-farm) thereby reducing overall plastic materials across the meat and livestock sector.

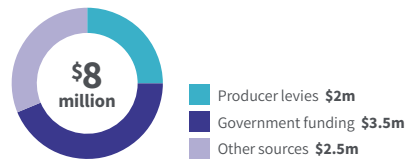
Value chain information and efficiency

MLA's value chain information and efficiency program assists MLA to foster the prosperity of the Australian red meat and livestock industry by capturing and appropriately managing data for increased productivity, integrity, market access and consumer trust in the red meat value chain.

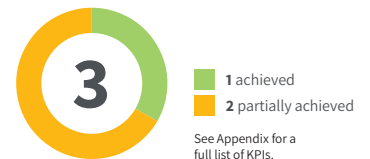
Investment over time



2022-23 investment by funding source



Key performance indicators



Disease, defect and carcass data in one place

MLA's new feedback system, myFeedback, was developed in 2023 to consolidate and benchmark multiple data sources from cattle and sheep processor data. The system combines myMSA data and reports with disease and defect data, facilitating the decommissioning of Livestock Data Link (LDL).

The combination of carcass feedback with disease and defect data allows producers to gain better insights into their operations, especially when data is analysed alongside the Solutions to Feedback Library. By utilising this online library, producers will be able to access information which explains why certain livestock are not meeting market specifications and what they can do to address those issues.

The Australian National Standard for the Development, Collection and Reporting of Animal Health, Disease and Defect Data through the Supply Chain was endorsed by Australian Meat Industry Language and Standards Committee to be used in myFeedback for disease and defect data. Data from the National Livestock Identification System (NLIS), Meat Standards Australia (MSA), Animal Health Australia's (AHA) National Sheep Health Monitoring Project and the National Livestock Reporting Service (NLRS) were also integrated within myFeedback as additional data sources.

myFeedback is set to launch in the second half of 2023.

New datasets added into MLA's data platform

Coinciding with recent developments like myFeedback, new datasets have been added to MLA's data platform, including market insights and property boundaries from Cibo Labs.

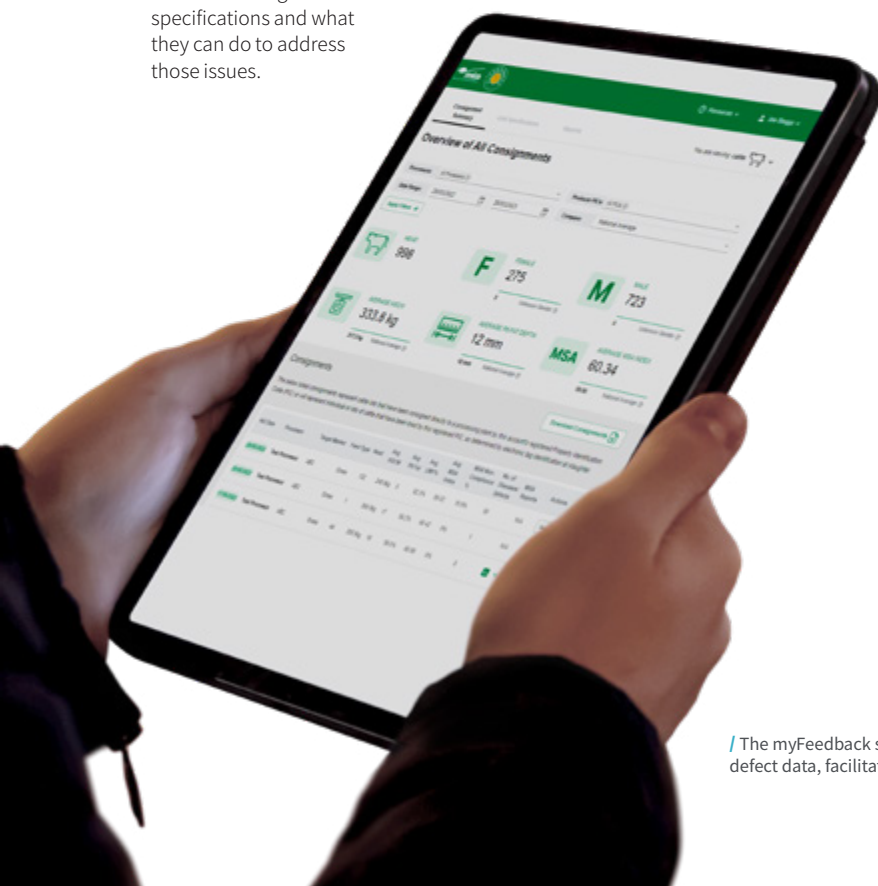
These datasets are now being linked and used to support analytics for National Livestock Reporting Service (NLRS) users, as well as upcoming myFeedback users, via an easy-to-use online platform.

Linking animal data with farm data (such as boundary information), and connecting that with pricing information provides a strong performance picture and enables producers to make decisions based on data and insights.

Milestone for the Australian Agricultural Data Exchange

The Australian Agricultural Data Exchange business case was completed in January 2023 and funding of \$5.2 million (cash and in-kind) was secured to progress the establishment phase of the data exchange, with work beginning in July 2023.

As this platform is established, it will enable free flow of data in a permissioned way between agricultural parties to reduce costs, increase accuracy and compliance and add value to the Australian agricultural sector.

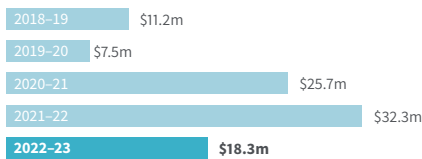


The myFeedback system combines myMSA data and reports with disease and defect data, facilitating the decommissioning of Livestock Data Link (LDL).

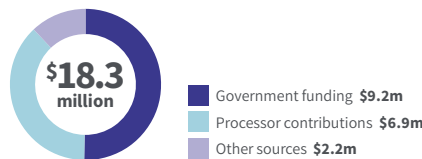
/ Productivity (off-farm)

The productivity (off-farm) program focuses on the development and adoption of supply chain technologies that deliver productivity benefits to the red meat value chain by reducing costs, improving yield, optimising production, and improving feedback and transparency. Improving supply chain productivity enhances Australia's global competitiveness and contributes towards the industry's *Red Meat 2030* goal of doubling the value of Australian red meat sales as the trusted source of the highest quality protein from these improved systems.

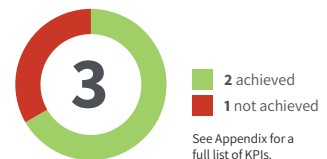
Investment over time



2022-23 investment by funding source



Key performance indicators



Beef boning accuracy and efficiency improvements

During 2022-23, work commenced to design a prototype system to improve beef boning accuracy and efficiency with specifications for widespread adoption, while also addressing the increasing difficulty of labour shortages in the processing sector.

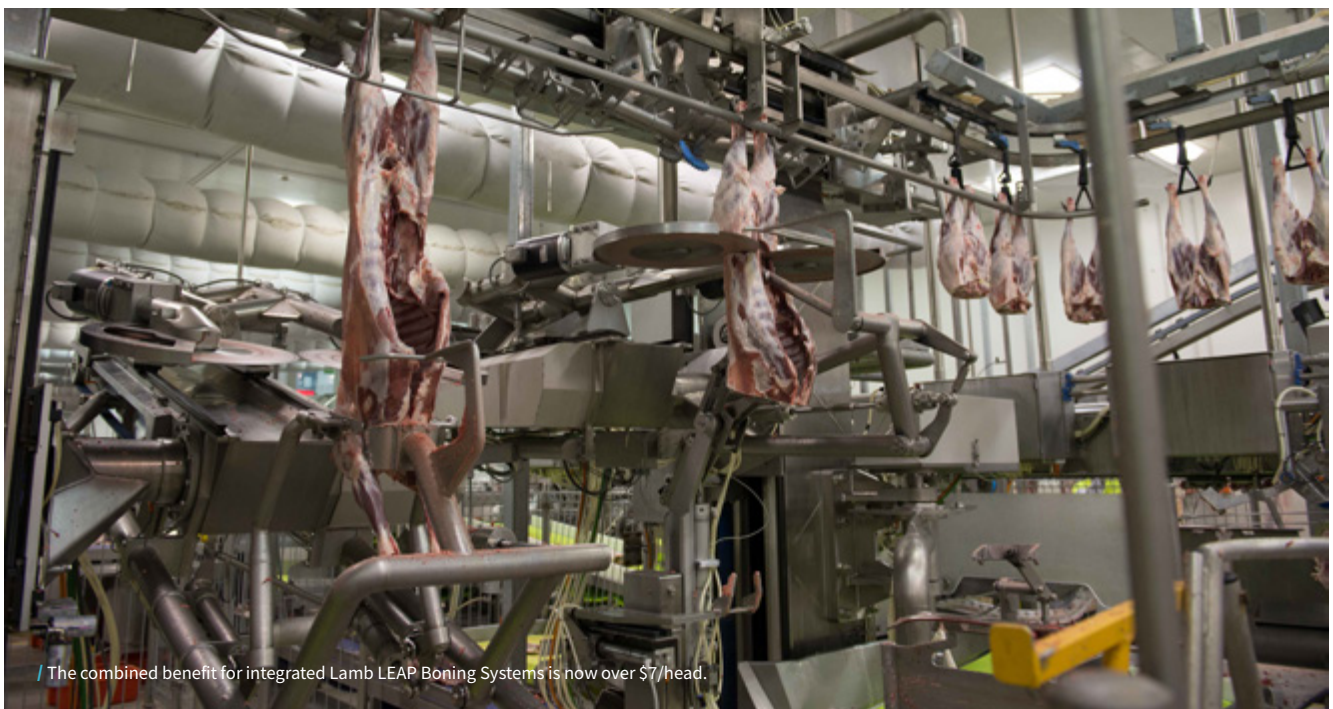
The approach was to concentrate on the automated deboning of the middle section of the beef carcass (which has the highest value), ensuring global competitiveness of the Australian red meat industry.

Once complete, this work will likely deliver a financial benefit of up to \$50/head with MLA now working closely with Australian Meat Processors Corporation (AMPC) to refine this strategy.

Developments in AI and machine learning software for lamb processing

The combined benefit for integrated Lamb LEAP Boning Systems is now over \$7/head due to new developments in artificial intelligence (AI) and machine learning software.

In collaboration with Scott Automation and Robotics, MLA has invested in this technology over several years to improve cutting line accuracy of red meat products and increase profitability along the supply chain.

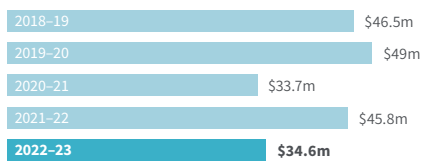


/ The combined benefit for integrated Lamb LEAP Boning Systems is now over \$7/head.

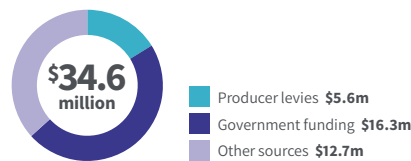
Productivity (on-farm)

MLA's productivity (on-farm) program assists MLA to foster the prosperity of the Australian red meat and livestock industry by supporting new research which leads to increased productivity and profitability across the beef, sheepmeat and goat production sectors.

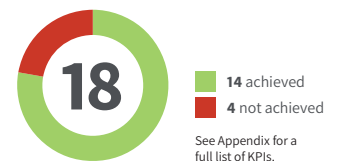
Investment over time



2022-23 investment by funding source



Key performance indicators



Strengthening our feedbase

World-first tool for better grazing management

MLA and Cibo Labs recently developed the Australian Feedbase Monitor (AFM) – a tool with the ability to provide near-real-time monitoring of the national feedbase to every farm in Australia.

The world-first tool was launched as part of the MLA Updates event in Toowoomba, Queensland in November 2022. By 30 June 2023, it has already been used by over 1,900 producers managing more than 33 million hectares.

Helping producers improve their grazing management, forage budgeting and ground cover, the AFM offers multiple benefits to producers and the wider red meat industry, including:

- supporting more objective and timely grazing decisions, allowing an increase in production and the ability to meet market specifications
- avoiding environmental or welfare issues in grazing enterprises due to increased ability to monitor and report on ground cover, pasture status and trends
- increased consumer confidence in the environmental stewardship of red meat producers.

The Queensland Pasture Resilience Program

MLA has begun a partnership with the Queensland Department of Agriculture and Fisheries to address three significant production constraints identified by producers:

- pasture dieback
- pasture rundown
- land condition decline.

A key focus of this activity is improving adoption of legumes to restore soil fertility, improve productivity and increase pasture resilience to dieback.

Research into pasture dieback

Research has shown that pasture mealybug infestations are the primary cause of pasture dieback outbreaks. In 2023, MLA (in consultation with research partners) developed a factsheet that rates pasture species for their pasture dieback resistance, with legume species unaffected. The pasture dieback industry network now has over 300 members, ensuring effective communication of dieback-related information to producers.

Weed control

MLA continues to support the Centre for Invasive Species Solutions' (CISS) establishment of a network of research, development and adoption sites across Australia. CISS estimates that weeds cause a \$3 billion loss per year in control costs and lost production for the Australian livestock industry (2020).

Land condition monitoring

MLA is increasing investment to prevent land condition decline, which may reduce the productivity of some regions by up to 50% by 2050 if left unchecked. MLA's partnership with Cibo Labs has developed new validated remote sensing tools that are being applied to monitoring of land condition over more than 10 million hectares in northern Australia.

Livestock Productivity Partnership (LPP)

The NSW-based LPP has concluded. Highlights include improved understanding of the benefits of perennial tropical pasture grass species (statewide) and summer forage options for the Southern Tablelands, along with improved management guidelines to improve legume persistence in the high rainfall zone. Collaboration and capacity building was also a key outcome of the partnership with 18 cross-collaboration projects and more than 21 post graduate students and post-doctoral fellows embedded in LPP projects.

Research informs beef productivity gains

Better business management

Six groups of northern beef breeding producers involved in the Northern Breeding Business (NB2) pilot adoption program have collected their first year of data and received feedback on herd productivity, feedbase resilience and cashflow as well as how their performance compares with their peers.

Staff from Indigenous-run businesses received training on feedbase management, biosecurity and business literacy.

The first annual NB2 Draft event was held in November 2022, where the groups collaborated with each other and learned from consultants and researchers.

Technology delivering better insights

By using faecal Near Infrared Reflectance Spectroscopy (F.NIRS), northern cattle producers can manage for declining pasture quality and nutritional status quickly and reliably. Two service providers are licensed to provide commercial analysis – Symbio (Queensland) and Gcology (WA). The range of use is set to expand to include southern beef and sheep regions from late 2023–24.

Key outcomes include insights into:

- predicted estimates of dietary crude protein
- dry matter digestibility
- non-grass proportion of diet.

Sterile leucaena closer to reality

Successful field trials have led to the second year of flowering observations for 1,400 trees in Carnarvon and Kununurra, WA. Several trees remained without flowers or seeds throughout the two years of the trial. These promising lines will form the basis of future work to develop a commercially-available sterile leucaena variety, enabling beef producers in WA to plant leucaena (currently prohibited due to the weed risk).



Victorian prime lamb producer Andrew Edgar's quest to boost lamb survival led him to participate in the MLA-funded 'Fit to Join' project.

Continued from [last page](#)

Benefits of a sterile leucaena variety commercially available in WA could include:

- expanded grazing area
- increased productivity
- more opportunities for high value beef production.

Improved sheep and goat reproductive management

Scanning for litter size pays off

MLA and Australian Wool Innovation's (AWI) co-funded project, 'Increasing lambing percentages through better use of pregnancy scanning technology', shows pregnancy scanning offers valuable data on whole-of-flock and individual animal performance, with profit increases from \$1.16–\$5.75/ewe.

By scanning their ewes, producers can improve reproduction rates and implement targeted management strategies to improve on-farm productivity and animal welfare. The project reported scanning ewes for litter size and implementing optimal management of ewes is profitable in all agricultural regions and flock types

New *Fit to Join* tools

MLA's new *Fit to Join* guide helps producers identify which ewes to retain in breeding flocks and therefore boost productivity and profitability. Significant economic benefits include the potential to increase on-farm profits from \$4–\$8 per ewe.

Assessing ewes as 'fit to join' can increase ewe and lamb survival rates and enables an overall improvement in animal welfare outcomes.

Criteria assessed includes udder health, structure, body condition, lameness, dentition, and age. Findings identified that ewes were 4.4 times more likely to be scanned empty if they were classed as unfit (to join) compared to fit (to join) ewes, and lambs born from ewes with poor udders had a 21% higher risk of death from the point of scanning through to marking.

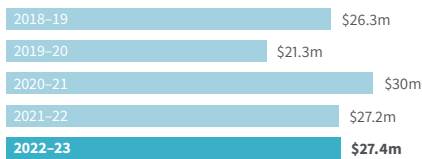
Investment sets goats up for reproductive success

MLA's largest goat investment will enable the benchmarking of reproductive performance in goats. The five-year, \$3.7 million project is funded by MLA Donor Company in partnership with the University of Queensland. It will capture data from 15,000 animals across 15 commercial extensive, semi-extensive and intensive goat properties throughout key goat-producing regions in NSW and Queensland.

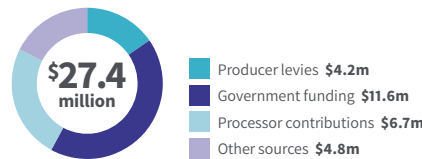
Capability building

MLA's capability building program fosters the prosperity of the Australian red meat and livestock industry by investing in current and emerging industry leaders, innovators, scientists, value chain partners and representative organisations. It aims to enhance professional leadership and business skills, support industry advocates, accelerate adoption and build a culture of innovation and cross-sectoral performance that better designs and delivers research outcomes, and attracts and retains people to solve the big complex issues faced by the Australian red meat and livestock sector.

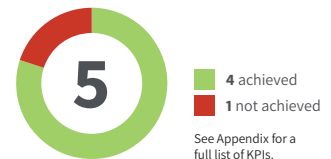
Investment over time



2022-23 investment by funding source



Key performance indicators



CN30 co-innovation program partnerships

The red meat industry's carbon neutral by 2030 (CN30) initiative is well on its way, with investment in technologies, projects and practices demonstrating our commitment to proactively addressing emissions.

MLA has developed and launched a partnership that supports leading supply chains to accelerate their carbon management strategies through a structured co-innovation program. Companies involved in this collaborative program build capability over a three-year partnership to explore, pilot and scale greenhouse gas management interventions at the enterprise level.

Supply chain partners currently involved in the MLA Donor Company co-funded program include:

- Australian Country Choice
- Paraway Pastoral Company
- Argyle Foods Group
- Casino Foods Co-op
- Hewitt Cattle Company.

Collectively, these businesses represent approximately 965,000 cattle and 413,000 sheep over an area of 9.5 million hectares. All program partners have completed their initial supply chain carbon baseline measurement activity as an early-stage activity within the strategy development framework.

Transforming beef supply chains – Stanbroke Pastoral Company

Value-based marketing fuels improved returns for producers by creating and capturing value and sharing it across the supply chain. This requires integrated decision making on genetics, production, quality and integrity, through to market and consumer drivers. In large northern Australian operations, data connection, connectivity and traceability of an individual animal through its lifetime is challenging to achieve.

A co-funded project with Stanbroke Pastoral Company connected 16 different databases containing data about individual animals from branding through to processing. Using this data, linked with market analysis of what consumers are interested in and willing to pay for, a market-orientated, value-based supply chain was developed to create a more efficient and profitable whole-of-chain business model.

The integration of digital data enabled new analysis and previously unrealised insights to be generated to support raising claims, National Livestock Identification System (NLIS) and National Vendor Declaration (NVD) traceability. Linking the value of individual primal cuts and their attributes to an individual carcass and the cost of production of the individual animal, provides previously unavailable data – leading to better decisions and improved business and supply chain profitability. Through the digital integration of a commercial supply chain, the financial and technical viability of value-based marketing was analysed and validated.

Creating data culture partnerships – Australian Country Choice (ACC)

ACC, one of the world's largest cattle supply chains, is a prime example of a business that has improved productivity while working on a strategy to reduce emissions. Its use of supply chain data has been central to making more informed and effective business decisions. ACC's partnership with MLA's co-innovation program led to the employment of specialist staff to enhance digital capability and employee engagement to improve data integration across its farms, processing plant and markets – referred to as its 'data lab'.

By developing its data capture, integration and reporting systems, each segment of the value chain is now connected. This has transformed how ACC makes decisions across its 1.75 million hectares of land, three feedlots and a Brisbane processing facility.

Key outcomes of this project include:

- On-farm, real-time dashboards showcase profit drivers – including fertility, average daily gain and genetic traits.
- This data-driven understanding of how key traits impact individual animal performance and value has enhanced business management decisions and contributed to:
 - shortened calving window
 - improved calf survival
 - improved predictions of when cattle will reach feedlot entry and exit weight, allowing the business to make better decisions around processing schedules
 - improved stocking rate and turn off decisions, and
 - registration of a beef cattle herd management carbon project and a better understanding of individual methane emissions.
- ACC's processing facility uses data to create daily snapshots of profitability and 'whole of life' animal performance – highlighting individual animal performance. These datasets inform what on-farm changes can be implemented to improve productivity and profitability.
- Benefits to ACC's market have arisen from a forecasting tool and carcass utilisation model which helps manage sales in advance and minimises unnecessary expenses.

Mitch Hightett wins Zanda McDonald Award

As a key sponsor of the Zanda McDonald award, MLA aims to support emerging leaders, and in doing so, build the capability of the red meat industry.

Mitch Hightett, founder of agricultural advisory start-up Bullseye Ag and young NSW innovator, was co-winner of the prestigious award for 2023, along with New Zealander, Harriet Bremner.

Mitch is looking forward to the chance to learn from key players in the agricultural industry through the prize's mentoring activities and the contribution of \$10,000 towards education or training.

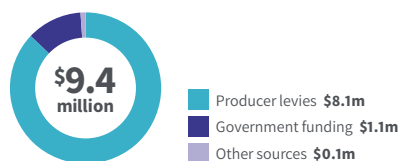
Communication

MLA's communication program assists MLA to foster the prosperity of the Australian red meat and livestock industry by ensuring that MLA's marketing, research, development and adoption products and services are known and accessible to levy payers and stakeholders. It also seeks to build confidence in the industry, ensuring the community support and have increasing trust in the Australian red meat and livestock industry.

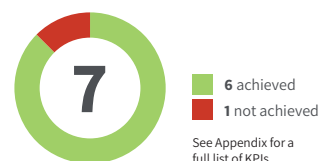
Investment over time



2022–23 investment by funding source



Key performance indicators



Australian Good Meat – sharing the red meat industry’s story through influencers

Australian Good Meat, an online program created by MLA to provide consumers with the facts about cattle, sheep and goat production in Australia, conducted another successful campaign in 2023. By partnering with social media influencers, Australian Good Meat’s recent campaign achieved:

- 1.8 million social media users reached
- 1.76 million impressions
- 1.62 million video views.

MLA’s decision to leverage the reach of social media influencers to promote Australian Good Meat’s key messages was based off what we know about our target audience:

- 83% actively use social media
- 71% believe what a social media influencer says over what a brand promotes about itself
- Only 33% will believe what a brand promotes about itself.

Noting our audience’s perception that social media influencers are more ‘believable’ than brands, Australian Good Meat engaged with trusted voices that would bring credibility, reach, authentic content, advocacy and promotion to the table.

The influencer program continues to deliver a steady stream of content that increases positive messaging about red meat production, with a strong focus on protecting the environment, animal welfare, and health and nutrition.

Paddock to Plate experience improving metro consumers’ perception of red meat

Brisbane’s Ekka and Sydney’s Royal Easter Show have always played a big role in bridging the gap between city and country, and the 2022–23 events were no exception.

This year, more than a million people flooded through the gates of Brisbane Showgrounds

Improved perception of red meat

MLA asked more than 3,000 event attendees to share their thoughts on Australia’s red meat and livestock industry following their Paddock to Plate experience – and the results were overwhelmingly positive.

Brisbane Ekka	Sydney Royal Easter Show
Prior to visiting MLA’s Paddock to Plate igloo, attendees rated their knowledge of the red meat industry as ‘poor to average’.	
59%	54%
After visiting the igloo, attendees rated their knowledge as ‘good/excellent’.	
87%	86%
Attendees feel positively about how Australian beef and lamb producers care for their animals and the environment.	
83%	80%
Attendees feel positive about the industry working towards its ‘Carbon neutral by 2030’ (CN30) goal.	
74%	71%

and Sydney Olympic Park to learn about life on the land, enjoy the attractions and taste the local produce – and MLA’s Paddock to Plate ‘igloo’ experience was in the thick of the action.

Featuring 360-degree videos and educational animations, the immersive igloo experience takes metro consumers and school groups on a journey from paddock to plate. They delve into several topics:

- animal wellbeing
- sustainability
- nutrition
- innovation.

Having a presence at big-ticket events such as the Ekka and the Sydney Royal Easter Show has opened up plenty of opportunities to connect with school groups and metropolitan consumers, enabling MLA to share the true story of Australian red meat.

Educating students on Australian red meat and livestock production

Delivering red meat and livestock education classes and resources to students is an important part of MLA’s Australian Good Meat school program.

Smart Farming virtual classrooms

In 2022–23, Australian Good Meat launched a new ‘Life on the Farm’ virtual classroom designed for lower primary students to introduce red meat and livestock farming. The virtual classrooms also include sessions like ‘Technology on the Farm’ and ‘Sustainability on the Farm’ for upper primary students. Over the year, 22 classes were hosted with 2,790 student attendees. These virtual classrooms have received positive feedback from educators, with 88% of teachers rating the program 4 or higher out of 5.



/ Robert Mackenzie – 'Woko Station', Gloucester NSW spoke of becoming carbon neutral from paddock to gate with some of Australian Good Meat's 2023 social media influencers.

Teacher and student resources

MLA's school resources consist of the popular *Cattle and Sheep Farming Today* materials along with a suite of *Australian Good Meat Education* resources launched in February 2023. Freely accessible on the Australian Good Meat website, there are now more than 130 K-10 materials on offer. These materials (lesson plans, student activity sheets, classroom posters and card games) are linked to the national curriculum and focus on sustainability as a cross-curriculum priority area. To assist teacher adoption, 'How-to' videos were created to support teachers to use the materials. As part of a partnership with Primary Industries Education Foundation Australia (PIEFA), MLA's new school resources have been promoted

at over 20 teacher events since launch. Over the year, they have achieved close to 8,000 downloads and over 13,500 page views.

Special edition of *Feedback* magazine: sharing our sustainability credentials

In July 2022, MLA released a special edition of our flagship publication, *Feedback* magazine. The edition focused specifically on the red meat industry's sustainability story and outlined how we're part of the climate solution.

Our sustainability story comprises of three key sections:

1. Sustainability: the journey so far
2. Investing in sustainable red meat: part of the solution

3. On track for sustainable targets

Each section features case studies that delve into sustainable outcomes on and off farm, covering topics from pasture management and carbon accounting right through to animal welfare and renewable energy. The special edition also includes information on MLA's portfolio of sustainability investments, as well as a suite of resources and tools producers can draw on to take climate action on-farm.

Our sustainability story was extremely well received by industry as well as the Australian Government. It is the precursor to the *Sustainability Impact Report 2023*, released in July 2023.

/ Corporate services

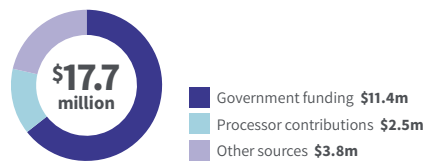
MLA's corporate services program assists MLA to foster the prosperity of the Australian red meat and livestock industry by:

- effectively managing levy and government matching investments through accounting, contracting, project management, foreign exchange management, advice, IP transfer, evaluation and reporting
- ensuring MLA meets its statutory and legislative requirements through a robust corporate governance framework including audit, risk and legal services
- providing the frameworks to attract and retain a diverse and talented workforce.

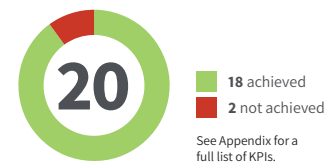
Investment over time



2022–23 investment by funding source



Key performance indicators



Cyber security

Cyber security continues to be one of the key priorities for MLA's Information Technology team. With support from external partners, MLA continued to closely monitor the security of its core systems and the overall state of its cyber security throughout 2022–23.

A number of specific third-party tools are used to help ensure endpoint security, software updates and data protection. Data retention and removal is a focus, with new policies in place to ensure unnecessary data is discarded to ensure privacy and security.

The ongoing education of MLA employees and their awareness of common security pitfalls is also a priority, with notices of changes of policy/security protocol continuing to be communicated internally.

Regular end-user training and phishing simulations across the organisation have continued, leading to positive improvements in awareness and employees learning to recognise potential threats.

New materials added to Creative Commons

MLA's Creative Commons licensing system provides globally recognised licences which allow users to print, use, share and build upon copyrighted material such as manuals, factsheets, online tools and videos. More than 130 copyrighted items have been uploaded to MLA Creative Commons in 2022–23, with materials being added and updated regularly.

The current content available on MLA's Creative Commons includes:

1. *More Beef from Pastures and Give Goats a Go* manuals and videos
2. MLA's Pasture Ruler tool and explanatory guides
3. Shelf Life, Feed Demand and other beneficial calculators
4. Meat cutting guides and primal posters
5. Recipe cards and food safety manuals.

Users are welcome to use the materials for a range of purposes, including:

- enabling use and dissemination of the tools and good content across the supply chain
- allowing organisations to embed the tools and calculators on websites
- enhancing consultants' value through providing everyone with good material
- creating education and workshop materials for advisors, producers and tertiary students
- developing articles for publishing in newsletters and on websites
- reducing waste and improving productivity.

MLA's company values updated

MLA's values support our vision, shape our culture and reflect how we will work together to achieve outcomes for our stakeholders.

A lot has changed since the initial outbreak of COVID-19 – how we work together, where we work, and even the role of work in our lives. This is why, in 2022–23, MLA undertook a review to reassess our values and the behaviours that will:

- guide us in how we work together to achieve our goals
- help keep us aligned around what is most important.

MLA, as service providers to the red meat industry, will work by these values and continue our contributions going forward:

Our vision

Enduring prosperity for the Australian red meat and livestock industry.

Our purpose

To deliver world-leading outcomes that fuel global competitiveness, sustainability and producer profitability.

Our values

Integrity at heart

We are unwavering in our commitment to our stakeholders.

Stronger together

We embrace diversity and collaborate to deliver impact for our stakeholders.

Future focused

We strive to continuously improve and push boundaries towards a better future.

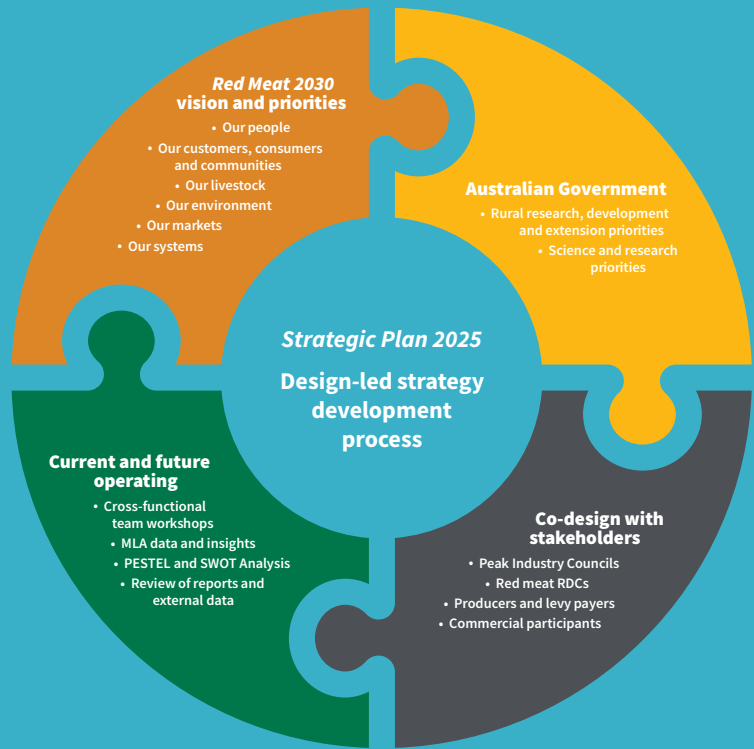
/ Consultation and collaboration

Strategic Plan 2025

Consultation with stakeholders was a critical component in the development of the MLA *Strategic Plan 2025*. Throughout the strategy development, different models were used to ensure we captured stakeholders' voices.

Consultation included co-design workshops, one-on-one meetings and discussions with representatives from across the cattle, sheep and goat industry supply chains to explore their priorities and gather input into our strategy. We also shared our development process with levy payers, producers and other stakeholders via MLA's online communication channels and invited feedback on the emerging themes.

These conversations provided valuable contributions to our strategy. The priorities, issues and outcomes from our consultation were considered in relation to MLA's purpose, and formed a key input into the development of this plan.



Continued next page



/ Consultation and collaboration *continued*

Industry consultation arrangements

The Red Meat Advisory Council (RMAC) is the peak body that represents the collective interests of the Australian red meat industry. RMAC is responsible for the development of the red meat industry's strategic plan (*Red Meat 2030*) which provides the overarching strategic framework that enables the direction, measurement and reporting of overall industry progress to government and industry stakeholders. Levy payers and the wider industry were consulted by RMAC during the development of *Red Meat 2030*.

Decisions on levy investments, across all levy streams, are never made in isolation and MLA consults regularly with the peak industry councils on strategy, budget allocations and key performance indicators. The red meat industry provides MLA with advice on strategic direction for a wide range of programs including marketing, research and development.

Regular consultation is a priority for MLA. The red meat industry Memorandum of Understanding specifies MLA's responsibility to develop a five-year business plan and an Annual Operating Plan in consultation with the peak industry councils.

Livestock producers influence the investment of their levies through several industry consultation mechanisms and can do so through their state farm organisation or peak industry council. The Peak Industry Council Engagement Framework and Quarterly Consultation Updates with peak industry councils, LiveCorp and Australian Meat Processor Corporation are both mechanisms where industry informs MLA on the priorities of each sector.

Examples of areas where consultation occurs include:

Planning and whole-of-red-meat-industry priority areas

- *Red Meat 2030*
- *MLA Strategic Plan 2025*
- *MLA Annual Investment Plan*
- Australian Beef Industry Sustainability Framework and Sheep Sustainability Framework.

Research and development

- Red Meat Panel
- Regional consultation model that sits under the Red Meat Panel through the Southern Australia Meat Research Council, the Western Australian Livestock Research Council and the North Australia Beef Research Council

- Sheep and beef forecasting committees
- Sheep Genetics Advisory Committee
- BREEDPLAN owners
- Supply Chain Taskforce
- MSA Beef and Sheepmeat R&D Pathways Committee
- Producer Adoption Reference Group
- Live Export Research & Development Advisory Committee
- Objective Measurement Advisory Committee
- National Livestock Genetics Consortium Taskforce.

Marketing

- Region-specific global marketing and market access strategies for beef, sheepmeat and goatmeat (Australia, Japan, Korea, North America, Middle East, Europe/Russia, Indonesia, China and South Asia)
- Market Access Taskforce supporting red meat market access initiatives – China working group, Halal working group and EU & UK FTA Taskforce.

Industry engagement events

MLA runs and participates in numerous industry engagement activities each year. Recent examples include BeefUp and MeatUp forums, MLA's Annual General Meeting, Beef Industry Breakfasts, cattle projections and sheep projections meetings, Northern Pastoral Group meetings and the Northern Territory Cattleman's Association Conference. MLA staff also attend a range of industry-led events throughout the year to speak and engage with producers and industry.

Contributions to cross-sectoral strategies

Cross-sectoral projects account for a growing share of MLA's investment portfolio. To view the full list of projects, visit mla.com.au/rd-stocktake

Agreements with third parties

For a list of all third parties that MLA entered into research and development and marketing agreements with, please visit mla.com.au/mla-agreements

/ Andrew Farrington – Gwandallon Holdings, Meadow Creek, Victoria

Financial report



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/ NSW sheep producer David Greig inspects some of the 40,000 saltbushes planted on his Tottenham, NSW property, to provide nutrition, shelter and ground cover in paddocks.

/ Financial summary

Table 3: Revenue and expenditure summary (\$m)

Status	2018-19	2019-20	2020-21	2021-22	2022-23	% change 2022-23 compared with 2021-22
Grassfed cattle levies	58.9	63	52.8	49	47.3	-3.5%
Grainfed cattle levies	11.4	13.9	12.8	11.6	12.7	9.5%
Lamb/mutton levies	37.3	37	35.2	36.6	37.1	1.4%
Goat levies	0.5	0.5	0.4	0.6	0.6	0.0%
Total producer levies	108.1	114.4	101.2	97.8	97.7	-0.1%
Government contributions	80.9	78.5	85.7	98.8	94.3	-4.6%
Other	80.8	76.7	73.1	91.5	95.8	4.7%
Total revenue	269.8	269.6	260.0	288.2	287.9	-0.1%
Marketing, market access and insights	104.1	101.8	103	104.8	111.4	6.3%
Research and development	170.3	171.9	179.5	205.9	196.6	-4.5%
Total expenditure	274.4	273.7	282.5	310.7	308.0	-0.9%

Revenue

MLA's total income of \$287.9 million for 2022-23 was \$283,000 or 0.1% lower than the previous corresponding period. Income for the year was weakened by subdued grassfed levies and lower R&D contribution receipts, reflecting the decrease in the gross value of production (GVP) of the industry throughout the year.

Total levy income was in-line with the previous corresponding period, with a decrease in grassfed cattle levies offset by an increase in grainfed cattle and sheepmeat levies. Grassfed cattle levies remained subdued as a result of processor capacity issues, the extensive floods in the first half of the financial year and the ongoing herd rebuild.

Government contributions of \$94.3 million decreased by \$4.5 million or 4.6% during the period, which is primarily attributable to a decrease in the annual cap on Federal Government matching grants.

Expenditure

Total investment decreased by 0.9% in 2022-23 to \$308 million. R&D investment was \$9.3 million or 4.5% lower than the previous corresponding period, primarily in the Productivity (off-farm) program. R&D investment was largely offset by an uplift in the marketing portfolio.

Marketing, market access and insights investment of \$111.4 million increased by \$6.6 million or 6.3%. The increase was partially driven by additional State Government grants secured during the year in the International Markets program.

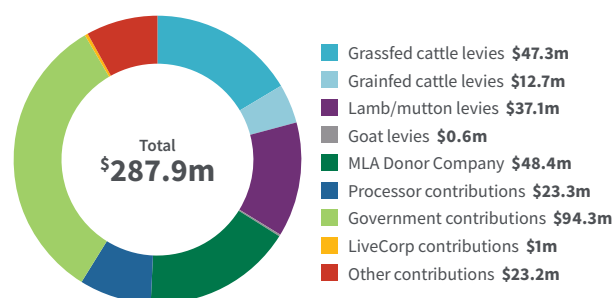
Retained earnings

MLA returned a deficit of \$20.2 million in 2022-23, which reduced the Group's retained surplus as at 30 June 2023 to \$44.8 million. The deficit largely reflects the deliberate draw-down on excess accumulated levy reserve balances.

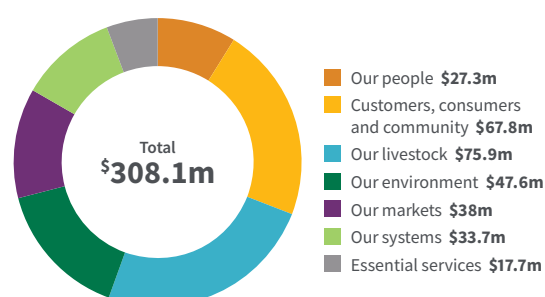
Cash flow

MLA's cash balance increased primarily due to upfront partner contributions to MLA Donor Company programs and a number of government grants received in advance.

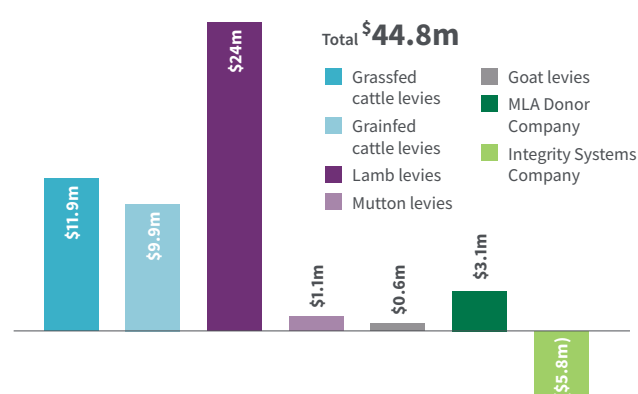
Revenue summary



Expenditure summary



Retained earnings by funding source 2022-23



/ **Financial summary** *continued*

Table 4: Income and expenditure by funding source 2022-23

Program	Goat		Mutton		Lamb		Total sheep		Grassfed cattle		Grainfed cattle		
	R&D \$000	M \$000	R&D \$000	M \$000	R&D \$000	M \$000	R&D \$000	M \$000	R&D \$000	M \$000	R&D \$000	M \$000	
Animal wellbeing	-	-	11.1	-	154.4	-	165.5	-	293.1	-	-	-	
Domestic market	10.9	20.2	54.9	99.1	320.8	8,140.0	375.7	8,239.1	607.1	10,096.1	224.8	1,610.0	
International markets	0.6	66.5	41.6	267.5	264.7	10,023.4	306.3	10,290.9	249.4	26,289.9	12.4	3,490.0	
Eating quality	-	-	8.2	93.7	377.6	790.7	385.8	884.4	503.7	813.8	227.1	360.0	
Environmental sustainability	5.3	-	52.7	-	653.8	-	706.5	-	795.5	-	179.7	-	
Feedlot	-	-	-	-	-	-	-	-	-	-	1,994.3	672.7	
Integrity systems	32.6	22.2	178.7	147.5	1,036.9	1,166.5	1,215.6	1,314.0	1,970.2	1,927.0	693.8	889.2	
Objective measurement	-	-	26.2	-	209.2	-	235.4	-	240.0	-	57.1	-	
Producer adoption	34.3	2.6	124.5	91.7	1,811.4	1,076.2	1,935.9	1,167.9	1,504.0	1,556.0	-	-	
Product and packaging innovation	-	2.0	6.8	14.4	75.9	96.9	82.7	111.3	30.3	63.9	1.1	1.6	
Value chain information and efficiency	39.0	-	90.7	-	634.9	-	725.6	-	919.1	-	341.2	-	
Productivity (off-farm)	-	-	-	-	-	-	-	-	-	-	-	-	
Productivity (on-farm)	94.3	-	38.7	-	2,402.3	-	2,441.0	-	2,932.7	70.9	101.7	-	
Capability building	1.0	38.4	18.6	86.0	63.7	1,556.6	82.3	1,642.6	104.8	1,807.3	23.2	540.8	
Communication	5.7	3.2	18.0	69.8	572.8	2,389.7	590.8	2,459.5	470.3	3,670.1	49.3	854.8	
AUS-MEAT	-	1.1	-	7.1	-	189.2	-	196.3	-	344.0	-	62.6	
Total expenditure pre corporate services	223.7	156.2	670.7	876.8	8,578.4	25,429.2	9,249.1	26,306.0	10,620.2	46,639.0	3,905.7	8,481.7	
Corporate services	23.6	15.6	73.1	86.1	906.4	2,417.1	979.5	2,503.2	1,102.1	4,429.2	408.6	807.9	
Levy collection costs	-	1.0	-	6.7	-	178.7	-	185.4	-	324.8	-	59.1	
Total expenditure	247.3	172.8	743.8	969.6	9,484.8	28,025.0	10,228.6	28,994.6	11,722.3	51,393.0	4,314.3	9,348.7	
Income available	Levies	379.6	238.6	969.1	1,095.0	10,159.7	24,880.9	11,128.8	25,975.9	9,502.0	37,758.9	4,159.9	8,541.6
	Government												
	Processors												
	Live export												
	R&D partnerships												
	External												
Total actual income 2022-23	379.6	238.6	969.1	1,095.0	10,159.7	24,880.9	11,128.8	25,975.9	9,502.0	37,758.9	4,159.9	8,541.6	
Surplus/(deficit)	132.3	65.8	225.3	125.4	674.9	(3,144)	900.2	(3,019)	(2,220)	(13,634)	(154)	(807)	

Total cattle		Total levy funds		Processor		LiveCorp		External		Government	MLA
R&D \$000	M \$000	R&D \$000	M \$000	R&D \$000	M \$000	R&D \$000	M \$000	R&D \$000	M \$000	R&D \$000	Total \$000
293.1	-	458.6	-	-	-	-	-	2,237.5	-	2,696.1	5,392.2
831.9	11,706.1	1,218.5	19,965.4	480.1	1,694.9	3.1	9.9	-	657.0	1,701.7	25,730.6
261.8	29,779.9	568.7	40,137.3	27.4	1,968.6	497.8	458.1	122.0	3,865.7	1,215.9	48,861.5
730.8	1,173.8	1,116.6	2,058.2	(5)	-	-	-	304.9	318.4	1,416.7	5,210.0
975.2	-	1,687.0	-	2,151.4	-	-	-	13,391.2	3,617.7	17,229.6	38,076.9
1,994.3	672.7	1,994.3	672.7	-	-	-	-	1,131.5	-	3,125.8	6,924.3
2,664.0	2,816.2	3,912.2	4,152.4	2,335.3	1,237.2	9.9	20.4	1,098.1	6,826.6	7,355.5	26,947.6
297.1	-	532.5	-	104.2	-	-	-	2,781.9	1,491.7	3,418.6	8,328.9
1,504.0	1,556.0	3,474.2	2,726.5	-	-	-	-	6,929.4	270.8	10,403.6	23,804.5
31.4	65.5	114.1	178.8	102.7	-	-	-	1,397.2	-	1,614.0	3,406.8
1,260.3	-	2,024.9	-	7.5	-	-	-	1,418.8	1,070.9	3,451.2	7,973.3
-	-	-	-	6,943.1	-	-	-	2,198.6	-	9,141.7	18,283.4
3,034.4	70.9	5,569.7	70.9	-	-	-	-	10,752.1	1,901.4	16,321.8	34,615.9
128.0	2,348.1	211.3	4,029.1	6,616.2	106.0	-	2.1	4,790.7	-	11,618.2	27,373.6
519.6	4,524.9	1,116.1	6,987.6	-	-	-	-	-	138.0	1,116.1	9,357.8
-	406.6	-	604.0	-	-	-	-	-	-	-	604.0
14,525.9	55,120.7	23,998.7	81,582.9	18,763.1	5,006.7	510.8	490.5	48,553.9	20,158.2	91,826.5	290,891.3
1,510.7	5,237.1	2,513.8	7,755.9	-	-	-	-	-	3,771.2	2,513.8	16,554.7
-	383.9	-	570.3	-	-	-	-	-	-	-	570.3
16,036.6	60,741.7	26,512.5	89,909.1	18,763.1	5,006.7	510.8	490.5	48,553.9	23,929.4	94,340.3	308,016.3
13,661.9	46,300.5	25,170.3	72,515.0	-	-	-	-	-	-	-	97,685.3
-	-	-	-	-	-	-	-	-	-	94,340.3	94,340.3
-	-	-	-	18,763.1	5,006.7	-	-	-	-	-	23,769.8
-	-	-	-	-	-	510.8	490.5	-	-	-	1,001.3
-	-	-	-	-	-	-	-	47,917.1	-	-	47,917.1
-	-	-	-	-	-	-	-	-	23,142.1	-	23,142.1
13,661.9	46,300.5	25,170.3	72,515.0	18,763.1	5,006.7	510.8	490.5	47,917.1	23,142.1	94,340.3	287,856.2
(2,375)	(14,441)	(1,342)	(17,394)	-	-	-	-	(637)	(787)	-	(20,160.1)

/ Directors' report

The Board of Directors of Meat & Livestock Australia Limited (“MLA” or “the Company”) has pleasure in submitting its report for the financial year ended 30 June 2023.

Directors

The names and details of the company’s directors in office during the financial year and until the date of this report are as follows. All directors were in office for the entire year unless otherwise stated.

Names and special responsibilities

The names of the company’s directors in office during the financial year and until the date of this report are as follows:

- Mr Alan Beckett (Chair)
- Mr Russell Lethbridge
- Mr Jason Strong (Managing Director)
- Mr John Lloyd
- Mrs Tess Herbert
- Mr Andrew Michael
- Mr Jack Holden
- Dr Manny Noakes
- Ms Jacqueline Wilson-Smith.

All directors were in office for the entire year unless otherwise stated. See pages 6–8 for director biographies.

Company secretary

- Joanne Taylor-Craig (appointed March 2020) joined MLA in April 2012.

Retiring directors

- Mr Robert Fitzpatrick (November 2015 – November 2022)
- Ms Erin Gorter (November 2015 – November 2022).

Subsidiaries

MLA Donor Company Limited

At 30 June 2023, the members of the board were Mr Jason Strong, Mr Alan Beckett and Mr Andrew Ferguson.

Integrity Systems Company Limited

At 30 June 2023, the members of the board were Mr Alan Beckett, Mr Russell Lethbridge, Mr Andrew Michael, Mrs Tess Herbert, Ms Kat Giles and Ms Belinda Vassallo.

Directors' meetings

During the period 1 July 2022 to 30 June 2023 the MLA Group Board and its Committees held 6 meetings of directors. The attendances of the directors at meetings of the Board and of its committees were:

Board member	Scheduled meetings	Committees of the Board of Directors		
		Audit, Finance & Risk	Remuneration	Research & Development Investment
A Beckett	6 (6)	-	3 (3)	-
R Fitzpatrick	3 (3)	2 (2)	-	-
E Gorter	3 (3)	-	1 (1)	1 (1)
T Herbert	3 (3)	2 (2)	-	-
J Holden	3 (3)	-	-	2 (2)
R Lethbridge	6 (6)	4 (4)	-	-
J Lloyd	6 (6)	4 (4)	-	3 (3)
A Michael	6 (6)	-	3 (3)	3 (3)
M Noakes	6 (6)	-	-	3 (3)
J Wilson-Smith	6 (6)	2 (2)	2 (2)	-

The number of meetings for which the director was eligible to attend is shown in brackets.

Selection Committee

During the year, the Selection Committee held 4 meetings. The current members of the Selection Committee and their attendance at meetings are listed below. The number of meetings for which the selection committee member was eligible to attend is shown in brackets.

	Scheduled meetings
MLA directors	
Alan Beckett	4 (4)
Russell Lethbridge*	2 (2)
John Lloyd [†]	2 (2)
Peak council representatives	
Jamie Heinrich	4 (4)
Lloyd Hick'	2 (2)
David Foote [†]	1 (2)
Barb Madden	4 (4)
MLA member elected representative	
Tony Fitzgerald	4 (4)
Dan Radel	4 (4)
Mark Wootton	3 (4)
Julie McDonald	3 (4)

[†]Retired from the Committee December 2022.

*Commenced with the Committee December 2022.

Principal activities

The major activities of Meat and Livestock Australia Ltd and its subsidiaries (the Group) during the financial year comprised:

- providing research and development support to the Australian red meat and livestock industry
- providing marketing and promotion services to the Australian red meat and livestock industry both domestically and overseas.

There have been no significant changes in the nature of these activities during the year.

Review and results of operations

Operating result for the period

The result of the Group for the financial year was a net deficit from continuing operations of \$20,160,000 (2022: net deficit of \$22,578,000). The deficit predominantly reflects the application of the MLA's Levy Reserve Policy, which required an increase in levy investment.

Group overview

The Group earned total revenue of \$287,856,000 (2022: \$288,183,000) which is comprised of the following:

- Transaction levies \$97,686,000 (2022: \$97,824,000)
- Research and development matching grants \$94,340,000 (2022: \$98,848,000)
- Research and development contributions (unmatched) \$7,891,000 (2022: \$4,790,000)
- Other income and revenues \$87,939,000 (2022: \$86,721,000).

Total income received/receivable was less than total expenditure, which resulted in a net deficit from continuing operations of \$20,160,000 for the year.

Significant changes in the state of affairs

There were no significant changes in the state of affairs of the Group.

Significant events after the balance date

No significant events after balance date.

Environmental regulation and performance

The Group does not have a material exposure to any environmental regulations.

Indemnification and insurance of directors and officers

Under its constitution, the Company may indemnify each director and each executive officer against any claim or any expenses or costs which may arise as a result of work performed in their respective capacities.

The Company paid an insurance premium in respect of a contract insuring all the directors, secretaries and executive officers of the group entities against all liabilities and expenses arising as a result of work performed in their respective capacities, to the extent permitted by law. The terms of that policy prohibit disclosure of the premium paid or the monetary limit of this indemnity.

Indemnification of auditors

To the extent permitted by law, the Company has agreed to indemnify its auditors, Ernst & Young Australia, as part of the terms of its audit engagement against claims by third parties arising from the audit (for an unspecified amount). No payment has been made to indemnify Ernst & Young during or since the financial year.

Rounding of amounts

The amounts contained in the financial report have been rounded to the nearest thousand dollars (where rounding is applicable) where noted (\$000) under the option available to the Company under ASIC Corporation (Rounding in Financial/ directors' Reports) Instrument 2016/191. The company is an entity to which this legislative instrument applied.

Registered office and principal place of business

Level 1, 40 Mount Street
North Sydney
New South Wales 2060
(02) 9463 9333

Auditor independence

The auditor's independence declaration which forms part of the Directors' report for the financial year ended 30 June 2023 has been received and can be found following this report.

This report has been made in accordance with a resolution of directors.



Alan Beckett
Chair



Jason Strong
Managing director

13 September 2023

/ Auditor's independence declaration



Ernst & Young
200 George Street
Sydney NSW 2000 Australia
GPO Box 2646 Sydney NSW 2001

Tel: +61 2 9248 5555
Fax: +61 2 9248 5959
ey.com/au

Auditor's Independence Declaration to the Directors of Meat & Livestock Australia Limited

In relation to our audit of the financial report of Meat & Livestock Australia Limited for the financial year ended 30 June 2023, and in accordance with the requirements of Subdivision 60-C of the *Australian Charities and Not for profits Commission Act 2012*, to the best of my knowledge and belief, there have been:

- (a) No contraventions of the auditor independence requirements of any applicable code of professional conduct; and
- (b) No non-audit services provided that contravene any applicable code of professional conduct.

Ernst & Young

A handwritten signature in black ink that reads 'Rob Lewis'.

Rob Lewis
Partner

13 September 2023

/ Income statement

For the year ended 30 June 2023	Notes	Consolidated \$ '000	
		2023	2022
Continuing operations			
Revenues from continuing operations	3	287,856	288,183
Expenditure from continuing operations			
Animal wellbeing		5,392	8,740
Feedlot		6,924	6,200
Capability building		27,373	27,243
Communication		9,358	9,051
Environmental sustainability		38,077	30,165
Integrity systems		26,948	25,821
International markets		48,861	47,397
Objective measurement		8,329	7,035
Producer adoption		23,804	14,319
Product and packaging innovation		3,407	3,356
Productivity (off-farm)		18,283	32,291
Productivity (on-farm)		34,616	45,838
Eating quality		5,210	5,338
Domestic market		25,731	22,520
Value chain information & efficiency		7,973	7,370
AUS-MEAT		550	550
Corporate Services		17,180	17,527
Total expenditure		308,016	310,761
Net (deficit) from continuing operations		(20,160)	(22,578)
Total change in members' funds		(20,160)	(22,578)

The accompanying notes form an integral part of this Income statement.

/ Statement of comprehensive income

For the year ended 30 June 2023	Consolidated \$ '000	
	2023	2022
Net deficit from continuing operations	(20,160)	(22,578)
Other comprehensive income		
Items that may be subsequently reclassified to the income statement		
Cash flow hedges		
(Loss) taken to equity	(211)	(6)
Transferred to Statement of comprehensive income	6	32
Other comprehensive (loss)/gain for the year	(205)	26
Total comprehensive (deficit) for the year	(20,365)	(22,552)

The accompanying notes form an integral part of this Statement of comprehensive income.

/ Statement of financial position

As at 30 June 2023	Notes	Consolidated \$ '000	
		2023	2022
Current assets			
Cash and cash equivalents		77,563	39,538
Trade and other receivables	7	38,928	59,296
Prepayments and deposits	8	2,449	1,729
Total current assets		118,940	100,563
Non-current assets			
Property, plant and equipment	12	789	1,573
Intangible assets	13	5,776	5,395
Right of use assets	14	14,358	14,179
Other financial assets	15	26,510	56,936
Total non-current assets		47,433	78,083
Total assets		166,373	178,646
Current liabilities			
Trade and other payables	16	54,716	61,074
Provisions	17	2,818	2,686
Lease liabilities	14	3,059	1,548
Other liabilities	18	33,190	19,350
Total current liabilities		93,783	84,658
Non-current liabilities			
Provisions	19	1,844	1,620
Lease liabilities	14	14,110	15,753
Other liabilities	20	2,988	2,602
Total non-current liabilities		18,942	19,975
Total liabilities		112,725	104,633
Net assets		53,648	74,013
Equity - members' funds			
Contributed equity	27	9,031	9,031
Retained surplus		44,828	64,988
Cash flow hedge reserve	21	(211)	(6)
Total equity - members' funds		53,648	74,013

The accompanying notes form an integral part of this Statement of financial position.

/ Statement of changes in equity

For the year ended 30 June 2023	Consolidated \$ '000			Total
	Contributed equity	Retained earnings	Cash flow hedge reserve	
As at 1 July 2021	9,031	87,566	(32)	96,565
Deficit for the year	-	(22,578)	-	(22,578)
Other comprehensive gain	-	-	26	26
Total comprehensive (loss)	-	(22,578)	26	(22,552)
As at 30 June 2022	9,031	64,988	(6)	74,013
Deficit for the year	-	(20,160)	-	(20,160)
Other comprehensive (loss)	-	-	(205)	(205)
Total comprehensive (loss)	-	(20,160)	(205)	(20,365)
As at 30 June 2023	9,031	44,828	(211)	53,648

The accompanying notes form an integral part of this Statement of changes in equity.

/ Statement of cash flows

For the year ended 30 June 2023	Notes	Consolidated \$ '000	
		2023	2022
Cash flows from operating activities			
Net (deficit)		(20,160)	(22,578)
Adjustments for			
Net (gain) on disposal of property, plant and equipment		(16)	(6)
Depreciation of property, plant and equipment and right-of-use assets		4,321	4,368
Amortisation of software		2,755	2,845
Proceeds from other financial assets		(36,000)	-
Interest received		(341)	(88)
Working capital changes			
Decrease in trade and other receivables		20,368	7,115
(Increase)/decrease in prepayments and deposits		(720)	220
Decrease in other financial assets		30,426	1,862
(Decrease) in trade and other payables		(6,358)	(12,432)
Increase/(decrease) in other liabilities		14,021	(308)
Increase in provisions		356	801
Net cash flows from operating activities		8,652	(18,201)
Cash flows from investing activities			
Proceeds from disposal of property, plant and equipment		16	6
Purchase of property, plant and equipment and right-of-use assets		(480)	(1,276)
Purchase of software		(3,136)	(2,746)
Proceeds from other financial assets		36,000	-
Interest received		341	88
Net cash flows from investing activities		32,741	(3,928)
Cash flows from financing activities			
Net repayments of lease liability		(3,368)	(2,439)
Net cash flows from financing activities		(3,368)	(2,439)
Net increase/(decrease) in cash held		38,025	(24,569)
Add opening cash brought forward		39,538	64,107
Closing cash carried forward		77,563	39,538

The accompanying notes form an integral part of this Statement of cash flows.

/ Notes to the financial statements

1. Corporate information

The financial report of Meat & Livestock Australia Limited and its subsidiaries ("the Group") for the year ended 30 June 2023 was authorised for issue in accordance with a resolution of the directors on 13 September 2023.

MLA has prepared a consolidated financial report incorporating the Company and the entities that it controlled during the financial year.

MLA is a company limited by guarantee incorporated in Australia.

The nature of the operations and principal activities of the Group are described in the Directors' report.

2. Summary of significant accounting policies

(a) Basis of preparation

The financial report is a general-purpose financial report, which has been prepared in accordance with the requirements of the Not-for-profits Commission Act 2012, Australian Accounting Standards and other authoritative pronouncements of the Australian Accounting Standards Board. The financial report has also been prepared on a historical cost basis except for derivative financial instruments and financial assets which have been measured at fair value.

The financial report is presented in Australian dollars and all values are rounded to the nearest thousands (\$000).

(b) Statement of compliance

The principal accounting policies adopted in the preparation of the financial statements are set out below. These policies have been consistently applied to all the years presented, unless otherwise stated.

New, revised or amending Accounting Standards and Interpretations adopted

No new, revised or amending Accounting Standards and Interpretations issued by the Australian Accounting Standard Board ("AASB") that are mandatory for the current reporting period have been adopted. Any new or amended Accounting Standards or Interpretations that are not yet mandatory have not been early adopted.

(c) Principles of consolidation

The consolidated financial statements comprise the financial statements of MLA and its subsidiaries (the Group) as at 30 June 2023 (as outlined in Note 10). Controls are achieved where the Group has power over the investee, exposure, or rights to variable returns from its involvement with the investee and the ability to use its power to affect its returns. The results of subsidiaries acquired or disposed during the year are included in the consolidated income statement and statement of comprehensive income from the effective date of acquisition or up to the effective date of disposal, as appropriate.

The financial statements of the subsidiaries are prepared for the same reporting period as the Group, using consistent accounting policies. All intercompany balances and transactions have been eliminated in full.

(d) Cash and short-term deposits

Cash on hand and at banks and short-term deposits are stated at nominal value.

For the purposes of the consolidated Statement of cash flows, cash and cash equivalents includes cash on hand and at banks, and money market investments readily convertible to cash within two working days, net of outstanding bank overdrafts.

(e) Trade and other receivables

Trade receivables are recognised and carried at original invoice amount less a provision for any uncollectible debts. An estimate for doubtful debts is made when there is objective evidence that the Group will not be able to collect the debt. Bad debts are written-off as incurred.

(f) Taxes

Income tax

The Group is exempt from income tax under section 50-40 of the *Income Tax Assessment Act 1997*.

Goods and Services Tax (GST)

Revenue, expenses and assets are recognised net of the amount of GST except:

- where GST incurred on a purchase of goods and services is not recoverable from the taxation authority, in which case the GST is recognised as part of the cost of acquisition of the asset or as part of the expense item as applicable
- receivables and payables (except accrued income and expenditure) are stated with the amount of GST included.

The net amount of GST recoverable from, or payable to, the taxation authority is included as part of receivables or payables in the Statement of financial position.

Cash flows are included in the Statement of cash flows on a gross basis and the GST component of cash flows arising from investing activities, which is recoverable from or payable to the taxation authority are classified as operating cash flows.

Commitments and contingencies are disclosed net of the amount of GST recoverable from, or payable to, the taxation authority.

(g) Revenue recognition

The Group recognises revenue under AASB 1058 or AASB 15 when appropriate. In cases where there is an 'enforceable' contract with a customer with 'sufficiently specific' performance obligations, the transaction is accounted for under AASB 15 where income is recognised when (or as) the performance obligations are satisfied (i.e. when it transfers control of a product or service to a customer). Revenue is measured based on the consideration to which the Group expects to be entitled in a contract with a customer and excludes amounts collected on behalf of third parties. In other cases, AASB 1058 applies when a NFP entity enters into transactions where the consideration to acquire an asset is significantly less than the fair value of the asset principally to enable the entity to further its objectives and the excess of the asset recognised (at fair value) over any 'related amounts' is recognised as income immediately.

/ Notes to the financial statements *continued*

The Group recognises revenues from the major business activities as follows:

- Transaction levies – revenue is recognised in the period to which it relates based on confirmations received from the Levies and Revenue Service who collect and distribute levies to the Group.
- Research and development Commonwealth matching payments – revenue is recognised for the matching funding from the Australian Government to the extent that the entity obtains control of the funding, it is probable that the economic benefits comprising the funding will flow to the entity and the funding can be measured reliably. These conditions are considered to be met when approved eligible research and development expenditure has been incurred. Accrued matching payments represent unclaimed funding for the amount incurred on research and development.
- Research and development contributions (unmatched) – the company receives funding from various external parties (including the Department of Agriculture and the Australian Government) to conduct collaborative research and development programs. Revenue is recognised when the company obtains control of the contribution or the right to receive the contribution based on conditions around expenditure incurred.
- Processor and Live Exporter contributions are recognised as revenue when the company obtains control of the contribution or the right to receive the contribution when it is probable that the economic benefits comprising the funding will flow to the entity and the funding can be measured reliably. These conditions are considered to be met based on conditions around expenditure incurred.
- Interest income are taken up as income on an accrual basis.
- Income generated from financial assets is recognised at fair value through profit or loss.
- Government grants are recognised when the Group obtains control of the grant or the right to receive the grant, which is considered to occur when all attaching conditions have been met. The grant received or receivable will be recognised as income when it is probable that the economic benefits of the grant will flow to the entity and the amount of the grant can be measured reliably.

(h) Derivative financial instruments and hedging

The Group uses derivative financial instruments such as forward currency contracts and options contracts to hedge against the risks associated with foreign currency fluctuations. These contracts are initially recognised at fair value on the date they are entered into and are subsequently remeasured to fair value. Derivatives are carried as assets when their fair value is positive and as liabilities when their fair value is negative.

Any gains or losses arising from changes in the fair value of derivatives, except for those that qualify as cash flow hedges, are taken directly to net surplus or deficit for the year.

The fair value of forward currency contracts is calculated by reference to current forward exchange rates for contracts with similar maturity profiles.

For the purposes of hedge accounting, hedges are classified as cash flow hedges when they hedge exposure to variability in cash flows that is attributable either to a particular risk associated with a recognised asset or liability or to a forecast transaction.

A hedge of the foreign currency risk of a firm commitment is accounted for as a cash flow hedge.

At the inception of a hedge relationship, the Group formally designates and documents the hedge relationship to which the Group wishes to apply hedge accounting and the risk management objective and strategy for undertaking the hedge. The documentation includes identification of the hedging instrument, the hedged item, the nature of the risk being hedged and how the Group will assess whether the hedging relationship meets the hedge effectiveness requirements (including the analysis of sources of hedge ineffectiveness and how the hedge ratio is determined). A hedging relationship qualifies for hedge accounting if it meets all of the following effectiveness requirements:

- there is ‘an economic relationship’ between the hedged item and the hedging instrument
- the effect of credit risk does not ‘dominate the value changes’ that result from that economic relationship
- the hedge ratio of the hedging relationship is the same as that resulting from the quantity of the hedged item that the Group actually hedges and the quantity of the hedging instrument that the Group actually uses to hedge that quantity of hedged item.

Hedges that meet the strict criteria for hedge accounting are accounted for as follows:

Cash flow hedges

Cash flow hedges are hedges of the Group’s exposure to variability in cash flows that is attributable to a particular risk associated with a recognised asset or liability or a highly probable forecast transaction and that could affect the surplus or deficit. The effective portion of the gain or loss on the hedging instrument is recognised directly in equity while the ineffective portion is recognised in the Statement of comprehensive income.

Amounts taken to equity are transferred to the Statement of comprehensive income when the hedged transaction affects the surplus or deficit, such as when hedged income or expenses are recognised or when a forecast sale or purchase occurs. When the hedged item is the cost of a non-financial asset or liability, the amounts taken to equity are transferred to the initial carrying amount of the non-financial asset or liability.

If the forecast transaction is no longer expected to occur, amounts previously recognised in equity are transferred to the Statement of comprehensive income. If the hedging instrument expires or is sold, terminated or exercised without replacement or rollover, or if its designation as a hedge is revoked, amounts previously recognised in equity remain in equity until the forecast transaction occurs. If the related transaction is not expected to occur, the amount is taken to the Statement of comprehensive income.

Financial assets and financial liabilities are offset and the net amount is reported in the consolidated statement of financial position if there is a currently enforceable legal right to offset the recognised amounts and there is an intention to settle on a net basis, to realise the assets and settle the liabilities simultaneously.

(i) Foreign currency translation

Both the functional and presentation currency of the Company and its subsidiaries is Australian dollars (\$). For each entity, the Group determines its own functional currency and items included in the financial statements of each entity are measured using that functional currency.

Transactions in foreign currencies are initially recorded in the functional currency by applying the budget exchange rate and subsequently revaluing it to the average exchange rate of the month. Monetary assets and liabilities denominated in foreign currencies are retranslated at the rate of exchange ruling at the balance sheet date.

All exchange differences in the consolidated financial report are taken to the Income statement. Non-monetary items that are measured in terms of historical cost in a foreign currency are translated using the exchange rates at the dates of the initial transactions. Non-monetary items measured at fair value in a foreign currency are translated using the exchange rates at the date when the fair value is determined. The gain or loss arising on translation of non-monetary items measured at fair value is treated in line with the recognition of the gain or loss on the change in fair value of the item.

(j) Impairment of assets

The Group assesses at each reporting date whether there is an indication that an asset may be impaired. If any such indication exists, or when annual impairment testing for an asset is required, the Group makes an estimate of the asset's recoverable amount. When the carrying amount of an asset exceeds its recoverable amount, the asset is considered impaired and is written down to its recoverable amount.

(k) Intangible assets

Intangible assets acquired are initially measured at cost. Following initial recognition, intangible assets are carried at cost less any accumulated amortisation and any accumulated impairment losses.

The useful lives of intangible assets are assessed to be either finite or indefinite. Intangible assets with finite lives are amortised over the useful economic life and assessed for impairment whenever there is an indication that the intangible asset may be impaired. The amortisation period and the amortisation method for an intangible asset with a finite useful life are reviewed at least at each financial year-end. Changes in the expected useful life or the expected pattern of consumption of future economic benefits embodied in the asset are accounted for by changing the amortisation period or method, as appropriate, which is a change in accounting estimate. The amortisation expense on intangible assets with finite lives is recognised in the Income statement in the expense category consistent with the function of the intangible asset.

Intangibles are amortised as follows:

- Computer software - 1-5 years

(l) Leases

Except for short-term leases and leases of low-value assets, right-of-use assets and corresponding lease liabilities are recognised in the statement of financial position. Right-of-use assets are depreciated over the term of the lease (included in operating costs) and interest expenses recognized in lease liabilities (included in finance costs). For classification within the statement of cash flows, the interests and principal portion of the lease payments are disclosed in financing activities. For lessor accounting, the standard does not substantially change how a lessor accounts for leases.

Right-of-use assets and lease liabilities

The Group applied a single recognition and measurement approach for all leases except for short-term leases and leases of low-value assets.

The right-of-use assets for most leases were recognised based on the amount equal to the lease liabilities, adjusted for any related prepaid and accrued lease payments previously recognised. Lease liabilities were recognised based on the present value of the remaining lease payments, discounted using the incremental borrowing rate at the date of initial application.

Depreciation

Depreciation is provided on a straight-line basis on all right of use assets.

	Term of lease
Leasehold properties	1-10 years
Motor vehicles	1-5 years

Leasehold improvements

The cost of improvements to or on leasehold property is capitalised, disclosed as leasehold improvements, and amortised over the unexpired period of the lease or the estimated useful lives of the improvements, whichever is the shorter, if there is no certainty the Group will obtain ownership by the end of the lease.

(m) Property, plant and equipment**Cost**

All classes of property, plant and equipment are measured at cost, net of accumulated depreciation and accumulated impairment losses if any.

Depreciation

Depreciation is provided on a straight-line basis on all property, plant and equipment.

	Life
Leasehold improvements	Remaining term of lease
Plant and equipment	2-5 years
Furniture and fittings	3-5 years

The assets' residual values, useful lives and depreciation methods are reviewed and adjusted, if appropriate at each financial year end.

/ Notes to the financial statements *continued*

Derecognition and disposal

An item of property, plant and equipment is derecognised upon disposal or when no further future economic benefits are expected from its use or disposal.

Any gain or loss arising on derecognition of the asset (calculated as the difference between the net disposal proceeds and the carrying amount of the asset) is included in the income statement in the year the asset is derecognised. The residual values, useful lives and methods of depreciation of property, plant and equipment are reviewed at each financial year end and adjusted prospectively, if appropriate.

(n) Trade and other payables

Liabilities for trade and other payables are carried at amortised cost, which is the fair value of consideration to be paid in the future for goods and services received prior to the end of the financial year and which are unpaid. These amounts are unsecured and will be paid when due.

(o) Financial assets

Financial assets are classified, at initial recognition, as subsequently measured at fair value through profit or loss.

Financial assets at fair value through profit or loss are carried in the statement of financial position at fair value with net changes in fair value recognised in the statement of profit or loss, and includes derivative instruments and listed equity investments. Fair values of these equity shares are determined by reference to published price quotations in an active market.

The classification of the financial asset is dependent on the financial asset's contractual cash flow characteristics and the Group's business model for managing them.

The Group holds financial assets with the objective to collect contractual cash flows and not in the business model of both collecting contractual cash flows and selling. The Group therefore measures financial assets at its fair value plus, in the case of a financial asset not at fair value through profit or loss, transaction costs. The financial assets are subsequently measured at fair value through profit and loss.

Financial Assets at fair value through profit or loss

Financial assets at fair value through profit or loss are carried in the statement of financial position at fair value with net changes in fair value recognised in the statement of profit or loss. This category includes derivative instruments and listed equity investments. Dividends on listed equity investments are recognised as income in the statement of profit or loss when the right of payment has been established. A derivative embedded in a hybrid contract, with a financial liability or non-financial host, is separated from the host and accounted for as a separate derivative if the economic characteristics and risks are not closely related to the host; a separate instrument with the same terms as the embedded derivative would meet the definition of a derivative; and the hybrid contract is not measured at fair value through profit or loss. Embedded derivatives are measured at fair value with changes in fair value recognised in profit or loss. Reassessment only occurs if there is either a change in the terms of the contract that significantly modifies the cash flows that

would otherwise be required or a reclassification of a financial asset out of the fair value through profit or loss category.

(p) Financial liabilities

Financial liabilities are classified, at initial recognition, as financial liabilities at fair value through profit or loss, loans and borrowings, payables, or as derivatives designated as hedging instruments in an effective hedge, as appropriate.

(q) Provisions

Provisions are recognised when the Group has a present obligation (legal or constructive) as a result of a past event, it is probable that an outflow of resources embodying economic benefits will be required to settle the obligation and a reliable estimate can be made of the amount of the obligation. The expense relating to a provision is presented in the statement of profit or loss net of any reimbursement.

(r) Unearned income

Unearned income consists of funds which have been received or invoiced but income recognition has been deferred to future years because the project milestones have not been met or the expenditure to which they relate has not been incurred.

(s) Employee benefits

Provision is made for employee benefits accumulated as a result of employees rendering services up to the reporting date. These benefits include wages and salaries, annual leave, long service leave and other employee benefits.

Short-term employee benefits

Liabilities for wages and salaries, including non-monetary benefits, annual leave and long service leave expected to be settled wholly within 12 months of the reporting date are measured at the amounts expected to be paid when the liabilities are settled.

Other long-term employee benefits

The liability for annual leave and long service leave not expected to be settled within 12 months of the reporting date are measured as the present value of expected future payments to be made in respect of services provided by employees up to the reporting date using the projected unit credit method. Consideration is given to expected future wage and salary levels, experience of employee departures and periods of service. Expected future payments are discounted using market yields at the reporting date on corporate bonds with terms to maturity and currency that match, as closely as possible, the estimated future cash outflows.

(t) Fit-out contribution and rent-free period

The Company negotiated the lease of new premises in North Sydney in April 2013 which included incentives that involved a combination of a fit-out contribution and rent-free period. These incentives are treated as per AASB 16 lease standard.

(u) Investment in associate

The Group's investment in its associate is accounted for using the equity method of accounting in the consolidated financial statements. The associate is an entity over which the Group has significant influence and that are neither subsidiaries nor joint ventures.

Under the equity method, investment in the associate is carried in the consolidated statement of financial position at cost plus post-acquisition changes in the Group's share of net assets of the associates. After application of the equity method, the Group determines whether it is necessary to recognise any impairment loss with respect to the Group's net investment in associates.

Pursuant to the constitution of the associate (AUS-MEAT), the Group has no entitlement to a share of the associate's net results. The Group is also not entitled to the net assets of the associate except in the event of a winding up of the associate.

The reporting dates of the associate and the Group are identical and the associate's accounting policies conform to those used by the Group for like transactions and events in similar circumstances.

Interests in associated entities are included in non-current assets at the recoverable amount. Detailed equity accounting information concerning the Group's material interests in its associate is provided in Note 9.

(v) Leasehold make good provision

The Company has entered into a number of office premises lease agreements which include make good clauses. A make good clause requires the Company to restore the premises to its original condition at the conclusion of the lease. The provision has been calculated as the present value of the expected cost, which has been based on management's best estimate.

(w) Current versus non-current classification

The Group presents assets and liabilities in the statement of financial position based on current/non-current classification. An asset is current when it is:

- expected to be realised or intended to be sold or consumed in the normal operating cycle
- held primarily for the purpose of trading
- expected to be realised within twelve months after the reporting period.

A liability is current when:

- It is expected to be settled in the normal operating cycle
- It is held primarily for the purpose of trading
- It is due to be settled within twelve months after the reporting period; or
- there is no unconditional right to defer the settlement of the liability for at least twelve months after the reporting period.

The Group classifies all other liabilities as non-current.

3. Revenue from continuing operations

	Notes	Consolidated \$ '000	
		2023	2022
Revenues from contracts with customers			
Transaction levies	4	97,686	97,824
R&D Commonwealth matching payments		94,340	98,848
R&D contributions (unmatched)		7,891	4,790
Other income	5	83,945	88,649
Total revenues from operating activities		283,862	290,111
Revenues from non-operating activities			
Bank interest		491	38
Unrealised gain/(loss) from financial asset at fair value through profit or loss		3,503	(1,966)
Total revenues from non-operating activities		3,994	(1,928)
Total revenues from continuing operations		287,856	288,183

/ Notes to the financial statements *continued*

4. Transaction levies

	Notes	Consolidated \$ '000	
		2023	2022
Transaction levies			
Grainfed cattle		12,701	11,621
Grassfed cattle		47,262	49,016
Lambs		35,041	34,677
Sheep		2,064	1,920
Goats		618	590
Total transaction levies		97,686	97,824

5. Other income

	Notes	Consolidated \$ '000	
		2023	2022
Processor contributions		23,269	27,569
Live exporter contributions		1,001	1,126
Co-operative funding		1,724	4,952
R&D partnership income		44,135	45,215
Sale of products or services		7,170	4,571
Other		6,646	5,216
Total other income		83,945	88,649

6. Expenses and losses

	Notes	Consolidated \$ '000	
		2023	2022
Depreciation and amortisation of non-current assets included in the Income statement			
Leasehold improvements		614	660
Plant and equipment		331	426
Furniture and fittings		58	46
Intangible assets		2,755	2,845
Right of use assets		3,318	3,237
Total depreciation and amortisation of non-current assets		7,076	7,214
(Gain) on sale of assets		(16)	(6)
Operating lease rentals included in the Income statement	14	1,122	907
Employee benefit expense			
Wages and salaries		38,439	33,991
Workers compensation costs		179	149
Annual leave provision		2,730	2,444
Long service leave provision		797	1,056
Superannuation expense		3,547	3,042
Total employee benefit expense		45,692	40,682

7. Trade and other receivables (current)

	Consolidated \$ '000	
	2023	2022
Trade receivables, net	6,364	12,758
Accrued revenue		
Levies	7,900	7,543
R&D Commonwealth matching payments	17,466	28,385
Other	5,526	9,742
Total accrued revenue	30,892	45,670
Other receivables	1,672	868
Total current receivables, net	38,928	59,296

There has been a \$4,000 impairment of trade receivables (2022: \$0).

The ageing analysis of trade receivables (net of impairment) is as follows:

Trade receivables (net of impairment)	Total	Current	Past due but not impaired \$ '000				
			1-30 days	31-60 days	61-90 days	91-120 days	>120 days
30 June 2023	6,364	6,260	100	2	1	1	-
30 June 2022	12,758	11,632	995	131	-	-	-

a. Allowance for impairment of receivables

A provision for impairment loss is recognised when there is objective evidence that a trade receivable is individually impaired (refer Note 2(e)). Financial difficulties of the debtor or defaulting in payments are considered objective evidence of impairment.

Receivables past due but not impaired are: \$104,000 (2022: \$1,126,000). Each business unit has been in contact with the relevant debtor and is satisfied that payment will be received in full. Other balances within trade and other receivables do not contain impaired assets and are not past due. It is expected these balances will be received when due.

b. Interest rate risk

Trade debtors, R&D matching grants, levies and other accrued revenue are non-interest bearing and generally on 14 to 30 day terms.

c. Security

The Group does not hold any collateral or security on trade receivables.

d. Credit risk

The carrying value at the reporting date approximate the fair value for each class of receivable. Details regarding credit risk exposure are disclosed in Note 28 (iii).

8. Prepayments and deposits

	Consolidated \$ '000	
	2023	2022
Prepayments	1,866	1,150
Deposits	583	579
Total prepayments and deposits	2,449	1,729

9. Investment in associate

	Consolidated \$ '000	
	2023	2022
Unlisted		
AUS-MEAT Limited	-	-

AUS-MEAT Limited became an associated entity in 1998/99 and is jointly owned (50% each) by MLA and Australian Meat Processor Corporation Limited.

AUS-MEAT Limited is an independent company limited by guarantee with operations split into two principal areas, the Standards division and the Services division. It is incorporated in Australia.

MLA has a continuing commitment to support AUS-MEAT Limited. The contribution for the financial year ended 30 June 2023 was \$550,000 (2022: \$550,000).

Summary results of the associate entity	AUS-MEAT Limited \$ '000	
	2023	2022
Revenue	24,191	21,332
Accumulated surplus at beginning of the year	3,490	5,140
Net (deficit) for the year	(507)	(1,650)
Accumulated surplus at end of the year	2,984	3,490
Financial summary of associated entity		
Total current assets	8,860	9,471
Total non-current assets	3,818	3,728
Total current liabilities	4,199	4,103
Total non-current liabilities	645	755
Net assets	7,834	8,340

The investment in AUS-MEAT Limited has been taken up at nil value (2022: \$nil). There is no entitlement to a share of the net results or net assets except in the event of a winding up of the entity.

10. Investments in subsidiaries

The consolidated financial statements include the financial statements of MLA and the subsidiaries listed in the following table.

Name	% Equity Interest		Investment \$ '000	
	2023	2022	2023	2022
a) MLA Donor Company Limited	100	100	-	-
b) Integrity Systems Company Limited	100	100	-	-
			-	-

a) MLA Donor Company Limited was incorporated in Australia on 6 August 1998 and is limited by guarantee. If the company is wound up, its Constitution states that MLA is required to contribute a maximum of \$5 towards meeting any outstanding obligations of the company.

b) Integrity Systems Company Limited was incorporated in Australia on 24 December 2008 and is limited by guarantee. If the company is wound up, its Constitution states that MLA is required to contribute a maximum of \$5 towards meeting any outstanding obligations of the company.

11. Parent entity information

Information relating to Meat & Livestock Australia Ltd	\$ '000	
	2023	2022
Current assets	117,737	99,925
Total assets	160,865	174,060
Current liabilities	62,449	72,113
Total liabilities	78,259	89,383
Contributed equity	9,031	9,031
Reserves	(211)	(6)
Retained surplus	47,494	64,863
Total equity – Members' funds	56,314	73,888
Deficits for the year	(17,369)	(18,936)
Other comprehensive (loss) for the year	(211)	(6)

As at balance date, the parent entity has not entered into any material contractual commitments for the acquisition of property, plant or equipment other than as noted in the financial statements.

12. Property, plant and equipment

	Consolidated \$ '000	
	2023	2022
Plant and equipment		
At cost	3,070	5,277
Accumulated depreciation	(2,689)	(4,662)
Total plant and equipment	381	615
Furniture and fittings		
At cost	398	299
Accumulated depreciation	(211)	(172)
Total furniture and fittings	187	127
Leasehold improvements		
At cost	6,285	6,537
Accumulated depreciation	(6,064)	(5,706)
Total leasehold improvements	221	831
Total property, plant and equipment		
At cost	9,753	12,113
Accumulated depreciation	(8,964)	(10,540)
Total written down value	789	1,573

/ Notes to the financial statements *continued*

12. Property, plant and equipment *continued*

Reconciliations of the carrying amounts of property, plant and equipment at the beginning and end of the current financial year.

	Consolidated \$ '000	
	2023	2022
Plant and equipment		
Carrying amount at beginning	615	687
Additions	119	377
Disposals	(22)	(23)
Depreciation expense	(331)	(426)
	381	615
Furniture and fittings		
Carrying amount at beginning	127	165
Additions	119	8
Disposals	(1)	-
Depreciation expense	(58)	(46)
	187	127
Leasehold improvements		
Carrying amount at beginning	831	1,328
Additions	8	163
Disposals	(5)	-
Depreciation expense	(613)	(660)
	221	831

13. Intangible assets

	Consolidated \$ '000	
	2023	2022
Software		
At cost	12,838	20,193
Accumulated amortisation	(7,062)	(14,798)
Total software	5,776	5,395
Reconciliation		
Carrying amount at beginning	5,395	5,494
Additions	3,136	2,871
Disposals	-	(125)
Amortisation expense	(2,755)	(2,845)
	5,776	5,395

14. Right of use assets

The Group leases motor vehicles, office and residential premises. Information about leases for which the Group is a lessee is presented below:

	Consolidated \$ '000	
	2023	2022
Property – right of use		
At cost	24,860	20,718
Accumulated depreciation	(10,813)	(6,678)
Total written down value	14,047	14,040
Reconciliations		
At cost		
Carrying amount at beginning	20,718	20,619
Additions	4,824	1,188
Disposals	(734)	(1,055)
Foreign exchange translation difference	52	(34)
	24,860	20,718
Accumulated depreciation		
Carrying amount at beginning	6,678	4,621
Additions	3,177	3,133
Disposals	(662)	(1,066)
Revaluation	1,596	-
Foreign exchange translation difference	24	(10)
	10,813	6,678
Total written down value	14,047	14,040
Motor vehicle – right of use		
At cost	528	433
Accumulated depreciation	(217)	(294)
Total written down value	311	139
Reconciliations		
At cost		
Carrying amount at beginning	433	329
Additions	289	106
Disposals	(202)	-
Foreign exchange translation difference	8	(2)
	528	433
Accumulated depreciation		
Carrying amount at beginning	294	182
Additions	116	115
Disposals	(195)	(2)
Foreign exchange translation difference	2	(1)
	217	294
Total written down value	311	139
Total right of use asset, net	14,358	14,179

/ Notes to the financial statements *continued*

14. Right of use assets *continued*

	Consolidated \$ '000	
	2023	2022
Lease Liabilities		
Less than one year	3,059	1,548
More than one year	14,110	15,753
Amounts recognised in Profit and Loss		
Lease interest on lease liabilities	645	845
Rent expenses relating to short term and low value leases	1,122	907

The Group leases motor vehicles and properties under agreements between 1 to 5 years in Australia and overseas. There are options to extend under the property lease agreements.

15. Other financial assets

	Consolidated \$ '000	
	2023	2022
Financial assets at fair value through profit or loss	24,889	55,315
Other	1,621	1,621
	26,510	56,936

Financial assets at fair value through profit or loss include investments in a portfolio of listed equity shares and fixed income financial assets. Fair values of these assets are determined by reference to published price quotations in an active market.

Other financial assets consist of restricted cash which relates to cash held as rental bonds in bank account which is pledged as collateral to landlords for risks retained by the group.

16. Trade and other payables (current)

	Consolidated \$ '000	
	2023	2022
Trade payables (a)	21,017	15,874
Accrued R&D and other creditors (a)	30,232	41,754
Derivative financial instruments (b)	211	6
Employee entitlements		
Annual leave	2,639	2,836
Other	617	605
	54,716	61,074

a) Trade payables, accrued R&D and other creditors are non-interest bearing and are normally settled on 30-day terms. In the case of accrued R&D, any payments are further subject to milestones being satisfactorily completed.

b) Pursuant to Note 2(h), the Group remeasured to fair value its outstanding forward currency and option contracts as at year end.

17. Provisions (current)

	Consolidated \$ '000	
	2023	2022
Long service leave	2,818	2,671
Leasehold make good	-	15
Total current provisions	2,818	2,686

Movements in provisions	\$ '000		
	Long service leave	Leasehold make good	Total
Carrying amount at the beginning of the financial year	2,671	15	2,686
Additional provisions	442	-	442
Utilised	(429)	-	(429)
Amounts transferred from/(to) non-current during the year	134	(15)	119
Carrying amount at the end of the financial year	2,818	-	2,818

18. Other liabilities (current)

	Consolidated \$ '000	
	2023	2022
Unearned income	31,295	18,563
Other	1,895	787
Total current other liabilities	33,190	19,350

19. Provisions (non-current)

	Consolidated \$ '000	
	2023	2022
Long service leave	1,130	920
Leasehold make good	714	700
Total non-current provisions	1,844	1,620

Movements in provisions	\$ '000		
	Long service leave	Leasehold make good	Total
Carrying amount at the beginning of the financial year	920	700	1,620
Additional provisions	500	-	500
Utilised	(19)	-	(19)
Amounts transferred (to)/from current during the year	(134)	15	(119)
Write back in provisions	(137)	(1)	(138)
Carrying amount at the end of the financial year	1,130	714	1,844

/ Notes to the financial statements *continued*

20. Other liabilities (non-current)

	Consolidated \$ '000	
	2023	2022
Unearned income	2,988	2,602
Total non-current other liabilities	2,988	2,602

21. Cash flow hedge reserve

	Consolidated \$ '000	
	2023	2022
At the beginning of the financial year	(6)	(32)
Net deficit on cash flow hedges	(211)	(6)
Transfer of cash flow hedge reserve to Statement of comprehensive income	6	32
Total cash flow hedge reserve (a)	(211)	(6)

a) The full amount of hedged cash flows as at 30 June 2023 are expected to affect the Statement of comprehensive income within one year.

As at 30 June 2023, the Company did not have any portion of cash flow hedges deemed ineffective.

22. Employee entitlements

	Consolidated \$ '000	
	2023	2022
The aggregate employee benefit liability is comprised of		
Provisions - current (refer note 17)	2,818	2,671
Provisions - non-current (refer note 19)	1,130	920
Payables - current (refer note 16)	3,256	3,441
	7,204	7,032

23. Remuneration of auditors

	Consolidated \$	
	2023	2022
Amounts received or due and receivable by Ernst & Young for		
Auditing or reviewing of the financial report of the entity and any other entity in the consolidated entity	250,328	230,568
Other services in relation to the entity and any other entity in the consolidated entity		
Other non-audit services	20,000	-
	270,328	230,568

24. Director and executive disclosures

a. Details of key management personnel (KMP)

(i) Directors		(ii) Executives	
Alan Beckett	Chair	Lucy Broad	General Manager – Communications (until 30 June 2023)
Robert Fitzpatrick	Retired November 2022	Andrew Cox	General Manager - International Markets
Erin Gorter	Retired November 2022	Michael Crowley	General Manager – Research, Development and Adoption (until 31 January 2023)
Tess Herbert	Director Since November 2022	Andrew Ferguson	Chief Operating Officer
Jack Holden	Director Since November 2022	Nathan Low	General Manager – Marketing and Insights
Russell Lethbridge		Jane Weatherley	Chief Executive Officer - ISC
John Lloyd			
Andrew Michael			
Manny Noakes			
Jacqueline Wilson-Smith			
Jason Strong	Managing Director		

(iii) Compensation of key management personnel by categories	Notes	Consolidated \$	
		2023	2022
Directors (a)			
Short-term benefits		1,370,550	1,332,415
Post-employment benefits		88,845	82,576
Other long-term benefits		11,987	4,869
	(a)	1,471,382	1,419,860
Executives (b)			
Short-term benefits		2,075,149	2,276,663
Post-employment benefits		141,990	141,408
Other long-term benefits		(59,559)	44,755
	(b)	2,157,580	2,462,826

- a) Compensation includes all benefits paid, payable or provided by the entity, or on behalf of the entity, in exchange for services rendered to the entity. Compensation includes wages, salaries, superannuation and other employees' provisions.
- b) Executive compensation refers to all compensation earned by the General Managers of the Company with the exception of the Managing Director whose compensation has been included under Directors' compensation.

b. Related party transactions

Directors of the Group and directors of its related parties, or their director-related entities, conduct transactions with entities within the Group that occur within a normal employee, customer or supplier relationship on terms and conditions no more favourable than those which it is reasonable to expect the entity would have adopted if dealing with the director or director-related entity at arm's length in similar circumstances. These transactions include the following and have been quantified below where the transactions are considered likely to be of interest to users of these financial statements:

- Mr Jack Holden is a Member, Committee of Management of Sustainable Agriculture Initiative which invoiced the company 2022-23 \$8,800 (2021-22 \$8,800) for an annual membership fee.
- Mrs Tess Herbert is the owner of Gundamain Feedlot Pty Ltd (Trading as Gundamain Pastoral Co) which invoiced the company 2022-2023 \$5,096 (2021-22 \$5,362) for "Red Meat Panel" and "Beef Sustainability steering group" expenses.
- Mr Russell Lethbridge is a Member of Agforce Queensland which invoiced the company 2022-23 \$23,913 (2021-22 \$80,453) mainly for the Pasture Dieback project.

/ Notes to the financial statements *continued*

- Mr John Lloyd is:
 - a Member of Charles Sturt University which invoiced the company 2022-23 \$3,907,808 (2021-22 \$1,000,014) for various MDC and Rural R&D for Profit programs including "Dung beetle ecosystem engineers" and "Forewarned is Forearmed". The company has invoiced 2022-23: \$1,062,806 (2021-22: \$1,977,051) for various projects including "Evaluating a hyperspectral image analysis prototype for offal health and tissue integrity" and "Sheep measles: Economic impacts and epidemiological risks"
 - a Selection Committee Member for Agrifutures which invoiced the company 2022-23 \$103,400 (2021-22 \$66,000) for "Horizon Scholarships". The company has invoiced 2022-23 \$14,775 (2021-22 \$374,000) for "Secretariat for the Animal Industry Antimicrobial Stewardship Research, Development, and Extension Strategy" project.
- Mr Rob Fitzpatrick is an Advisory Board Member of ExoFlare which invoiced the company 2022-23 \$588,265 (2021-22 \$52,500) for "Digital Biosecurity Management Plans" and "Animal Transport Biosecurity" projects. The company has invoiced 2022-23 \$435,841 (2021-22 \$0) for the same MDC projects.
- Ms Erin Gorter is:
 - a Member of Southern DIRT which invoiced the company 2022-23 \$18,539 (2021-22 \$48,776) for "Increasing profit with dual purpose crops" project
 - a Scholarship recipient of the Australian Rural Leadership Program which invoiced the company 2022-23 \$98,558 (2021-22 \$123,200) for Rural Leadership programs. The company has invoiced 2022-23 \$5,500 (2021-22 \$28,600) for the same programs.
- Mrs Jacqueline Wilson-Smith is:
 - a Director of Food Agility CRC which invoiced the company 2022-23 \$242,000 (2021-22 \$168,667) for "Australian AgriFood Data Exchange" and "Trakka - Making Data Flow" projects. The company invoiced 2022-23 \$237,068 (2020-21 \$0) for the same projects
 - Chair of Agrifutures Ginger Advisory Panel which invoiced the company 2022-23 \$103,400 (2021-22 \$66,000) for "Horizon Scholarships". The company has invoiced 2022-23 \$14,775 (2021-22 \$374,000) for "Secretariat for the Animal Industry Antimicrobial Stewardship Research, Development, and Extension Strategy" project
 - a Consultant to Queensland Department of Agricultural and Fisheries which invoiced the company 2022-23 \$5,281,150 (2021-22 \$3,573,116) for various projects including "Steak 'n wood: demonstrating livestock productivity and environmental service benefits of trees on farm in northern systems" and "Sown Pastures: Qld Pasture Resilience Programs". The company invoiced 2022-23 \$2,456,242 (2021-22 \$1,949,135) for various MDC projects
 - a Program participant for ARLP 30 of Australian Rural Leadership Foundation which invoiced the company 2022-23 \$98,558 (2021-22 \$123,200) for Rural Leadership programs. The company invoiced 2022-23 \$5,500 (2021-22 \$28,600) for the Rural Leadership Foundation Programs.

25. Expenditure commitments

	Consolidated \$ '000	
	2023	2022
Expenditure (primarily research and development) contracted for is payable as follows		
Not later than one year	137,534	187,673
Later than one year but not later than five years	66,229	84,025
Later than five years	4,761	930
Aggregate R&D expenditure contracted for at balance date	208,524	272,628
Operation expenditure contracted for is payable as follows:		
Not later than one year	2,625	1,958
Later than one year but not later than five years	795	732
Later than five years	-	-
Aggregate operation expenditure contracted for at balance date (a)	3,420	2,690

- a) The operation commitments include maintenance contracts and existing leases for properties.

26. Members' funds

The Company is incorporated in Australia and is a company limited by guarantee. If the Company is wound up, its Constitution states that each member is required to contribute a maximum of \$5 each towards meeting any outstanding obligations of the Company. At 30 June 2023, the number of members was 50,137 (2022: 49,775).

27. Contributed equity

	Consolidated \$ '000	
	2023	2022
Capital contribution	9,031	9,031

This amount represents contributions from the Commonwealth Government as initial working capital and property, plant and equipment at written down value transferred from the Australian Meat and Live-stock Corporation and the Meat Research Corporation at nil consideration.

28. Financial risk management objectives and policies

MLA's principal financial instruments include derivatives, cash and cash equivalents. The Group has various other financial assets and liabilities such as trade receivables and trade payables which arise directly from its operations.

MLA enters into derivative transactions, including forward currency contracts and currency option contracts. The currency option contracts are limited to vanilla options and collar options. The purpose is to manage the currency risks arising from the Group's overseas operations. The main risks arising from the Group's financial instruments are interest rate risk, foreign currency risk, credit risk and liquidity risk.

The Board reviews and agrees policies for managing each of these risks and they are summarised below.

Oversight responsibility for identification and control of financial risks rests with the Audit and Risk Committee under the authority of the Board.

Details of the significant accounting policies and methods adopted, including the criteria for recognition, the basis of measurement and the basis on which income and expenses are recognised, in respect of each class of financial instrument are disclosed in note 2 to the financial statements.

Risk exposures and responses

(i) Interest rate risk

The Group's exposure to the risk of changes in market interest rates relates primarily to the Group's cash and short-term deposit holding with a floating interest rate. Cash at bank earns interest at floating rates based on daily bank deposit rates. On call deposits are made for varying periods of between one day and twelve months, depending on the immediate cash requirements of the Group, and earn interest at the respective short-term deposit rates.

Cash deposits and short-term cash assets are held at floating interest rates. Some of these assets are held in foreign currency accounts.

Sensitivity analysis:

At 30 June 2023, if interest rates moved, as illustrated in the table below, with all other variables held constant, the effect on the Group's net surplus would have been as follows:

Judgements of reasonable possible movements	Consolidated \$ '000	
	2023	2022
+0.50% (2022: +1.50%)	363	548
- 0.50% (2022: -0.50%)	(363)	(183)

There is no direct impact on other comprehensive income.

/ Notes to the financial statements *continued*

(ii) Foreign currency risk

The Group has a policy of hedging the offshore component of its annual expenditure. In doing so, it works within Board-approved risk management bands which establish the upper and lower limits of hedge cover for each period out on a rolling twelve month basis. The objective is to ensure that the annual budget allocation for offshore expenditure for the next financial year is fully hedged by 30 June.

The Group is primarily exposed to the risk of adverse movements in the Australian dollar relative to certain foreign currencies and uses derivative financial instruments to manage these specifically identified foreign currency exposures.

Forward exchange contracts and options are purchased to hedge a majority of the Australian dollar value of United States dollar, Japanese yen, Chinese yuan and Korean won payments arising from the activities of overseas branches.

These contracts hedge highly probable forecasted future cash outflows and they are timed to mature when the payments are scheduled to be made.

Foreign exchange contracts commit the Group to purchase specific amounts of foreign currency at an agreed rate of exchange maturing at specific times up to 12 months from balance date.

Option contracts give the Group the right to purchase specific amounts of foreign currency at an agreed rate of exchange maturing at specific times up to 12 months from balance date.

At 30 June 2023, the Group held forward exchange contracts designated as hedges of forecasted future cash outflows to its overseas offices. The cash flows are expected to occur within 12 months from 30 June 2023.

Sensitivity analysis:

There is minimal sensitivity to foreign currency risk exposures on the Group's net surplus/deficit for the year and on equity as overseas spending is subject to a fixed budget which is determined in Australian dollars. As there is no material impact on the net surplus/deficit or equity in local currency, a sensitivity analysis has not been prepared.

(iii) Credit risk

Credit risk arises from the financial assets of the Group, which comprise cash and cash equivalents, trade and other receivables and derivative instruments. The Group's exposure to credit risk arises from the potential default of the counter party, with a maximum exposure equal to the carrying amount of these instruments. Exposure at balance date is addressed in each applicable note.

The Group's objectives in relation to credit risk are to ensure minimum impairment of its financial assets and minimise the possibility of loss.

The Group's financial assets are largely due from government related bodies, recognised creditworthy third parties and highly credit-rated financial institutions that have minimal risk of default. No collateral is held as security.

All receivable balances are monitored on an ongoing basis with the result that the Group's experience of bad debts has not been significant.

There are no significant concentrations of credit risk and financial instruments are spread amongst a number of financial institutions to minimise the risk of default of counterparties.

The Group's maximum exposure to credit risk at reporting date in relation to each class of recognised financial assets is the carrying amount of these assets.

(iv) Liquidity risk

Liquidity risk arises from the financial liabilities of the Group and the Group's subsequent ability to meet its obligations to repay its financial liabilities as and when they fall due.

Pursuant to its reserving policy, the Group maintains minimum levels of reserves by specie. The Group's objective is to invest the surplus funds represented by these reserves in financial instruments with maturities that match its forecast payment obligations. The surplus funds are invested primarily in term deposits with differing maturity terms that can be easily liquidated in the event of an unforeseen interruption of cash flow.

The Group manages its liquidity risk by monitoring the cash inflows and outflows expected on a weekly basis.

Non-derivative financial liabilities

The table below summarises the maturity profile of the Group's financial liabilities as at the reporting date based on contractual undiscounted repayment obligations. The Group ensures that sufficient liquid assets are available to meet all the short-term cash payments.

Financial liabilities	Consolidated \$ '000	
	Less than 6 months	6 to 12 months
Trade and other payables	51,249	-

(v) Fair value

The carrying values of all financial assets and liabilities approximate their fair value at the balance date. The net fair value of a financial asset is the amount at which the asset could be exchanged in a current transaction between knowledgeable and willing parties after allowing for transaction costs.

The Group uses various methods in estimating the fair value of a financial instrument. The methods comprise:

- Level 1 – the fair value is calculated using quoted prices in active markets.
- Level 2 – the fair value is estimated using inputs other than quoted prices included in Level 1 that are observable for the asset or liability, either directly or indirectly.
- Level 3 – the fair value is estimated using inputs for the asset or liability that are not based on observable market data.

The fair value of the financial instruments as well as the methods used to estimate the fair value are summarised in the table below.

Financial assets	Consolidated \$ '000 – year ended 30 June 2023		
	Level 1	Level 2	Total
Financial assets at fair value through profit or loss	24,889	-	24,889
Derivative instruments - forward currency contracts	-	(290)	(290)
	24,889	(290)	24,599

Financial instruments that use valuation techniques with only observable market inputs include forward currency contracts. The fair value of forward currency contracts is calculated by reference to current forward exchange rates for contracts with similar maturity profiles.

MLA presents derivative assets and derivative liabilities on a gross basis. Certain derivative assets and liabilities are subject to enforceable master netting arrangements with individual counterparties if they were subject to default. As at 30 June 2023, if these netting arrangements were to be applied to the derivative portfolio, derivative assets are reduced by \$290,236 (30 June 2022: \$176,080) and derivative liabilities are reduced by \$290,236 (30 June 2022: \$176,080).

29. Financing arrangements

MLA has access to two funding facilities which are available under special circumstances in response to industry crisis from the Red Meat Advisory Council Limited (RMAC).

- A \$500,000 (2022: \$500,000) emergency fund can be accessed by MLA for scoping purposes following consultation with the affected species sector/sectors.
- In addition, a \$5 million (2022: \$5 million) contingency fund for the management of industry crisis may be accessible. Use of this facility requires a two-thirds majority decision of RMAC directors with terms and conditions as agreed by RMAC and the Commonwealth Government.
- No amount has been withdrawn from these funding facilities.

/ Directors' declaration


In accordance with a resolution of the directors of Meat & Livestock Australia Limited, we state that:

In the opinion of the directors:

- (a) the financial statements and notes of Meat & Livestock Australia Limited for the financial year ended 30 June 2023 in accordance with the *Not-for-profits Commission Act 2012*, including:
 - (i) giving a true and fair view of the consolidated entity's financial position as at 30 June 2023 and of its performance for the year ended on that date; and
 - (ii) complying with Australian Accounting Standards (including Australian Accounting Interpretations) and *Australian Charities and Not-for-profits Commission Regulation 2013*; and
- (b) there are reasonable grounds to believe that the Company will be able to pay its debts as and when they become due and payable.

This declaration has been made after receiving the declarations required to be made to the directors by the managing director and chief financial officer in accordance with section 286 of the *Corporations Act 2001* and section 55-5 of the *Australian Charities and Not-for-profits Commission Act 2012* for the financial year ended 30 June 2023.

On behalf of the Board



Alan Beckett
Chair



Jason Strong
Managing director

13 September 2023

/ Independent auditor's report



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Independent Auditor's Report to the Members of Meat & Livestock Australia Limited

Opinion

We have audited the financial report of Meat and Livestock Australia Limited (the Company) and its subsidiaries (collectively the Group), which comprises the consolidated statement of financial position as at 30 June 2023, the consolidated income statement, the consolidated statement of comprehensive income, consolidated statement of changes in equity and consolidated statement of cash flows for the year then ended, notes to the financial statements, including a summary of significant accounting policies, and the directors' declaration.

In our opinion, the accompanying financial report of the Group is in accordance with the *Australian Charities and Not-for-profits Commission Act 2012*, including:

- (a) Giving a true and fair view of the consolidated financial position of the Group as at 30 June 2023 and of its consolidated financial performance for the year ended on that date; and
- (b) complying with Australian Accounting Standards and the *Australian Charities and Not-for-profits Commission Regulations 2022*.

Basis for opinion

We conducted our audit in accordance with Australian Auditing Standards. Our responsibilities under those standards are further described in the Auditor's responsibilities for the audit of the financial report section of our report. We are independent of the Group in accordance with the ethical requirements of the Accounting Professional and Ethical Standards Board's APES 110 *Code of Ethics for Professional Accountants* (including Independence Standards) (the Code) that are relevant to our audit of the financial report in Australia. We have also fulfilled our other ethical responsibilities in accordance with the Code.

We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion.

Information other than the financial report and auditor's report thereon

The directors are responsible for the other information. The other information is the directors' report accompanying the financial report.

Our opinion on the financial report does not cover the other information and accordingly we do not express any form of assurance conclusion thereon.

In connection with our audit of the financial report, our responsibility is to read the other information and, in doing so, consider whether the other information is materially inconsistent with the financial report or our knowledge obtained in the audit or otherwise appears to be materially misstated.

If, based on the work we have performed, we conclude that there is a material misstatement of this other information, we are required to report that fact. We have nothing to report in this regard.

Responsibilities of the directors for the financial report

The directors of the Company are responsible for the preparation of the financial report that gives a true and fair view in accordance with Australian Accounting Standards and the *Australian Charities and Not-for-profits Commission Act 2012* and for such internal control as the directors determine is necessary to enable the preparation of the financial report that gives a true and fair view and is free from material misstatement, whether due to fraud or error.

In preparing the financial report, the directors are responsible for assessing the Group's ability to continue as a going concern, disclosing, as applicable, matters relating to going concern and using the going concern basis of accounting unless the directors either intend to liquidate the Group or to cease operations, or have no realistic alternative but to do so.

/ Independent auditor's report *continued*



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Auditor's responsibilities for the audit of the financial report

Our objectives are to obtain reasonable assurance about whether the financial report as a whole is free from material misstatement, whether due to fraud or error, and to issue an auditor's report that includes our opinion. Reasonable assurance is a high level of assurance but is not a guarantee that an audit conducted in accordance with the Australian Auditing Standards will always detect a material misstatement when it exists. Misstatements can arise from fraud or error and are considered material if, individually or in the aggregate, they could reasonably be expected to influence the economic decisions of users taken on the basis of this financial report.

As part of an audit in accordance with the Australian Auditing Standards, we exercise professional judgment and maintain professional skepticism throughout the audit. We also:

- Identify and assess the risks of material misstatement of the financial report, whether due to fraud or error, design and perform audit procedures responsive to those risks, and obtain audit evidence that is sufficient and appropriate to provide a basis for our opinion. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control.
- Obtain an understanding of internal control relevant to the audit in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the Group's internal control.
- Evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by the directors.
- Conclude on the appropriateness of the directors' use of the going concern basis of accounting and, based on the audit evidence obtained, whether a material uncertainty exists related to events or conditions that may cast significant doubt on the Group's ability to continue as a going concern. If we conclude that a material uncertainty exists, we are required to draw attention in our auditor's report to the related disclosures in the financial report or, if such disclosures are inadequate, to modify our opinion. Our conclusions are based on the audit evidence obtained up to the date of our auditor's report. However, future events or conditions may cause the Group to cease to continue as a going concern.

We communicate with the directors regarding, among other matters, the planned scope and timing of the audit and significant audit findings, including any significant deficiencies in internal control that we identify during our audit.

Ernst & Young

A handwritten signature in black ink, appearing to read 'Rob Lewis', is positioned above the printed name.

Rob Lewis
Partner

13 September 2023




/ Andrew and Jamieson Bouffler – 'Trigger Vale', Brookong, NSW.



/ Supporting information

/ Key performance indicators – status

as at 30 June 2023

















Key performance indicator	Status	Commentary
 / Animal well-being		
Animal well-being		
Fifteen large-enterprise producers adopt one of three well-being-associated activities, including transition to a polled herd, adoption of an effective vaccine strategy and use of integrated tick management.	■	Twenty-four large enterprise producers are adopting a transition to polledness, effective vaccination strategy and use of integrated tick management.
Establish a Trichomonas vaccine commercialisation pathway via an animal health company.	■	An MLA Donor Company (MDC) based commercialisation pathway has been established with a large animal health company to test the efficacy of the Trichomonas vaccine.
Determine the value proposition to industry of a lifetime well-being index.	■	A report was completed by CSIRO that included articulation of the value proposition for industry of a lifetime well-being index.
 / Domestic market		
Market knowledge (domestic)		
High levels of satisfaction (above 85%) by industry stakeholders with MLA's market information services.	■	Industry stakeholder satisfaction levels were 86% versus previous 85% target for MLA's Market Information Services.
NLRS transformation completed, including transition to digital reporting and expansion of the range of sources from which livestock data is collected.	■	Transition to digital reporting complete, as well as expansion of livestock data sources now in place.
Generate at least one incremental market indicator as indicated in the indicator review.	■	National Young Cattle and Restocker Yearling Heifer indicators launched.
Nutrition		
Increase the percentage of GPs and dietitians who claim recommending red meat three to four times a week to ≥40%.	■	49% of GPs and dietitians recommend red meat 3 to 4 times a week or equivalent as per Australian Dietary Guidelines.
Increase the percentage of main grocery buyers who agree beef makes healthy meals to ≥51%.	■	55% was achieved.
Increase the percentage of main grocery buyers who agree beef is an important part of a healthy diet and lifestyle to ≥55%.	■	52% was achieved.
Marketing and promotion (domestic)		
Year-on-year increase in main grocery buyer endorsement of the statement 'willing to pay more for beef/lamb' to 27% (beef) and 27% (lamb).	■	Beef has met its target on consumers "Willing to pay more" at 29%, while lamb increased from last year, but fell short of its target by 1%.
Maintain mean number of serves per week at 1.7 for beef and 0.7 for lamb.	■	Despite increases in retail prices, both proteins have recorded strong growth above target of mean number of weekly serves with beef at 1.85, and lamb at 0.86.
Decrease the percentage of main grocery buyers who claim to be limiting red meat for health reasons below 23% for beef.	■	The % of main grocery buyers claiming to be reducing their red meat consumption is 24%, slightly above target, but trending down in the last 12 months.
70% of all CoMarketing participants believe their branded program delivers a higher price over unbranded product and delivers a livestock price premium to producers (as evidenced from CoMarketing participant feedback).	■	84% of CoMarketing participants believed that their branded program delivered a higher price premium to producers.
 / International market		
Market access		
Industry positions/submissions on priority trade reform issues (in particular the A-EUFTA, A-I CECA, Middle East free trade agreement negotiations) are acknowledged and acted on by government and support future delivery of import regime reform.	■	Australia-India Trade Agreement and Australia-UK Free Trade Agreement both entered into force in 2022–23 with exports now benefiting from new preferential access, thereby boosting diversification, value and industry competitiveness. Australia-European Union negotiations ongoing with the aim of securing substantial new market access.
MLA makes a significant contribution to the joint industry effort of alleviating an additional \$100 million of the impact of non-tariff barriers in 2022–23.	■	An additional \$125m of non-tariff barriers were alleviated in 2022–23, with the cumulative total fully or partially alleviated benefits now estimated at \$474m.

Key performance indicator	Status	Commentary
Market knowledge (international)		
At least 20% uplift in usage of new Global Market Resources Hub (vs current).	■	New Global Insights Online (GIO) launched with initial uplift in usage of 450%.
At least two case studies to demonstrate impact via use of Global Market Resources Hub tools and additional market insights.	■	Case studies delivered included impact of Market Insights to brand owners and exporters at Gulf Food, and adoption of market and consumer insights with key commercial partners.
Category growth drivers and market snapshots updated for each major market (UK, US, SEA, MENA, China) and incorporated in the Japan category playbook.	■	Updates for category growth drivers and snapshots completed for UK, US, SEA, MENA and China. However upon examination of Japanese market structure, implementation of category playbook was not progressed.
UK Market Knowledge (Consumer & Market Insights) pack to be made available for exporters.	■	Consumer research commissioned and various data sources collected, reviewed and crafted into UK Insights document which has been distributed to key exporters to inform launch plans.
Marketing and promotion (international)		
Build or maintain customer awareness and preference of Australia's positive attributes (safe, quality, healthy and sustainable image) within target range.	■	The Australian beef score of 0.40 out of 1.0 has remained unchanged from the previous year, while the Australian lamb score has improved to 0.53 from the previous 0.50.
Increase consumer preference for Australian red meat in key international markets to be above 23.4% for beef and 21.4% for lamb.	■	Consumer preferences were well above the targets, with beef at 33.8% and lamb at 29%.
80% of CoMarketing participants rated their overall outcomes (based on their objectives for the year) as 'successful'.	■	84% of CoMarketing participants rated their overall outcomes as successful.
Livestock export market activities		
Facilitate installation of four stunning boxes in existing non-stun abattoirs in Indonesia.	■	Only one facility installed a stunning box, with religious barriers preventing further adoption.
Produce one program of work case study per region that showcases live export activities that have mitigated industry trade risk or improved industry's ability to maintain market access or have contributed to industry's trade competitiveness, resulting in demonstrated supply chain change and positive economic benefit to industry.	■	Indonesian feedlots now have stronger and more cost-effective biosecurity measures. Vietnam supply chain increased throughput by 65% and verified competitive benefits of improving meat quality. Opportunities were identified in the Middle East and North Africa (MENA) to expand Australia's market share for live sheep exports.
Produce one program of work case study per region that showcases live export activities that have provided insights and informed government/industry policy, resulting in demonstrated capacity for making decisions that reduce trade risk and support ongoing trade.	■	Exporters were strongly supported during Eid/Korban 2023, with risk analysis and market intelligence informing risk strategies, along with training in handling and slaughter. Animal identification using facial recognition was tested in Vietnam, working in a restraint box, but was unviable in commercial operations to improve traceability and control.
Livestock export (research and development)		
Livestock export supply chain data framework implemented.	■	A comprehensive export supply chain was developed and is now being implemented, driving continuous improvements, and fostering ongoing development within the live export sector.
Training framework for industry stakeholders developed and implemented.	■	The training framework was developed, with the initial components successfully implemented.
Investment in key research projects that improve and manage heat stress, bedding and stocking densities during shipping is continued and delivered in a timely manner.	■	The key KPI related project is making steady progress towards accomplishing its objectives and is on track for completion by June 2024.
Industry stakeholders demonstrate increased awareness of current R&D activities and the avenues to contribute new research ideas.	■	Numerous adoption outputs have been successfully delivered, leading to a measurable rise in stakeholder satisfaction with both the program and its outputs.

 / Eating quality

Eating quality		
Price differentials for MSA-compliant cattle demonstrate an annual return to farm gate of more than \$155 million.	■	Replace this by Additional farm gate returns for MSA-compliant cattle were estimated to be \$259 million.
The MSA sheepmeat cut by cook model is commercialised in one sheepmeat supply chain and testing is underway in at least one further supply chain representing at least 25% of MSA national slaughter.	■	Supply chains representing 70% of national lamb slaughter are using the MSA sheep meat cut by cook model to understand eating quality variation, and at least one supply chain is progressing commercialisation, with this to be fully implemented in 2023-24.
56% of the national adult cattle slaughter is MSA graded.	■	54% of the national adult slaughter was MSA graded in 2022-23.

/ Key performance indicators *continued*

Key performance indicator	Status	Commentary
 Environmental sustainability		
Sustainability (off-farm)		
At least 120 producers have contributed farm business and natural capital data into the design of an environmental credentials platform that will allow the environmental credentials for Australian red meat to move through the supply chain from paddock to plate.		130 producers contributed data to establish technical metrics for the environmental credentials platform. As a result the development of the Environmental Credentials for Grassfed Beef platform is on track for development.
Sustainability (on-farm)		
The number of producers deriving income for environmental services in the previous three years increases from the 3,500 producers (6%) surveyed in 2020 to 8%.		The number of producers deriving income from environmental services in the previous three years remains at 6% as surveyed by ABARES.
Sustainability monitoring and evaluation framework implemented for measuring MLA's progress towards CN30, and all Emissions Avoidance and Carbon Storage Partnership projects have been preliminarily assessed under the framework.		A monitoring framework has been developed and applied to genetics and 3-NOP projects during 2022–23. The remainder of the CN30 investment portfolio will be assessed in 2023–24.
One viable delivery mechanism for methane-reducing additives is being trialled in cattle in grazing enterprises.		Water delivery of methane reducing additives through direct injection has been trialled in in-vivo conditions with successful methane suppression.
 Feedlot		
Feedlot productivity		
650,000 grainfed cattle are processed via short duration lairage resulting in demonstrated efficiency and productivity improvements.		452,600 head were slaughtered in 2022–23 via short duration lairage.
Increase in shade or shelter adoption by 35% of remaining feedlot capacity from 2019–20 baseline levels.		Currently 26.1% of remaining feedlot unshaded capacity from 2019–20 baseline levels has installed shade. Overall 67.7% or 1,065,502 head have access to shade in the Australian feedlot industry.
Review of feedlot enteric methane calculations of national greenhouse gas inventory submitted to the Federal Government for determination.		A review of feedlot enteric methane calculations for the national greenhouse gas inventory has been completed but is yet to be submitted to the Federal Government for determination.
 Integrity systems		
Integrity systems		
Digital consignments are accompanying 40% of all livestock movements.		While there were more than 16,000 downloads of the eNVD livestock consignments app following its launch in March 2023, the KPI was not achieved with 21% of movements reached versus the target of 40%.
Data-driven compliance frameworks for the LPA program have been established with baseline metrics and targets set.		The completion of several data integration initiatives have enabled the establishment of baseline compliance metrics and targets. Refreshed LPA program rules were also endorsed, and this will support improved methods for collecting data to assess compliance and risk.
The NLIS platform modernisation program has been initiated.		The NLIS modernisation project was initiated and several upgrades were completed to support the scalability and ongoing performance of the NLIS database. A funding grant was secured to support a three-year NLIS platform rebuild which will commence in July 2024.
Market access science		
Evaluate three and trial one shelf-life technology that provides >20% increase in shelf life and/or >20% cost reductions for lamb or other value-added products.		Three interventions were successfully evaluated, with the application of glucose delivering a longer shelf-life by up to 29% (up to > 26 days longer) relative to the control. However, no technology as yet has progressed to a trial.
Positive market access feedback is received for new stunning methods.		Australian Meat Processor Corporation (AMPC) has received positive market feedback and are leading future industry engagement and implementation of this technology.
Value and applicability of systems for maintaining integrity and confidence in the meat supply chain through to consumers are evaluated and value to brands determined.		The MLA shelf life calculator, the refrigeration index and the refrigeration supply chain costing model are now available via the MLA website, with further evaluation and value determination to be done in 2023–24.

Key performance indicator **Status** **Commentary** ■ **Achieved** ■ **Partly achieved** ■ **Not achieved**

✘ / Objective measurement

Objective measurement	
At least one device which measures carcass value characteristics accredited by AUS-MEAT, as an enabler for feedback and value-based trading.	<p style="text-align: right;">■</p> <p>Four sheep and seven beef grading technologies have achieved AUS-MEAT accreditations for a range of new and existing carcass grading traits. One lamb processor has launched a value-based payment system utilising newly AUS-MEAT accredited technologies to underpin brand eating quality.</p>
One abattoir pilot of hot beef preliminary MSA grading.	<p style="text-align: right;">■</p> <p>Two beef processors have evaluated the feasibility of preliminary hot MSA grading to create efficiencies by plant boning run (PBR) allocation to enable pre-sorting into chillers. Five additional beef processors have installed a meat eating quality (MEQ) probe to grade marble score on hot carcasses and are seeking an evaluation of a preliminary hot MSA grade to evaluate its application to their businesses.</p>
Five beef and five sheepmeat supply chains engaged in early adoption projects to trial business integration and implementation.	<p style="text-align: right;">■</p> <p>Seven sheep and 25 beef supply chains are engaged in early adoption projects collectively trialling 14 objective measurement devices, so as to assess their business application and implementation for both carcass and live opportunities.</p>

👤 / Producer adoption

Producer adoption	
Deliver \$55 million in annual net benefits to producers, resulting from practice changes influencing up to 70 million hectares, 4 million cattle, 5 million sheep and 100,000 goats.	<p style="text-align: right;">■</p> <p>The annual net benefits being delivered to producers in 2022-23 was \$59 million. Adoption activities delivered to red meat producers influenced 157.6 million hectares, 8.89 million cattle, 9.4 million sheep and 536,179 goats.</p>
Total producer engagement over three years of 19,000 producers, rating their value of participation >7/10.	<p style="text-align: right;">■</p> <p>32,724 producers have been engaged over three years and rated their value of participation at 8.5/10.</p>
Engage 750 livestock advisors over three years in capacity building activities.	<p style="text-align: right;">■</p> <p>Over three years, 3,351 livestock advisors have been engaged in capacity building activities.</p>

💡 / Product and packaging innovation

High value food frontiers	
Value adding (5th quarter) market opportunities are identified and at least one product group delivers annual sales of \$200 million in 2022-23.	<p style="text-align: right;">■</p> <p>While eight Australian organic collagen products derived from bovine hides and developed with Freeze Dry Industries were launched in the domestic and US markets, \$200 million in sales were not achieved.</p>
Red meat protein ingredient (Future Protein) products have demonstrated a \$20 million annual retail opportunity.	<p style="text-align: right;">■</p> <p>Red meat protein (Future Protein) product potential annual sales have been scoped at \$50 million by 2024-25.</p>
Development of bespoke aged care red meat product sector that creates annual red meat product sales of \$5 million in 2022-23.	<p style="text-align: right;">■</p> <p>While texture modified red meat meals have been developed and launched to service the needs of Australia's ageing population, only \$1.25 million in sales were achieved.</p>
At least one pilot facility has been established that successfully demonstrates the viability of a non-refrigerated supply chain for Australian red meat.	<p style="text-align: right;">■</p> <p>The commercial party did not proceed with a pilot facility, although limited viability was established.</p>

📊 / Value chain information and efficiency

Digital value chain information	
New producer feedback platform launched with an increase of 30% (approximately 1,000) users by June 2023.	<p style="text-align: right;">■</p> <p>The new producer feedback platform, myFeedback, has been delayed to 2023-24. However, more than 1,000 additional producers have started using MLA's existing feedback tool in 2022-23.</p>
Third party connectivity (API) strategy consultation completed, and implementation plan executed	<p style="text-align: right;">■</p> <p>The API strategy consultation and resulting implementation plan has been completed, but actual implementation has been delayed until 2023-24.</p>
Animal disease and defect feedback adoption plan implemented.	<p style="text-align: right;">■</p> <p>An animal disease and defect feedback adoption plan has been developed and is being implemented as part of the new producer feedback platform.</p>

/ Key performance indicators *continued*

Key performance indicator	Status	Commentary
Productivity (off-farm)		
Technologies adopted in 2022–23 and previous years deliver \$80 million of increased productivity for the red meat industry.	■	Technologies adopted in 2022–23 have delivered \$100 million of increased productivity to the red meat industry.
Beef automation system prototypes test cutting sequence for accuracy and yield at processor R&D site, including CT donut/horizontal DEXA integration.	■	This KPI is achieved as prototypes were developed to test cutting sequence using CT and DEXA data at Scotts R&D site and Teys Rockhampton R&D room.
Detailed design and fabrication of Leap4Beef commercial prototype boning system.	■	Although the beef boning design of the commercial prototype system was completed prior to the closure of the Teys Beef Boning project, the fabrication of the commercial system did not occur.
Productivity (on-farm)		
Beef productivity		
At least 70 northern businesses with at least 300,000 breeders are engaged in benchmarking and peer-to-peer activities that identify intervention practices and improvement in reproductive performance.	■	47 beef businesses were engaged out of the 70 target, carrying a total of 240,000 breeders.
WA BeefLinks identifies two practice change activities along the value chain which increases slaughter weight by at least 10%.	■	Through precision cattle management and improving nutrition practice changes, the 10% increase in slaughter weight can be achieved.
Near Infrared Reflectance (NIR) based objective measurement method developed for faster and more accurate assessment of diet quality in southern pasture systems.	■	An NIR based measurement method has been developed to measure the nutrient and toxicity status of some southern forages.
Sheep productivity		
Integrate 150 producer participatory RD&A sites into sheep productivity projects that demonstrate improved reproductive performance by at least 10%.	■	While 154 producers have participated in RD&A sites, no data is currently available on reproductive performance.
Deliver a pregnancy scanning strategy, including publishing the revised business case for pregnancy scanning, creating a series of training materials and information resources, delivering extension outcomes to more than 200 sheep producers.	■	Pregnancy scanning strategy and related extension materials were completed, including extension outcomes to 200 sheep producers.
Goat productivity		
Develop insights into the barriers to adoption of KIDPLAN and a strategy to enhance uptake of the platform.	■	This KPI has been achieved via multiple investments related to adoption and KidPlan uptake.
Engage 200 goat producers and potential entrants to the sector in extension activities including but not limited to BredWell FedWell, Feeding Fundamentals, National Goat Roadshow and Going into Goats workshops.	■	Over 270 goat producers have engaged directly with MLA goat webinar events across 2022–23, with an average overall satisfaction rating of greater than 8/10.
Livestock genetics		
Sheep Genetics client numbers and animal numbers increase by a minimum of 5% (based on five-year rolling average) from a base of 900 flocks and 300,000 new animals per year.	■	108 new flocks have joined Sheep Genetics in 2022–23 with the number of new animals exceeding 360,000.
Rate of genetic progress in all three major Sheep Genetics evaluations at least 3% and combined BREEDPLAN analyses at least 1.5% based on index change.	■	The rate of genetic progress during 2022–23 in sheep for maternal breeds was 6%, Merino was 2.3% and terminals was 3%.
Review of BREEDPLAN delivery structure completed with agreement on new model for implementation.	■	Review of BREEDPLAN structure is completed and recommendations are now being considered by the owners for agreement.
Northern fertility herd profile and/or genomic breeding values (GBVs) being delivered commercially to at least 50 producers.	■	Herd profiles have been delivered for 55 herds and GBVs were calculated for 17,359 animals.
Feedbase production		
At least 150,000ha of additional legume pastures, as demonstrated by seed sales of new and existing cultivars.	■	Based on seed sales, 159,000 hectares of legume pasture development occurred in 2022–23, with approximately 30,000 of this from grower harvested seed sown on their own farms.
Dieback producer network expands to >300 members across Queensland/NSW, managing more than 2 million hectares.	■	The Pasture Dieback Industry Network membership has risen to 333 members, exceeding the target of 300. However, these cover only approximately 1.2 million hectares.

Key performance indicator	Status	Commentary	Achieved	Partly achieved	Not achieved
Improved monitoring of land condition on more than 10 million hectares of grazing land.	■	Satellite based tools from CIBO Labs monitored land condition over 10 million hectares in northern Australia.			
CISS invasive grasses network of >25 RD&E sites established.	■	Only 21 sites were established in 2022-23, as compared to a target of 25 sites.			
Digital agriculture					
Redesign GPS chip module at a size which enables integration into existing Internet of Things devices, including ear tags.	■	Redesign of the GPS chip module was completed.			
Develop a 'producer and technology partner use' case for aerial platform in mustering.	■	SkyKelpie delivered five workshops demonstrating drone mustering use cases based on successful field trials, as well as associated promotion of user cases.			
Deliver three use cases through co-funded partnership farm models to support the adoption of more complex digital ag use cases e.g. livestock and pasture management.	■	Three use cases were delivered with producer partners, providing valuable insights into knowledge absorption, timelines to adoption and on-farm practice changes for digital tools and technologies.			

 / **Capability building**

Innovation capability building					
80% of co-funded resources demonstrate evidence of accelerated innovation adoption aligned with MLA's <i>Strategic Plan 2025</i> focus areas.	■	Annual survey results confirmed during 2022-23 that >80% of the 12 supply chains demonstrated accelerated innovation activity aligned to MLA's strategic focus areas.			
At least 10 MLA-supported early career professionals are accelerating the adoption and impacts from key MLA strategic programs such as CN30 and NB2.	■	MLA supported 10 early career professionals in accelerated adoption programs such as BredWell FedWell, Profitable Grazing Systems, Producer Demonstration Sites and BeefUp.			
Industry leadership investments are accelerating the advancement of industry innovation leadership capability.	■	Formal capability development programs were successfully delivered to 10 delegates across the Australian Rural Leadership Program, Nuffield Australia, the Zanda McDonald Award and the Australian Beef Industry Foundation (ABIF) leadership programs.			
Industry leadership and capacity building					
At least two media training and two crisis management simulations completed.	■	Only one industry crisis simulation exercise and one media training workshop was run in 2022-23.			
80% of trained advocates using the strategies and skills from the training in their communications about the red meat industry.	■	77 people trained over five workshops with 92% of participants intending to actively use strategies learned in the workshops.			

 / **Communication**

Communication (community)					
Maintain the percentage of consumers who feel good or very good about the Australian cattle industry (65%) and sheepmeat industry (60%).	■	Percentage of consumers who feel good or very good about the Australian cattle industry is 63%, an increase from last year, but below the KPI target. For the sheepmeat industry, the percentage increased from 56% to 59% but did not reach the 60% target.			
15% increase in average monthly Australian Good Meat website users on 2021-22 average.	■	Average monthly users have increased by 60% to nearly 12,000. Total sessions increased 53% to 170,000 and page views increased by 43% to 214,000.			
Overall average 10% increase in community engagement – measured by a range of metrics such as followers, likes, views, and shares for all the Australian Good Meat social media channels, measured from 2021-22 baseline.	■	With a very active digital and social media program in 2022-23, MLA achieved a 70% increase in community engagement, with impressions increasing by 84%, engagements by 26%, reach by 6% and video views by 164% compared to the previous year.			
65% of those surveyed at Australian Good Meat events feel positive about the red meat industry.	■	In total, 2,042 surveys were collected, with 80% of visitors feeling positive about how the Australian red meat industry care for its animals and the environment. 71% of attendees felt positive about the industry working towards the carbon neutral by 2030 (CN30) goal.			
Achieve 11,000 page views of Australian Good Meat teacher resources by June 2023.	■	MLA's school resources achieved 13,528 page views within 2022-23.			
Communication (stakeholder)					
High levels of satisfaction (above 77%) recorded by participants at MLA events.	■	The MLA updates event was held on 30 November 2022, with 80% of participants rating the event as good or very good.			
High levels of member satisfaction (73% or higher) with printed and digital communications, as measured by the annual member survey.	■	The member survey results showed member satisfaction with printed communications at 87% and satisfaction with digital communications at 78%.			

/ Key performance indicators *continued*

Key performance indicator	Status	Commentary	Achieved	Partly achieved	Not achieved
Corporate services					
Maintain MLA's templates to ensure they remain current.	■	Maintaining or improving templates successfully achieved.			
Continued delivery of legal training to educate the business to ensure strong awareness on MLA's agreements, key terms, and legal obligations.	■	Over 20 legal training sessions delivered to MLA staff over 2022–23.			
Continue the journey of transforming the legal function with the roll out of the team's roadmap and new ways of working.	■	New ways of working and a legal road map released to the business with all improvements achieved two years earlier than planned.			
Continuous support to business in respect to contract administration.	■	Significant efficiencies achieved, with contracting times reduced to 1.2 days from 40 days.			
Continue to provide project review committee (PRC) secretariate support.	■	PRC secretariate support is being supplied by the RDA business unit.			
Develop and maintain a new PRC SharePoint page to support the members and as a resource to the business.	■	PRC SharePoint page was developed and rolled out to the business in June 2022.			
Ensure an effective Crisis Response Plan is in place for managing MLA crises, including templates and relevant resources.	■	The internal crisis portal is maintained as a crisis management hub in line with the Crisis Response Plan and continues to reflect identified key MLA risks.			
Ensure efficient and effective identification and assessment of risks to MLA (operational) and industry, as well as implementation of action plans to address risk, and regularly report to the Audit, Finance and Risk Committee (AFRC).	■	The risk management framework and its implementation was reviewed and approved by the Board. MLA and industry risks were reported to the Audit, Finance and Risk Committee (AFRC) on a quarterly basis.			
Development and delivery of the 2022–23 internal audit plan to the Audit, Finance and Risk Committee.	■	Of the nine internal audits planned for 2022–23, seven have been delivered. Of the two remaining reviews, one was approved for deferment to 2023–24 to accommodate a comprehensive review of the Cyber and Data Governance/Privacy Framework, while one is scheduled to commence in July 2023 due to resourcing constraints and competing priorities.			
Ensure a robust compliance management program, including reporting to the Audit, Finance and Risk Committee (AFRC).	■	Biannual compliance management was reported to the AFRC, with no reportable breaches noted in 2022–23.			
Submission of the annual Modern Slavery Statement to the Australian Border Force.	■	The Modern Slavery Statement was submitted to the Australian Government's Online Register for Modern Slavery Statements and published on MLA's website.			
Clean audit report received.	■	A clean audit report was received from Ernst & Young.			
Ensure financial reporting to internal and external stakeholders is timely, accurate and insightful.	■	Annual Report was completed on time and included an unqualified audit opinion from Ernst & Young.			
Implement the social and environment tranches of the triple bottom line (TBL) evaluation framework, including the rollout of quantitative and qualitative KPIs to facilitate ongoing TBL reporting and monitoring.	■	The TBL framework has been rolled out, including integration into the 2023–24 business plans, linkages to revised <i>Red Meat 2030</i> success factors and presentation to the Council of Research and Development Corporations (RDCs). An important application has been greenhouse gas modelling that allows ongoing assessment of industry and MLA progress towards carbon neutrality by 2030 (CN30).			
At least 80% of high/medium impact commercial ready products have commercial partners or identified commercialisation pathways.	■	Over 80% of high/medium impact commercial ready products, which require a commercialisation pathway for adoption, have identifiable commercialisation pathways.			
Employee engagement to support talent retention and organisational performance is greater than or equal to the Australian average and adopts a continuous improvement approach.	■	Engagement was 70%, which was 1 point below the external benchmark Australian average, but 7% higher than the previous MLA survey.			
A goal of zero harm in an environment where everyone is physically and psychologically safe in the workplace.	■	In 2022–23, MLA continued its ongoing and proactive focus on work health and safety management, with a particular focus on identification of psychosocial hazards and risk mitigation in response to changes to WHS legislation.			
Internal stakeholder satisfaction measures at 80% or more for MLA IT infrastructure and services.	■	Annual IT user survey was completed in February 2023 with a satisfaction score of 98.1%.			
Deliver information technology projects on time and within budget.	■	IT projects were delivered on time and to budget.			
Deliver project and process improvements on time and within budget.	■	Process improvement projects were delivered on time and to budget.			

/ Strategic Plan 2025 key performance indicators *continued*

Key performance indicator	Status	Commentary	■ On track ■ Not on track
Objective measures of animal welfare for live export, feedlot and extensive production systems implemented, with year on year increase in practice change.	■	<p>LIVEXCollect is a data collection, storage and visualisation system which has been mandated by DAFF for the industry to meet its reporting requirements under the Australian Standards for the Export of Livestock (ASEL). Over the next year, standardised quality welfare indicator data will be available to monitor changes.</p> <p>For the feedlot industry, the welfare benchmarking pilot across seven feedlot operations has concluded. A final report and recommended welfare assessment framework is now being considered by the project steering committee.</p> <p>For extensive production systems, a suite of 10 research projects is underway, establishing the behavioural (e.g. accelerometer-enabled smart tags, with appropriate algorithms) and physiological parameters necessary for an objective assessment of livestock wellbeing.</p> <p>The sharing of aggregated, de-identified disease and defect data for industry insights will be a reality with the MyFeedback platform from May 2023 and will improve the ability of feedlots to benchmark carcass performance and health data against a national data set.</p>	

/ Enabling new sources of revenue

The number of producers deriving revenue from environmental services and/or natural capital trading markets has increased year-on-year.	■	<p>The 2021–22 ABARES national farm income survey results remain unchanged and shows that 6% of beef and sheep producers surveyed had received payments for environmental services over the previous years. Data is also being collected through relevant levy and MLA Donor Company (MDC) investments with producers. Revenue to be derived from sale of carbon credits and/or natural capital credits, or price premiums for environmental branding. Coles Finest, NAPCo's Five Founders and Arcadian Organic Meat Company are some examples of companies that have developed a carbon neutral brand. MLA is working with various organisations (brand owners, research organisations, government departments, red meat producers) to enable additional revenue from low/zero carbon red meat.</p>	
Increase in the rate of adoption of data and evidence to inform production led environmental outcomes.	■	<p>KPI to be measured via MLA producer survey in MLA adoption program. eLearning modules for Carbon-101 are now available and an eLearning module for carbon accounting is also being finalised. Nine Profitable Grazing Systems packages and five Grazing Land Management EDGE workshops were conducted during 2022–23 that increase the skills and knowledge of producers to utilise pasture data. The CarbonEDGE workshop package is currently being developed, with a deliverer's manual complete and work commencing on participant resources. The digitised MLA Carbon Calculator, which forms part of the eLearning modules and the Environmental Credentials for Grassfed Beef platform were released in February 2023.</p>	
Progress towards CN30 with improvement in carbon net position.	■	<p>Two large investment partnerships have formed to develop and accelerate a large number of emissions avoidance and carbon storage technologies and practices. A comprehensive greenhouse gas (GHG) focused evaluation framework has been developed that will enable measurement of progress towards carbon neutral by 2030 (CN30) attributable to MLA. Modelling is complete to inform whether a climate neutral milestone can be achieved by 2026. The industry continues to make progress towards CN30, with net emissions decreasing a further 6.4% between 2019 and 2020. Overall emissions have reduced by 65% against a 2005 benchmark, primarily due to vegetation related changes as well as reduced flock and herd numbers. However, the herd and flock numbers are currently in rebuilding phases, so net emissions are likely to increase when data from 2021 is reported.</p>	

/ Developing new, high value products that allow us to maximise the whole carcass

Increase in value of currently low value items through new uses or new products.	■	<p>Freeze Dry Proteins (FDP) have successfully launched eight products including Australian organic collagen and liver into the US market via multiple distributors. FDP have also achieved Halal certification and have recently engaged with MLA's International Markets team (IMK) to understand potential ovine collagen opportunities in the Indian market. Woolworths has been engaged to determine if there are mutually beneficial opportunities to test the functionality of fortified mince MVPs (minimum viable product). This work is in collaboration with MLA's Domestic Marketing team and will allow MLA to conduct the quantitative consumer research required to assess the feasibility and viability of this proposition.</p> <p>Kilcoy Global Foods is actively engaged in the commercialisation of the outputs of the recently completed nutraceutical projects.</p>	
Improvement in customer endorsement of the quality of Australian Beef and Lamb.	■	<p>This is measured via the biennial trade and annual consumer survey. For key markets, the 2019–20 benchmark was Australia 83.5 (USA 64, NZ 64, Brazil 50). 2021–22 results were Australia 84 (US 71, NZ 58, Brazil 53).</p>	

Key performance indicator

Status Commentary

■ On track ■ Not on track

 / **Beyond today's farm gate**

<p>There has been an improvement in the rate of return to total capital for beef and sheep farms.</p>	<p>■</p>	<p>Monitoring and evaluation reporting (MER) data is collected and used to provide the annual net benefits that come from the producer adoption program. In 2022-23 annual net benefit from the adoption program was \$59 million. MLA's Livestock Genetics subprogram will commence an impact assessment of MLA investment in genetic improvement, with results expected in June 2024.</p>
<p>Cross-sectoral projects account for a growing share of MLA investment portfolio.</p>	<p>■</p>	<p>Investment via RDCs outside of the red meat sector is currently being impacted by the phasing out of the Rural R&D for Profit (RRnD4P) grants. Despite additional budget allocated to Agriculture Innovation Australia (AIA) to fund cross-sectoral investment in environmental sustainability, this investment vehicle has not delivered material investments to date. The business has been allocated a target of \$12m for 2023-24 to secure new unmatched external funding. A component of this will be an opportunity to leverage cross sectoral investment, including partnering with other RDCs.</p>
<p>Projects funded by commercial investment account for a growing share of MLA investment portfolio.</p>	<p>■</p>	<p>The red meat industry government matching cap is expected to increase in the coming years while levy reserves approach policy levels. Higher matching funds and lower levy investment will provide opportunities to increase commercial investment via the MLA Donor Company (MDC) and will be further bolstered by a new initiative to 'cap' MLA's matching contribution to MDC projects to 40% (previously 50%). The business has also been allocated a \$12m budget for 2023-24 to seek new non-matchable external funds.</p>

 / **Strengthening our core**

<p>Improvement in customer and consumer preference for Australian Beef and Australian Lamb.</p>	<p>■</p>	<p>In a survey of 180 global customers, overall preference for Australian red meat was significantly above key competitors (89% vs 73% for USA and 43% for NZ). Australian red meat also led on various specific attributes vs key competitor (USA beef) as safety (74% vs 45%), quality standards (81% vs 61%), healthy (55% vs 21%) and sustainability (56% vs 40%).</p> <p>Global consumer survey of 8,300 consumers in key markets shows strong consumer preference for Australian beef (33.8% vs benchmark of 23.4%) and lamb (29% vs benchmark of 21.4%).</p> <p>Dominant position for Australian red meat amongst consumers vs key competitor on key metrics such as quality (75% vs 53%), safety (92% vs 40%) and sustainability (69% vs 26%).</p> <p>84% of CoMarketing participants in 2022-23 rated overall outcomes as 7 or more out of a maximum rating of 10 (i.e. successful).</p> <p>In the domestic market, beef and lamb's preference in the Australian market is relatively stable against other proteins, with a strong preference for Australian raised product over any imported proteins. According to Kantar, beef increased 8% and lamb increased 4% on "intention to buy" in the last 12 months. Chicken remains a strong competitor driven by its affordability, but beef and lamb are both considered highly when price is removed from the equation.</p>
<p>Value sales growth in support of industry 2030 goal.</p>	<p>■</p>	<p>Increasing supply driven by favourable growing conditions has seen an overall growth in industry value after previous years of value constraint during initial post-drought herd rebuild. Despite an easing of record farmgate prices that occurred in mid-2022, the backdrop of strong global demand for Australian red meat and a normalising of supply chains post-COVID, the first half of 2023 has seen significant export volume growth particularly to high value markets (including China, Korea and USA). However, the initial years of supply constraints and subsequent rebuilding phase mean that industry value has not kept pace with the 'doubling the value' goal.</p>
<p>Significant contribution to improving preferential access to key markets and to a \$1 billion reduction in technical trade barriers.</p>	<p>■</p>	<p>Majority (86%) of red meat exports are now covered by preferential access. This percentage will be further boosted by Aust-India Economic Cooperation and Trade Agreement (ECTA), entered into force 29 December 2022, and the Australian UK Free Trade Agreement (FTA), entered into force on 31 May 2023. Australian-European Union FTA positioning is producing results, with the Australian Government holding firm on the need for substantial access and thereby rejecting the EU's 'low-ball' offers (in lock-step with industry). Industry submissions were lodged on Australia-India Comprehensive Economic Cooperation Agreement (CECA) and Australian-United Arab Emirates FTA (negotiations yet to commence). Cumulative non-tariff barrier (NTB) alleviation now totals \$474m, currently above the \$100m per annum 2030 \$1b trendline.</p>
<p>Improvement in member satisfaction with MLA products and services (+0.9pt).</p>	<p>■</p>	<p>Results from the 2023 member survey show overall satisfaction has remained positive and consistent with 2022, at 7 out of 10, still the highest level achieved to date. Satisfaction has consolidated across most producers, particularly grainfed beef, with marginal shifts amongst producer types. MLA is on-track for a +0.9pt improvement by 2025. The next member survey will be undertaken in Q3 for reporting in Q4 for 2023-24.</p>

/ Corporate governance principles

Comparison to ASX corporate governance principles and recommendations

Principle/recommendation	Description/reference of disclosure/compliance
Principle 1. Lay solid foundations for management and oversight	
Recommendation 1.1	
<p>A listed entity should have and disclose a board charter setting out:</p> <ol style="list-style-type: none"> the respective roles and responsibilities of its board and management; and those matters expressly reserved to the board and those delegated to management. 	<p>This is outlined in the Board Charter and a detailed Delegations of Authority policy.</p>
Recommendation 1.2	
<p>A listed entity should:</p> <ol style="list-style-type: none"> undertake appropriate checks before appointing a director or senior executive, or putting forward for election as a director; and provide security holders with all material information in its possession relevant to a decision on whether or not to elect or re-elect a director. 	<p>As part of the Selection Committee process in relation to annual director selection, appropriate background checks are undertaken each year.</p> <p>Candidates are shortlisted by reference to the selection criteria that act as terms of reference for the committee to ensure there is an appropriate mix of skills in the candidates nominated for election.</p> <p>Candidates' biographical details, included on the MLA Notice of Meeting, are prepared from the material submitted through the Selection Committee process.</p>
Recommendation 1.3	
<p>A listed entity should have a written agreement with each director and senior executive setting out the terms of their appointment.</p>	<p>MLA has written engagement letters for directors and executive employment contracts with all members of the Leadership Team.</p>
Recommendation 1.4	
<p>The company secretary of a listed entity should be accountable directly to the board, through the chair, on all matters to do with the proper functioning of the board.</p>	<p>The company secretary is accountable to the Board through the Chair on all matters related to the proper functioning of the MLA Board.</p>
Recommendation 1.5	
<p>A listed entity should:</p> <ol style="list-style-type: none"> have and disclose a diversity policy through its board or committee of the board set measurable objectives for achieving gender diversity in the composition of its board, senior executives and workforce generally; and disclose in relation to each reporting period: <ul style="list-style-type: none"> ■ the measurable objectives set for that period to achieve gender diversity ■ the entity's progress towards achieving those objectives either: <ul style="list-style-type: none"> – the respective proportions of men and women on the board, in senior executive positions and across the whole workforce (including how the entity has defined 'senior executive' for these purposes) – if the entity is a 'relevant employer' under the Workplace Gender Equality Act, the entity's most recent 'Gender Equality Indicators, as defined in and published under that Act. <p>If the entity was in the S&P/ASX 300 Index at the commencement of the reporting period, the measurable objective for achieving gender diversity in the composition of its board should be to have not less than 30% of its directors of each gender within a specified period.</p>	<p>The Diversity and Inclusion Policy is available on MLA's website: mla.com.au/about-mla/how-we-are-governed/corporate-governance</p> <p>The Board recognises and fosters a culture that encourages divergent views and robust discussion. In assessing candidates, the Selection Committee considers diversity of education, the nature of the businesses and business functions in which candidates have gained experience and the roles held, as well as the more obvious aspects of diversity such as gender, age, ethnicity and cultural background. In 2018 the Board also set a goal of 30% of females on the Board by 2019, which was actually realised in 2018 and has been maintained ever since.</p> <p>MLA also enunciates its commitment to diversity in other policies such as EEO and Anti-discrimination policy and Misconduct and Discipline policy which are regularly reported to, monitored by and adjusted with approval by the Board.</p> <p>The proportion of women as at the date of this report:</p> <ul style="list-style-type: none"> ■ Board members: 33% ■ leadership team: 33% ■ whole organisation: 56%.
Recommendation 1.6	
<p>A listed entity should:</p> <ol style="list-style-type: none"> have and disclose a process for periodically evaluating the performance of the board, its committees and individual directors; and disclose for each reporting period whether a performance evaluation has been undertaken in accordance with that process during or in respect of that period. 	<p>The Board evaluates its performance through an annual performance review, which is facilitated by an external specialist.</p> <p>As part of the Board's review process in 2022–23 it completed the Australian Institute of Company Directors Board Review Tool survey and reviewed this as part of the annual review.</p>
Recommendation 1.7	
<p>A listed entity should:</p> <ol style="list-style-type: none"> have and disclose a process for evaluating the performance of its senior executives at least once every reporting period; and disclose for each reporting period whether a performance evaluation has been undertaken in accordance with that process during or in respect of that period. 	<p>The Remuneration, People & Culture Committee and Board conduct an annual assessment of the performance of the Managing Director and the Leadership Team against agreed KPIs.</p> <p>In accordance with the annual work plan, the performance evaluation process for the Managing Director and the Leadership Team was completed.</p>

Principle/recommendation

Description/reference of disclosure/compliance

Principle 2. Structure the board to be effective and add value**Recommendation 2.1**

The board of a listed entity should:

- a) have a nomination committee which:
 1. has at least three members, a majority of whom are independent directors; and
 2. is chaired by an independent director, and disclose:
 - the charter of the committee;
 - the members of the committee; and
 - as at the end of each reporting period, the number of times the committee met throughout the period and the individual attendances of the members at those meetings; or
- c) if it does not have a nomination committee, disclose that fact and the processes it employs to address board succession issues and to ensure that the board has the appropriate balance of skills, knowledge, experience, independence and diversity to enable it to discharge its duties and responsibilities effectively.

MLA's Constitution and operation of the Selection Committee reflects this requirement. Refer also to the section about Selection Committee in the 'Corporate Governance Statement'.

Recommendation 2.2

A listed entity should have and disclose a board skills matrix setting out the mix of skills that the board currently has or is looking to achieve in its membership.

Biographical details of directors are published on the MLA website: mla.com.au/board

Recommendation 2.3

A listed entity should disclose:

- a) the names of the directors considered by the board to be independent directors;
- b) if a director has an interest, position, association or relationship of the type described in Box 2.3 but the board is of the opinion that it does not compromise the independence of the director, the nature of the interest, position, association or relationship in question and an explanation of why the board is of that opinion; and
- c) the length of service of each director.

The MLA Board currently considers the independence of its directors on an annual basis. Refer also to the Director Independence section in the 'Corporate Governance Statement'. Length of service of each director is included in the Director biographies.

Recommendation 2.4

A majority of the board of a listed entity should be independent directors.

All of the directors are independent with the exception of the Managing Director.

Recommendation 2.5

The chair of the board of a listed entity should be an independent director and, in particular, should not be the same person as the CEO of the entity.

The role of the Chair and the Managing Director are not performed by the same person.

Recommendation 2.6

A listed entity should have a program for inducting new directors and for periodically reviewing whether there is a need for existing directors to undertake professional development to maintain the skills and knowledge needed to perform their role as directors effectively.

MLA has a program for inducting new directors and provides appropriate professional development.

Principle 3. Instil a culture of acting lawfully, ethically and responsibly**Recommendation 3.1**

A listed entity should articulate and disclose its values.

Values are published on MLA's website: mla.com.au/about-mla/mla-at-a-glance

Recommendation 3.2

A listed entity should:

- a) have and disclose a code of conduct for its directors, senior executives and employees; and
- b) ensure that the board or a committee of the board is informed of any material breaches of that code.

MLA has a Code of Conduct which covers the governance and sets the expectation for the Board and all MLA personnel. The Code of Conduct is available on MLA's website.

/ Corporate governance principles *continued*

Principle/recommendation	Description/reference of disclosure/compliance
Recommendation 3.3	
<p>A listed entity should:</p> <ol style="list-style-type: none"> have and disclose a whistleblower policy; and ensure that the board or a committee of the board is informed of any material incidents reported under that policy. 	<p>The Whistleblower Policy is on MLA's website. Any incidents emanating from the whistleblower policy are reported to the quarterly Audit, Finance and Risk Committee.</p>
Recommendation 3.4	
<p>A listed entity should:</p> <ol style="list-style-type: none"> have and disclose an anti-bribery and corruption policy; and ensure that the board or a committee of the board is informed of any material breaches of that policy. 	<p>MLA has an Anti-Bribery and Corruption (ABC) Policy as well as Guidelines to support the application of the policy.</p> <p>Any significant and material breaches to the ABC Policy will be reported to the Audit, Finance and Risk Committee.</p>
Principle 4. Safeguard the integrity of corporate reports	
Recommendation 4.1	
<p>The board of a listed entity should:</p> <ol style="list-style-type: none"> have an audit committee which: <ol style="list-style-type: none"> has at least three members, all of whom are non-executive directors and a majority of whom are independent directors; and is chaired by an independent director, who is not the chair of the board, and disclose: <ol style="list-style-type: none"> the charter of the committee; the relevant qualifications and experience of the members of the committee; and in relation to each reporting period, the number of times the committee met throughout the period and the individual attendances of the members at those meetings; or if it does not have an audit committee, disclose that fact and the processes it employs that independently verify and safeguard the integrity of its corporate reporting, including the processes for the appointment and removal of the external auditor and the rotation of the audit engagement partner. 	<p>The Board has established an Audit, Finance and Risk Committee which is structured so that it:</p> <ul style="list-style-type: none"> consists of only non-executive, independent directors; is chaired by an independent chair who is not Chair of the Board; and consists of at least three members of the Board. <p>The charter of the committee is on MLA's website. Biographical details of directors are published to the MLA website: mla.com.au/board</p> <p>Refer also to the Audit, Finance and Risk Committee section in the 'Corporate Governance Statement'.</p>
Recommendation 4.2	
<p>The board of a listed entity should, before it approves the entity's financial statements for a financial period, receive from its CEO and CFO a declaration that, in their opinion, the financial records of the entity have been properly maintained and that the financial statements comply with the appropriate accounting standards and give a true and fair view of the financial position and performance of the entity and that the opinion has been formed on the basis of a sound system of risk management and internal control which is operating effectively.</p>	<p>The wording of the declaration reflects the wording in the recommendation.</p>
Recommendation 4.3	
<p>A listed entity should disclose its process to verify the integrity of any periodic corporate report it releases to the market that is not audited or reviewed by an external auditor.</p>	<p>As MLA is an unlisted public company it is not an ASX disclosing entity but does report annually to members and to the Commonwealth Government on its operations and financial results.</p>
Principle 5. Make timely and balanced disclosure	
Recommendation 5.1	
<p>A listed entity should have and disclose a written policy for complying with its continuous disclosure obligations under listing rule 3.1.</p>	<p>As MLA is an unlisted public company it is not an ASX disclosing entity but does report annually to members and to the Commonwealth Government on its operations and financial results.</p>
Recommendation 5.2	
<p>A listed entity should ensure that its board receives copies of all material market announcements promptly after they have been made.</p>	<p>As MLA is an unlisted public company it is not an ASX disclosing entity.</p>
Recommendation 5.3	
<p>A listed entity that gives a new and substantive investor or analyst presentation should release a copy of the presentation materials on the ASX Market Announcements Platform ahead of the presentation.</p>	<p>As MLA is an unlisted public company it is not an ASX disclosing entity.</p>

Principle/recommendation

Description/reference of disclosure/compliance

Principle 6. Respect the rights of security holders**Recommendation 6.1**

A listed entity should provide information about itself and its governance to investors via its website.

MLA provides information about itself and its governance framework on its website.

Recommendation 6.2

A listed entity should have an investor relations program that facilitates effective two-way communication with investors.

MLA has a Communications team and program to promote effective two-way communication with members, levy payers, representative councils and the Commonwealth Government.

Recommendation 6.3

A listed entity should disclose how it facilitates and encourages participation at meetings of security holders.

Information about how MLA facilitates and encourages participation by members at meetings is on MLA's website.

Recommendation 6.4

A listed entity should ensure that all substantive resolutions at a meeting of security holders are decided by a poll rather than by a show of hands.

Polls are conducted and managed by an independent external body for all substantive resolutions at the MLA AGM.

Principle 7. Recognise and manage risk**Recommendation 7.1**

The board of a listed entity should:

- a) have a committee or committees to oversee risk, each of which:
 1. has at least three members, a majority of whom are independent directors; and
 2. is chaired by an independent director, and disclose:
 3. the charter of the committee;
 4. the members of the committee; and
 5. as at the end of each reporting period, the number of times the committee met throughout the period and the individual attendances of the members at those meetings; or
- b) if it does not have a risk committee or committees that satisfy (a) above, disclose that fact and the processes it employs for overseeing the entity's risk management framework.

The Board has established an Audit, Finance and Risk Committee which is structured so that it:

- consists of only non-executive, independent directors;
- is chaired by an independent chair who is not Chair of the Board; and
- consists of at least three members of the Board.

The charter of the committee is on MLA's website.

Refer also to the section about the Audit, Finance and Risk Committee in the 'Corporate Governance Statement'.

Recommendation 7.2

The board or a committee of the board should:

- a) review the entity's risk management framework at least annually to satisfy itself that it continues to be sound and that the entity is operating with due regard to the risk appetite set by the board; and
- b) disclose, in relation to each reporting period, whether such a review has taken place.

Refer to the section about the Audit, Finance and Risk Committee and Risk Management sections in the 'Corporate Governance Statement'.

Recommendation 7.3

A listed entity should disclose:

- a) if it has an internal audit function, how the function is structured and what role it performs; or
- b) if it does not have an internal audit function, that fact and the processes it employs for evaluating and continually improving the effectiveness of its governance, risk management and internal control processes.

Refer to the section about the Internal Audit program in the 'Corporate Governance Statement'.

In addition to the internal audits undertaken by KPMG, MLA's own Group Risk and Compliance Manager works in parallel with KPMG and undertakes a number of reviews of overseas offices to ensure compliance with MLA policy and controls.

Recommendation 7.4

A listed entity should disclose whether it has any material exposure to environmental and social risks and, if it does, how it manages or intends to manage those risks.

A risk register is maintained to outline identified risks and how they are managed and monitored within the Board's risk appetite and is broadly engaged with across the business. Mitigation strategies are regularly monitored by both the Audit, Finance and Risk Committee and the Board. *MLA's Audit, Finance and Risk Committee Charter* is available at mla.com.au/afrc-charter

/ Corporate governance principles *continued*

Principle/recommendation

Description/reference of disclosure/compliance

Principle 8. Remunerate fairly and responsibly

Recommendation 8.1

The board of a listed entity should:

- a) have a remuneration committee which:
 1. has at least three members, a majority of whom are independent directors; and
 2. is chaired by an independent director, and disclose:
 3. the charter of the committee;
 4. the members of the committee; and
 5. as at the end of each reporting period, the number of times the committee met throughout the period and the individual attendances of the members at those meetings; or
- b) if it does not have a remuneration committee, disclose that fact and the processes it employs for setting the level and composition of remuneration for directors and senior executives and ensuring that such remuneration is appropriate and not excessive.

The Board has established a Remuneration, People & Culture Committee which is structured so that it:

- consists of three non-executive, independent directors; and
- is chaired by an independent chair.

The charter of the committee is on MLA's website.

Refer also to the Remuneration, People & Culture Committee and Remuneration and performance arrangements sections in the 'Corporate Governance Statement'.

Recommendation 8.2

A listed entity should separately disclose its policies and practices regarding the remuneration of non-executive directors and the remuneration of executive directors and other senior executives.

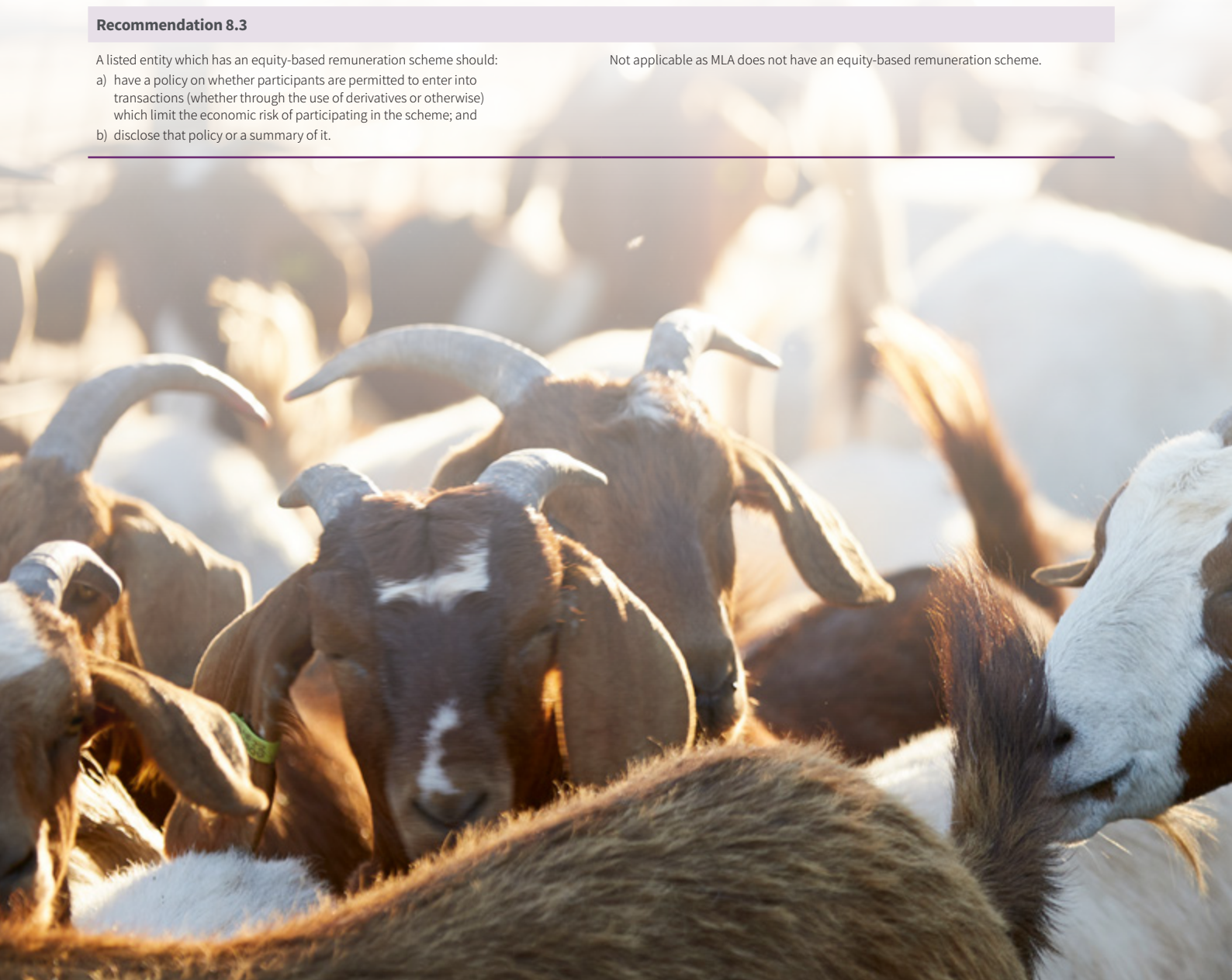
Refer to the Remuneration and performance arrangements section in the 'Corporate Governance Statement'.

Recommendation 8.3

A listed entity which has an equity-based remuneration scheme should:

- a) have a policy on whether participants are permitted to enter into transactions (whether through the use of derivatives or otherwise) which limit the economic risk of participating in the scheme; and
- b) disclose that policy or a summary of it.

Not applicable as MLA does not have an equity-based remuneration scheme.



/ Acronyms

/ Acronyms

A-I CECA	Australia-India Comprehensive Economic Cooperation Agreement	DAFF	Department of Agriculture, Fisheries and Forestry	MSA	Meat Standards Australia
A-UKFTA	Australian-United Kingdom Free Trade Agreement	DEXA	Dual x-ray absorptiometry	NB2	Northern Breeding Business
AASB	Australian Accounting Standards Board	ECTA	Economic Cooperation and Trade Agreement	NFF	National Farmers Federation
ABARES	Australian Bureau of Agricultural and Resource Economics	EEO	Equal Employment Opportunity	NFP	Not-for-profit
ABC	Anti-Bribery and Corruption	eNVD	Electronic National Vendor Declaration	NIR	Near Infrared Reflectance
ABIF	Australian Beef Industry Foundation	ESG	Environmental, social, and governance	NLIS	National Livestock Identification System
ABSF	Australian Beef Sustainability Framework	EU	European Union	NLRS	National Livestock Reporting Service
ACC	Australian Country Choice	F.NIRS	Faecal Infrared Reflectance Spectroscopy	NRL	National Rugby League
AFM	Australian Feedbase Monitor	FMD	Foot-and-mouth disease	NRLW	National Rugby League Women's Premiership
AFRC	Audit, Finance and Risk Committee	FTA	Free Trade Agreement	NSW	New South Wales
AHA	Animal Health Australia	G-GAF	Cropping Greenhouse Accounting Framework	NT	Northern Territory
AI	Artificial intelligence	GBVs	Genomic Breeding Values	NVD	National Vendor Declaration
ALFA	Australian Lot Feeders' Association	GIO	Global Insights Online	PBR	Plant boning run
ALMTech	Advanced Livestock Measurement Technologies	GP	General Practitioner	PCR	Polymerase Chain Reaction
AMPC	Australian Meat Processors Corporation	GPS	Global Positioning System	PDS	Producer Demonstration Sites
APES	Accounting Professional and Ethical Standard	GRI	Global Reporting Initiative	PRC	Project review committee
API	Application programming interface	GST	Goods and services tax	RD&A	Research, development and adoption
ASBV	Australian Sheep Breeding Value	GVP	Gross value of production	RD&E	Research, development and extension
ASIC	Australian Securities and Investments Commission	HSCW	Hot standard carcass weight	RDC	Research and Development Corporation
ASX	Australian Stock Exchange	IMF	Intramuscular fat	RDEA	Research, development, extension and adoption
AUD	Australian dollar	ISC	Integrity Systems Company	RMAC	Red Meat Advisory Council
AUSFPA	Australian Forest Products Association	IT	Information technology	SA	South Australia
AWI	Australian Wool Initiative	KPI	Key Performance Indicator	SB-GAF	Sheep & Beef Greenhouse Accounting Framework
BFWF	BredWell FedWell	LDL	Livestock Data Link	SEA	South east Asia
CEO	Chief Executive Officer	LMY	Lean meat yield	SSF	Sheep Sustainability Framework
CFO	Chief Operating Officer	LPA	Livestock Production Assurance	TBL	Triple bottom line
CISS	Centre for Invasive Species Solutions	LPP	Livestock Productivity Partnership	UK	United Kingdom
CN30	Carbon Neutral 2030	LSD	Lumpy skin disease	UNFCCC	United Nations Framework Convention on Climate Change
CSIRO	Commonwealth Scientific and Industrial Research Organisation	MCG	Melbourne Cricket Ground	US	United States
CT	Computerised tomography	MDC	MLA Donor Company	VBM	Value-based marketing
		MENA	Middle east and north Africa	WA	Western Australia
		MEQ	Meat eating quality	WHS	Workplace Health and Safety
		MLA	Meat & Livestock Australia	WTO	World Trade Organisation
		mRNA	messenger Ribonucleic Acid		





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is available online at mla.com.au/annualreport**