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Review of LiveCorp's Key Performance Indicators

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Review of LiveCorp's Key Performance Indicators

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Prepared for:

Meat & Livestock Australia & LiveCorp

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*Centre for International Economics
Canberra & Sydney*

May 2009

The Centre for International Economics is a private economic research agency that provides professional, independent and timely analysis of international and domestic events and policies.

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Glossary

ABARE	Australian Bureau of Agriculture and Resource Economics
AMSA	Australian Maritime Safety Authority
AOP	Annual Operating Plan
AQIS	Australian Quarantine Inspection Service
ASEL	Australian Standards For Export of Livestock
CIE	Centre for International Economics
CRRDCC	Council of Rural Research and Development Corporation Chairs
DPI	Department of Primary Industries
ex ante	Before-the-fact or program planning
ex-post	After-the-fact or after program assessment
FOB	Free on board
GVP	Gross value of production
KPI	Key Performance Indicator
MLA	Meat and Livestock Australia
QA	Quality Assurance
R&D	Research and development
RDC	Rural Development Corporation
OIE	World Organisation for Animal Health
SFA	Statutory Funding Agreement
RSPCA	Royal Society for the Prevention of Cruelty to Animals

1 Review of LiveCorp's Key Performance Indicators

KPI review

LiveCorp is the marketing and research body for the livestock export industry. It works jointly with MLA through the Joint Live Export Program (LEP) to develop and sustain a competitive livestock export industry. It also works independently of the LEP to provide services and programs to exporter members and other industry stakeholders to enhance the sustainability and competitive positioning of Australia's livestock export industry. Its primary role is therefore a provider of collective services to the industry.

During 2008-09 LiveCorp and MLA are evaluating the impact of the livestock export programs. This evaluation involves a review of LiveCorp's Key Performance indicators (KPIs) and the subsequent development of a KPI monitoring and evaluation framework for which a baseline will be taken (and historical baselines determined as needed). It is intended that an evaluation brochure for the MLA series will also be produced.

The CIE and QualData have undertaken this review for LiveCorp. The main steps involved have been:

- consulting with key LiveCorp and MLA program managers, and industry and government stakeholders, to understand the context of the issues facing the industry (TheCIE);
- delineating the appropriate KPIs for LiveCorp, given its 2008-11 Strategic Plan and the above consultations (TheCIE); and
- establishing the approach for managing and reporting against the KPIs (TheCIE and QualData), with deliverables clearly defined.

Subsequent to the review LiveCorp will collect and analyse the relevant data and report within the framework proposed in steps 2 and 3. Separately LiveCorp/MLA plans to commission an independent evaluation of the investment in LiveCorp/LEP.

LiveCorp's Strategic Plan

LiveCorp's four year Strategic Plan (2008) articulates four strategic focus themes:

- livestock maintenance and welfare;
- market access and development;
- industry capability; and
- stakeholder communication and consultation.

The plan contains a performance framework and associated KPIs against each of these four strategic themes. The primary purpose of this report by TheCIE is to review the KPIs and the framework that links it to back up to the four strategic focus themes. This review *does not* attempt to evaluate or reconsider these four strategic themes nor recommend adjustments to the underlying programs. The context for LiveCorp's strategic direction, focus, priorities and resource investments include (LiveCorp, 2008):

- the *Statutory Funding Agreement (SFA)* between LiveCorp and the Australian Government which is consistent with the *Red Meat Industry Memorandum of Understanding* (LiveCorp is a signatory to the Red-Meat industry MoU and Strategic Plan);
- the Australian Red-Meat Industry Strategic Plan, *More from Less* (2004-09 and revisited in 2006 and 2007), which identifies whole-of-industry strategic imperatives; and
- the Australian Livestock Export industry's five year (2007-11) Strategic Plan.

Conduct of the review

The review was conducted in line with the approach outlined above, involving:

- consultation with key LiveCorp and MLA program managers, and industry and government stakeholders, to understand the context of the issues facing the industry;
- determination of *what* the appropriate KPIs are for LiveCorp, given its 2008-11 Strategic Plan and the consultations; and
- establishment of an approach for managing and reporting against the revised KPIs.

Structure of this report

Chapter 2 outlines the industry's operating environment, history, and key industry developments.

Chapter 3 summaries the MLA Evaluation Framework.

Chapter 4 outlines this broad evaluation framework applied to LiveCorp/LEP and discusses the issues between KPIs, underlying inputs, outputs and outcomes.

Chapter 5 details the proposed Strategic Plan KPIs for LiveCorp following their development in the process outlined above.

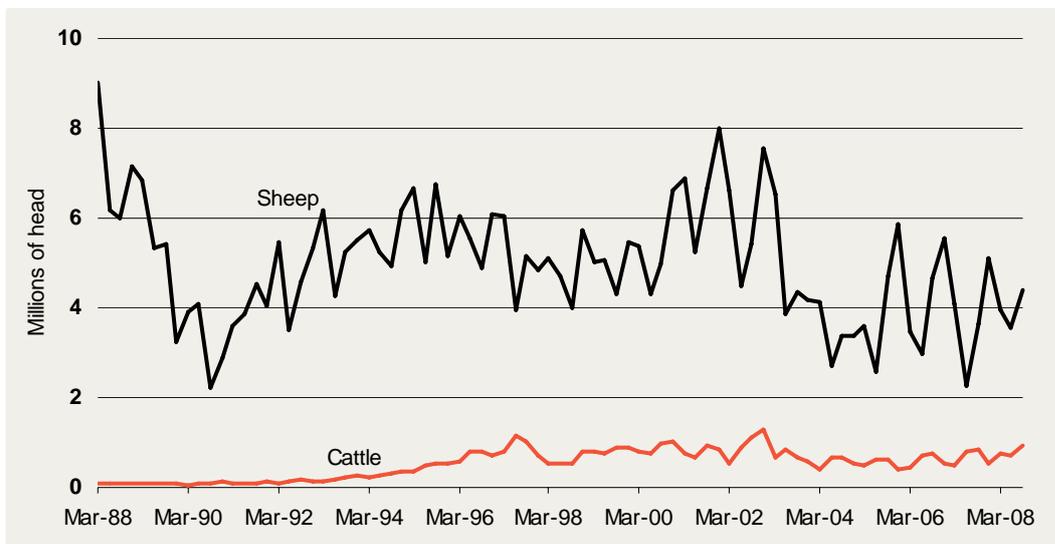
Appendix A presents the activities, outputs and outcomes for the respective AOPs, that come out of the process.

Appendix B presents a mapping of the AOP activities by Strategic Plan KPIs.

2 Industry operating environment

This section lays out TheCIE's understanding of the industry's operating environment. Australia exports livestock to 29 countries, primarily in the Middle East and Asia. The livestock are transported for local slaughter or some feeding and finishing prior to slaughter¹. The trade has existed in various guises for a long period, and in value terms expanded markedly during the 1990s and early 2000s. This primarily reflected rising cattle exports to South East Asia, which rose towards 1 million head per annum, to add to the historically larger sheep live export trade (see chart 2.1). There is a much smaller trade in live export of goats and dairy cattle (chart 2.2) and, buffalos, camelids and alpacas. The live export trade is primarily by seagoing vessels and a small proportion are transported by air.

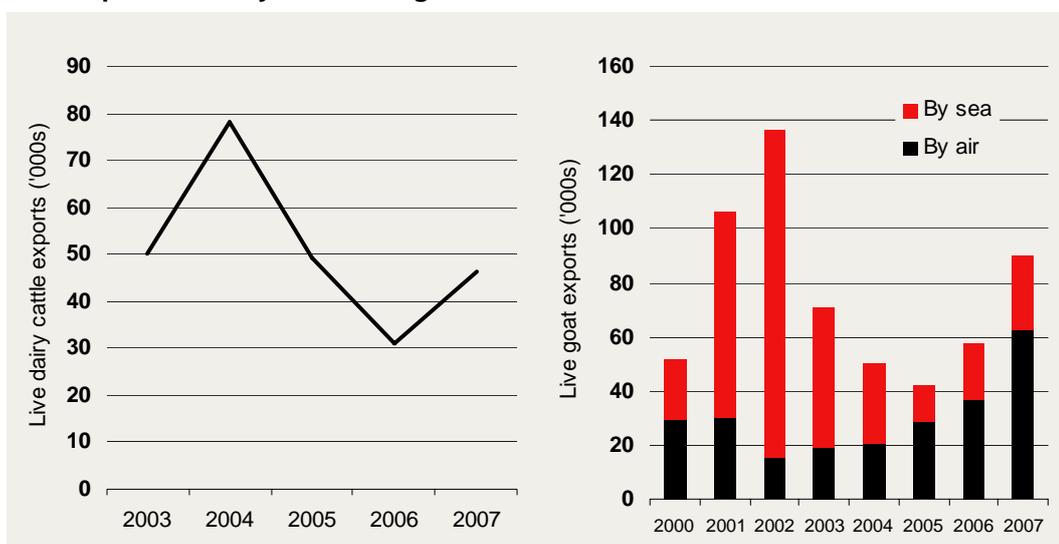
2.1 Annual live exports of sheep and cattle



Note: Excludes sheep and cattle exported for breeding purposes.
Data source: Australian Bureau of Statistics (ABS) Catalogue 7215.0.

¹ A small proportion of livestock are exported for breeding purposes – around 3 per cent of cattle and 1 per cent of sheep.

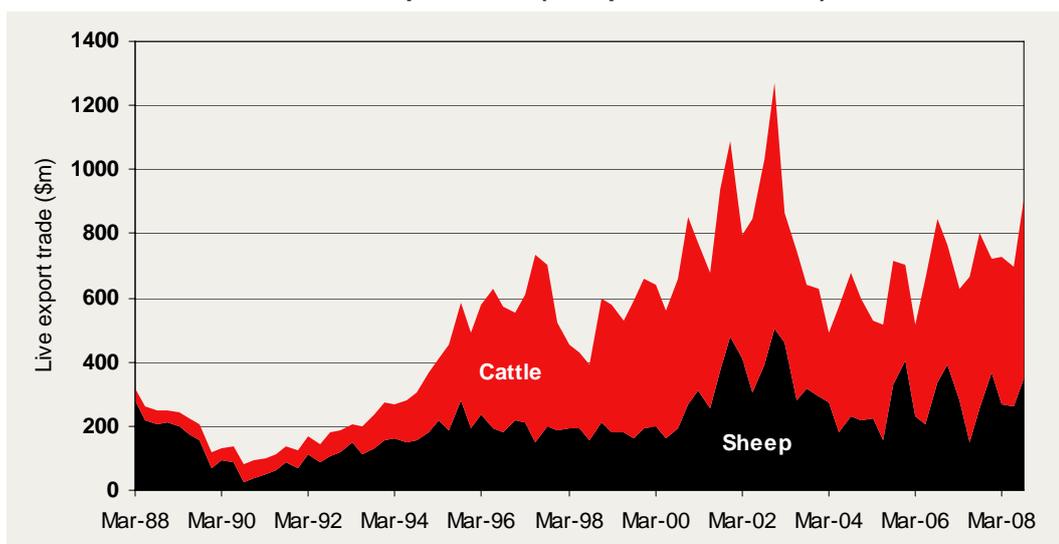
2.2 Exports of dairy cattle and goats



Data source: LiveCorp.

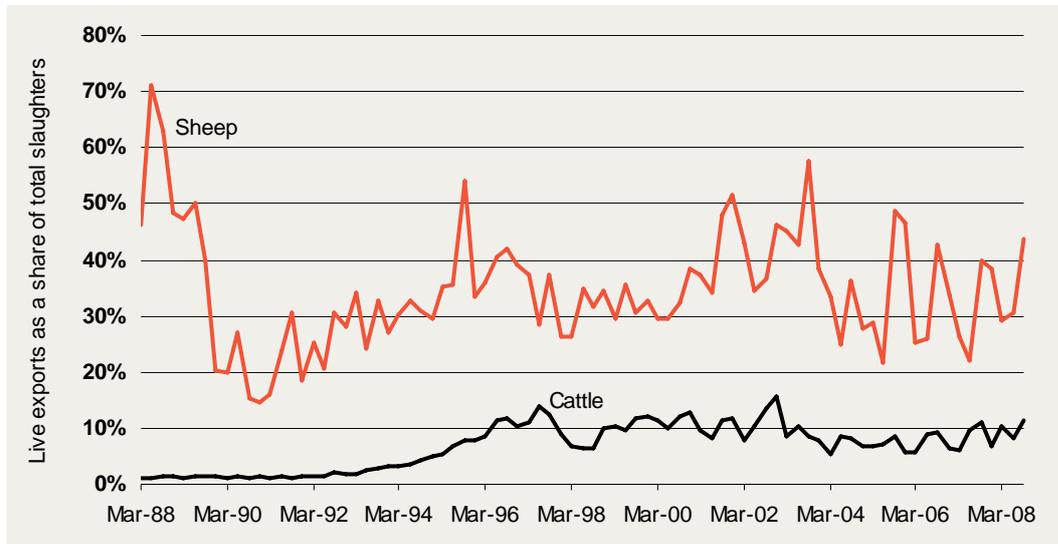
In terms of value, the cattle trade has for much of this decade been larger than the sheep trade (chart 2.3), though this can swing sharply from period to period, reflecting developments in overseas and domestic demand and supply for livestock, and changes in key costs. A large proportion of the animals that are exported can also be substituted to alternative uses in domestic or foreign markets, and this will depend on prices for livestock, feed, oil and exchange rates. This substitution between uses means that the ratio of live exports to domestic slaughters is volatile (see chart 2.4).

2.3 Annual value of the live export trade (sheep and beef cattle)



Data source: ABS Catalogue No. 7215.0.

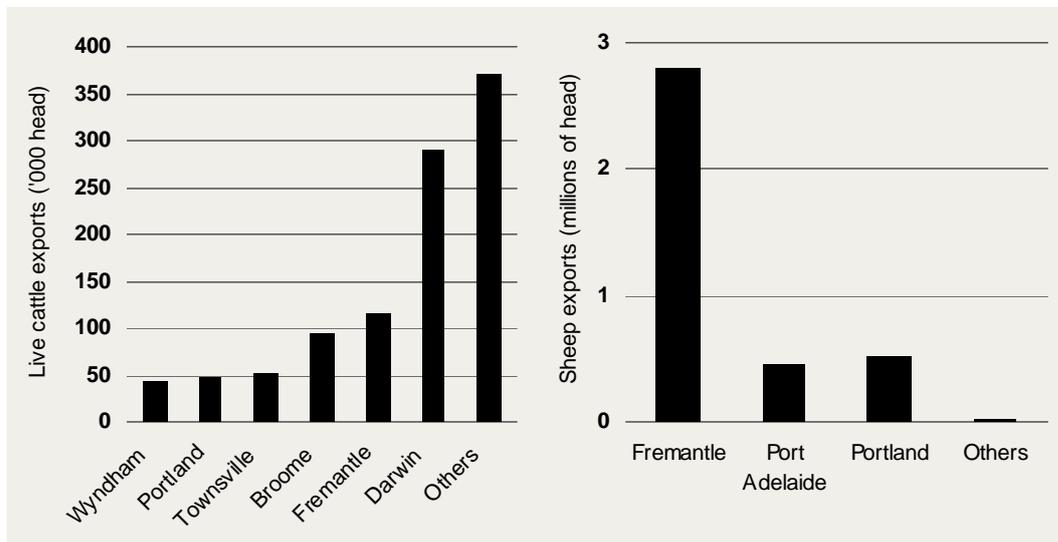
2.4 Live exports as a share of total domestic slaughter



Data source: ABS Catalogue No. 7215.0.

Much of the live export trade departs from Fremantle (sheep) and Darwin (cattle) and there are also 17 other export ports (see chart 2.5).

2.5 Main live export ports, 2008



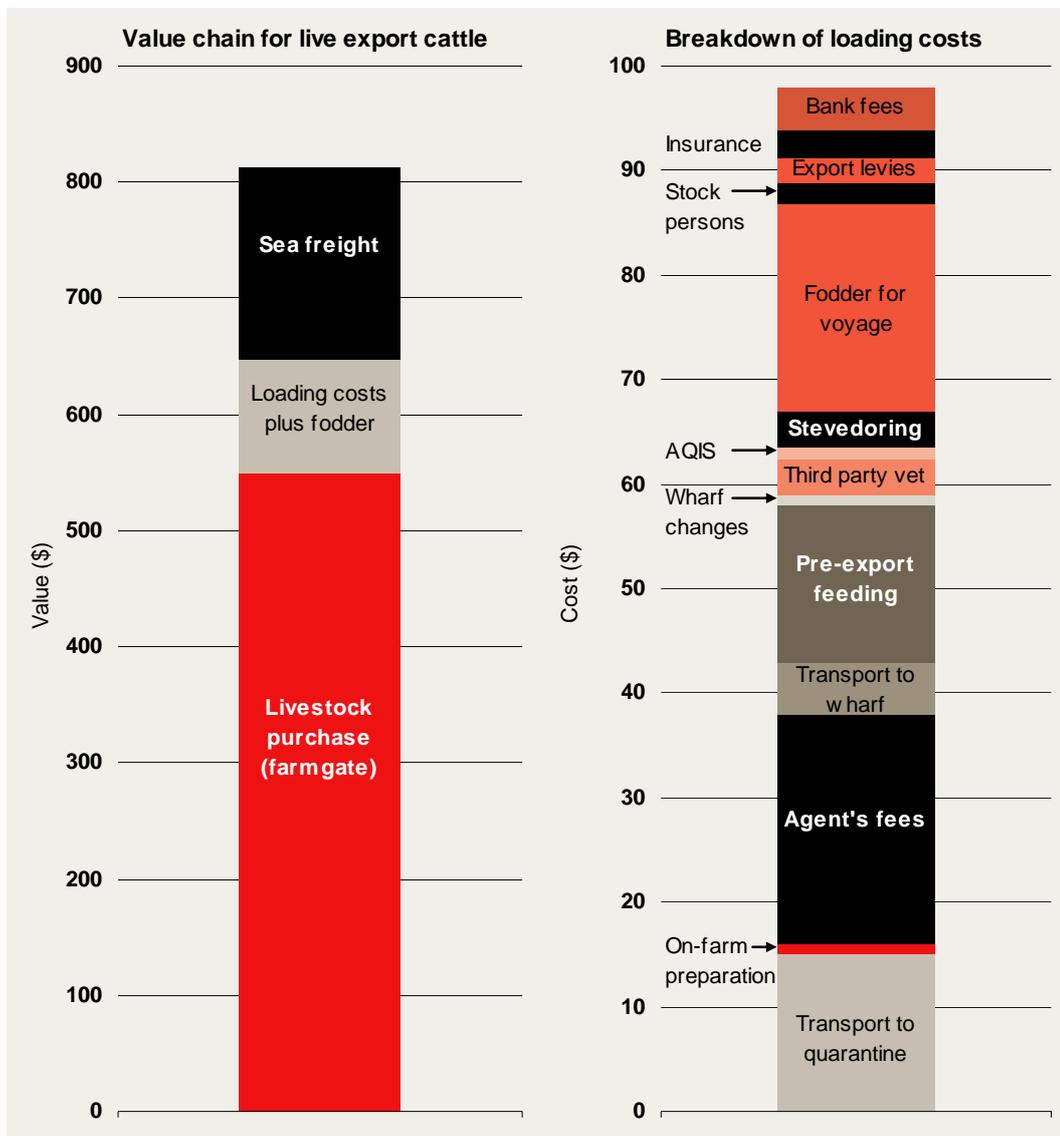
Data source: ABS Catalogue No. 7215.

The value chain

Valued added in the industry mostly reflects the farmgate cattle price, sea freight and the various onshore handling and feeding costs, as can be seen in chart 2.6 for live cattle and chart 2.7 for the live sheep export chain. These charts show the importance of livestock acquisition cost and freight costs, which are the two key drivers of

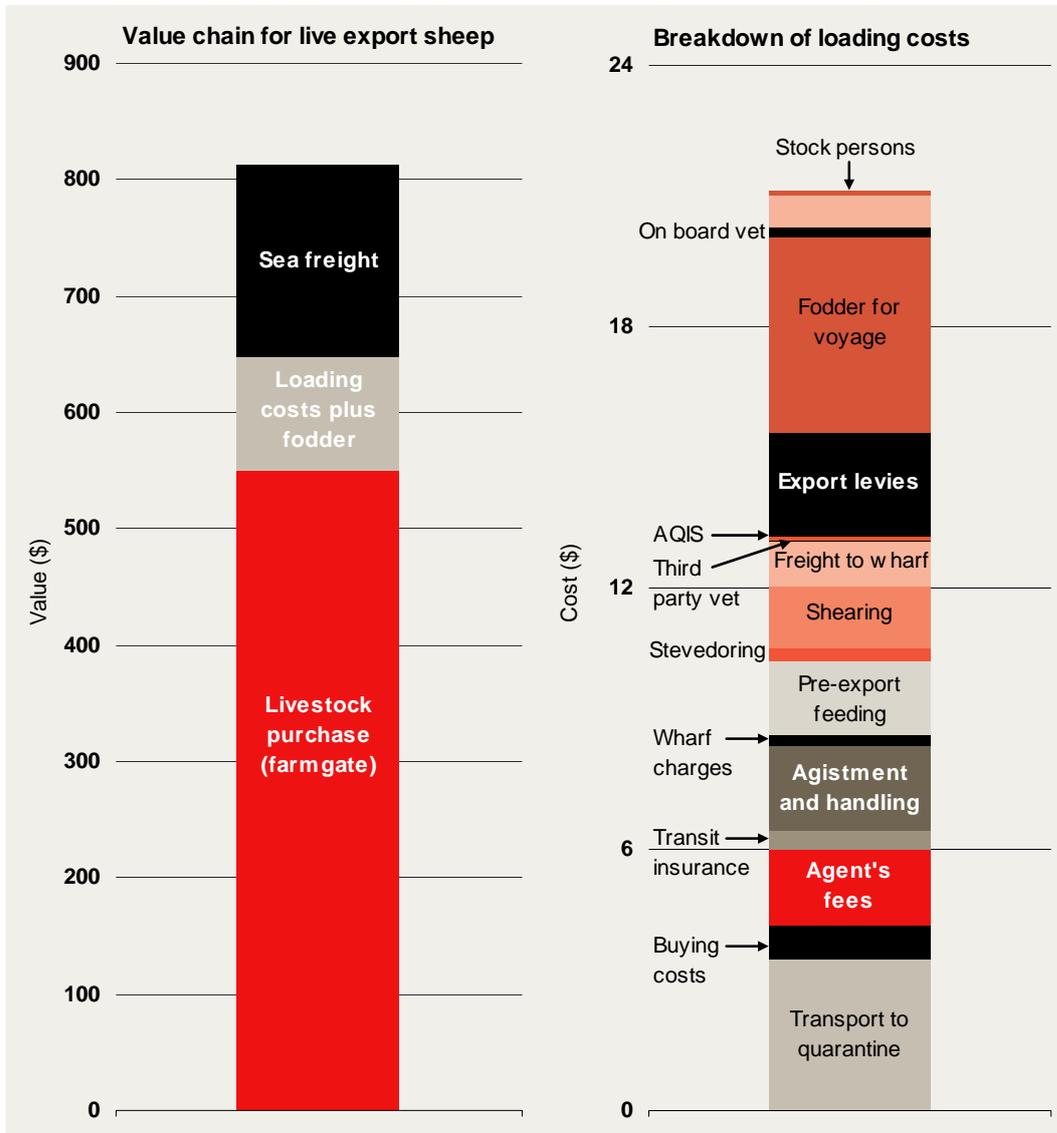
competitiveness. There are also a large number of smaller cost items associated with loading and compliance at the exit port.

2.6 The value chain for live export cattle, 2004-05



Data source: Hassall & Associates (2006).

2.7 The value chain for live export sheep, 2004-05



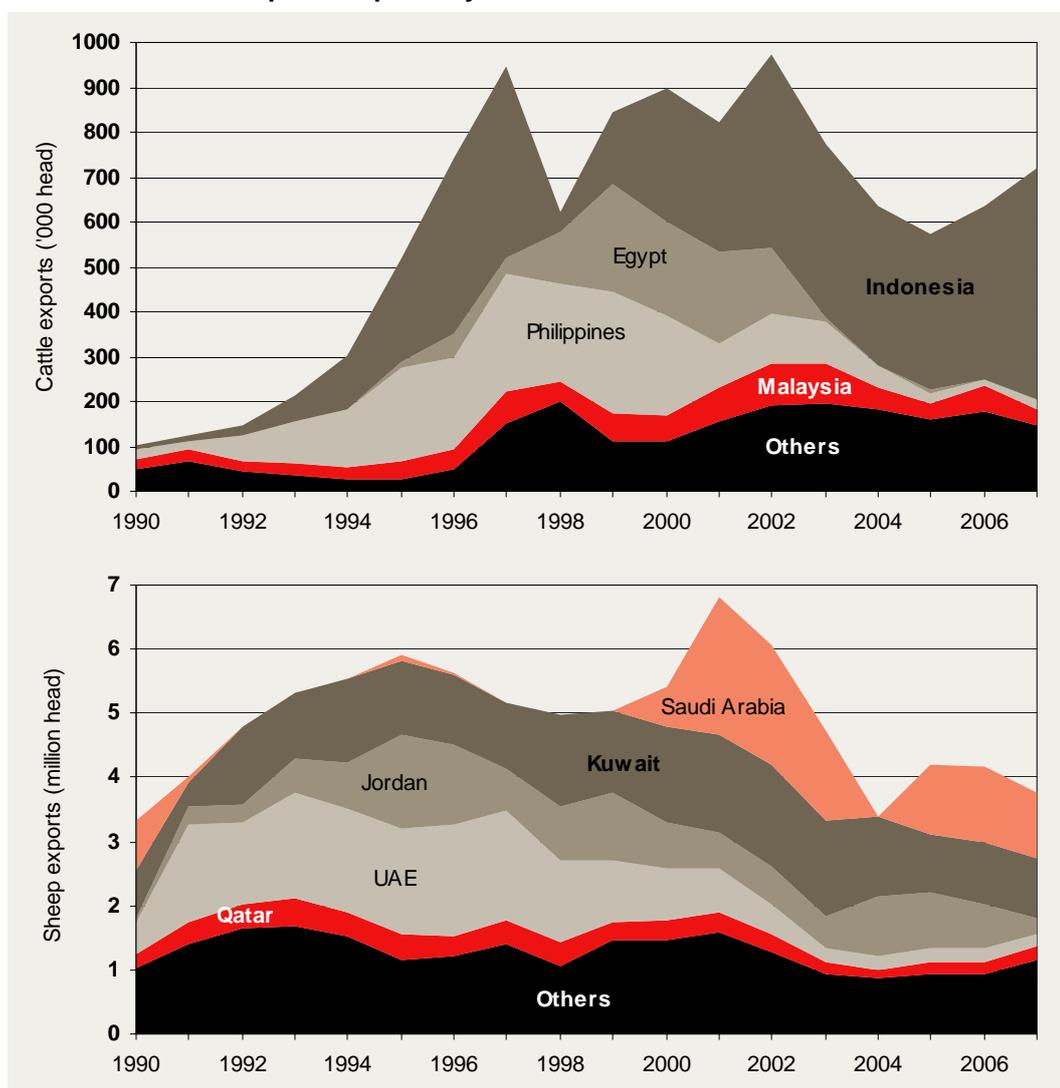
Data source: Hassall & Associates (2006).

Key drivers of live exports

The live animal export industry has developed in response to changes in the key destination markets. For cattle, the industry has changed from one focused on breeding cattle for the purpose of herd building, to one primarily exporting feeder and slaughter cattle, to developing regional feedlot industries (ABARE, 2008). The live sheep export industry has been driven largely by Middle East consumers, whose incomes have been rising, but prefer consuming lamb that has been slaughtered as recently as possible.

Chart 2.8 shows the historical performance of the live trade and the most importance markets for cattle and sheep.

2.8 Cattle and sheep live exports by main destination



Data source: LiveCorp.

Cattle market supply drivers

Australian cattle now primarily go to Indonesia, Israel, the Philippines and Malaysia, driven by the economics of these markets. In these key markets, imports of live cattle have met a shortfall in the supply of locally-reared beef relative to demand, because of the nature of traditional beef production and marketing systems, which reflect:

- low availability of suitable land, especially in the case of crowded and mostly arid Israel;
- production that is based on subsistence or quasi-subsistence agriculture or of insufficient scale – where smallholdings of less than ten cattle predominate;
- limited supply of workers skilled in animal husbandry;

- lack of capital and infrastructure for processing, transport and cold-chain handling; and
- domestic policies that constrain further development.

In contrast, these markets do have a number of comparative advantages – they have low cost agricultural by-products that can be used for feed, and lower cost labour, which makes feeding and processing substantially cheaper than in Australia. They also have a poor cold-chain infrastructure from transportation and storage and within households (particularly in South East Asia), and religious preferences for halal or kosher meat that has been certified locally. These factors have encouraged the import of live feeder cattle. In these markets, feedlots have developed around a food processing plant or oil mill to use low cost by-products. The imports of live cattle occur for finishing or slaughter, to fill domestic shortfalls (ABARE, 2008).

The key cost drivers for Australian supply into these markets (and also true for sheep live exports) are:

- domestic cattle prices
- feed and water costs
- exchange rates, and
- prevailing oil prices.

This is because the largest items in the value chain (chart 2.6) are farmgate cattle prices and shipping transportation costs, which are largely a function of the oil price. The domestic cattle price is heavily influenced by local weather conditions, feed prices, domestic beef consumption, demand from foreign markets and the world beef price.

Export demand in particular markets for Australian beef products can alter markedly with exchange rate movements, market access developments (such as the US being denied access to Japan and Korea on account of BSE) and weather conditions affecting local supply. Prolonged drought periods can reduce herd sizes as stocks are run down, putting upwards pressure on cattle prices, though the Australian herd recorded only a modest decline during the most recent drought (MLA Industry Projections Summary, 2008).

Australian cattle producers have a degree of flexibility about how to use their stock. In some regions, there can be competition for the supply of cattle for live export from the domestic feedlot sector, which services chilled export markets. However, most, cattle producers specialising in the live export trade cannot easily or quickly divert all or some of their herd to alternative uses, and the closure of the live trade would impose significant costs on the national beef cattle industry (see box 2.9).

2.9 The impact of live export closure on the national beef cattle industry

The Hassell's (2006) study assessed the impact of a closure of the live trade on Australia's beef cattle industries. The study assumed that:

- Indonesia would not switch to Australian boxed beef product but permit the import of Indian buffalo meat and South American product;
- cattle now exported through the northern ports would be diverted to eastern states for processing and export into US, Japanese and Korean markets, though some would need an additional year to reach sufficient weight for this purpose; and
- additional transport costs would result from diverting the cattle to eastern markets for slaughter.

Economic modelling of the impact on beef cattle industries of these impacts was undertaken by TheCIE. The modelling found that without live exports, beef and veal production would be 8 per cent higher and grass and grain fed cattle prices 7 per cent and 4 per cent lower respectively. The larger domestic production does not make up for the lost live exports, such that the national beef cattle industry would be 5 per cent smaller without the live trade.

Source: Hassell and Associates, 2006

Dairy cattle market supply drivers

Exports of live dairy cattle are predominantly from Victoria. In most years, China is the most important market for these cattle – mainly for breeding purposes – although the basis of this trade is largely opportunistic rather than based on long-term strategies. This trade is driven by a policy to establish a domestic dairy industry and reduce reliance on imported milk products. Another consideration in this trade is the sensitivity of the Chinese authorities with regard to protocols around zoning of cattle from declared arbovirus areas.

Exports also occur sporadically to a range of other Asian countries – such as Vietnam – largely as the result of aid donor-based programs which also have the objective of reducing reliance on imports.

Sheep market supply drivers

Australian sheep are primarily exported to the Middle East countries of Saudi Arabia, Kuwait, Jordan, UAE and Qatar. In these countries, attempts at intensive breeding have been limited by the dry arid conditions and the limited availability and high cost of imported feed. Consequently, the domestic supply of animals has been insufficient to satisfy the market-specific demand for live sheep slaughtered fresh for the consumer. Australia's position in these markets reflects its ability to

reliably and consistently deliver shipments of live sheep (ABARE, 2008). There are also imports of cheaper sheep from North Africa and Iran, but the African sources (especially from the Horn of Africa) are inferior, as they are more likely to be diseased and of inconsistent quality (ABARE, 2008).

The key cost drivers for Australian supply into these markets are the domestic sheep price, feed and water prices, exchange rates and the oil price. As it is for cattle, the farmgate sheep purchase price and shipping transportation dwarf all other activities in the value chain (chart 2.7). Domestic sheep prices and the size of the stock are heavily influenced by local weather conditions, feed prices, domestic and foreign sheepmeat consumption demand, and world lamb prices. Live sheep export numbers have been declining and sheep export prices rising since around 2000, reflecting the severe impact of several Australian droughts and declining profitability of wool production. This has contributed to a 30 million head (or 25 per cent) reduction in the Australian sheep flock during this period. In addition, stronger demand for lamb for slaughter has been boosted by higher mutton and lamb prices, themselves reflecting trends in world meat prices.

Stock rundowns and favourable prices for alternative domestic slaughter uses have been a key constraint on live sheep exports in recent years. Sheep producers therefore have a degree of flexibility about how to use their stock. If, however, the live trade were closed, there would be costs for the whole sheep industry, as is discussed in box 2.10.

Goat market supply drivers

The value of goat live exports was around \$11 million in 2007 (LiveCorp, 2008b), so it is a much smaller trade than cattle and sheep. The supply of goats for the live trade has largely been in the form of rangeland animals from south eastern Australia and Western Australia. Taiwan is an important export destination for the rangeland goat slaughter. Commercially raised export stock are becoming a larger share of goat exports, from the eastern states. Goat livestock exports occur from various airports and for ships primarily from Fremantle, Geraldton and Perth (Hassells, 2006).

Suitability, efficiency and availability of ships for livestock transport

The suitability, efficiency, and availability of ships for livestock export, that can satisfy regulators at export and import points, have a significant impact on industry performance. The key economic factors that underlie the profitability and sustainability of the live trade include:

- Supply of ships that conform to accreditation requirements and lags in new ship delivery
 - these factors dictate capacity utilisation and so freight rates. Periods of excess capacity have resulted in low rates and competitive live exports;

- Ship efficiency and the fuel prices; and
- Alternative uses for ships – scope to backload the return journey.

2.10 The impact of live export closure on national sheep industry

The 2008 Hassell's study also assessed the impact of a closure of the live trade on Australia's sheep industries. The study assumed that:

- sheep currently live exported would be diverted to the domestic processing industry for slaughter, with the meat sold on domestic and export markets.
- of the nearly 5 million sheep exported live in 2002 to 2004, approximately 30 per cent could be slaughtered as lamb;
- Western Australia has 3 million sheep exported live and one million of these could be processed there. Processing capacity may rise in the years after the trade was closed, but the study argues that labour is the key constraint to expansion. The remainder would therefore have to be transported to South Australia and Victoria for slaughter, which adds an additional transportation cost equivalent to 7 per cent of the farm gate price; and
- live sheep currently exported from Victoria and South Australia are processed locally.

The economic modelling of these impacts found that without live exports, lamb and mutton production would be 18 per cent higher, lamb prices 4 per cent lower and mutton prices 18 per cent lower. The larger domestic production does not make up for the lost live sheep exports, such that the national sheep industry would be 11 per cent smaller.

Source: Hassell and Associates, 2006

Market access

Access to markets for live exports can change dramatically over time, reflecting decisions made by governments at home and in destination export markets affecting all livestock exports. Foreign Governments have rapidly closed markets at the import end due to perceived risks and poor conditions of landed stock. These closures can be long-lasting, such as the 1989 to 1999 closure of the Saudi sheep market.

Australian government agencies have also imposed tighter restrictions at the export point, in response to specific concerns. Australian trade officials have subsequently assisted with negotiations and agreements, to underpin the restart of the trade.

Government regulation and animal welfare

There are a large number of rules, standards and regulations that the industry has to comply with. Much of this regulation follows from governments' desire to assure the public that appropriate animal welfare standards are upheld, particularly during ship transport and unloading offshore. Domestic regulations and standards also assure importers in the destination markets that arrivals of Australia livestock will be consistently in good health. Businesses in the trade deal with several layers of regulation, imposed by a wide range of governments in Australia and overseas.

Animal welfare

Animal welfare issues are central for the industry and heavily influence the nature of handling and transport practices and facilities. In addition to health and food safety objectives, a central purpose for much of the regulation outlined earlier is to satisfy governments and the general public that animals are treated humanely in the course of their export. The methods and techniques used to handle export livestock at pre-export preparation, during land, air and sea transportation, and the post arrival arrangements have big impacts on animal welfare. There are vociferous and public debates on animal welfare matters, with a wide range and large number of groups pushing for a ban on the live export trade. Opinions about the appropriate treatment of animals vary markedly, reflecting culture, income, lifestyle, and other factors unique to the respondent.

The OIE animal welfare code

The World Organisation for Animal Health (OIE) is the global intergovernmental organisation responsible for improving animal welfare, with 172 member states. OIE considers that animal welfare relates to:

"...how an animal is coping with the conditions in which it lives. An animal is in a good state of welfare if (as indicated by scientific evidence) it is **healthy, comfortable, well nourished, safe, able to express innate behaviour**, and if it is not suffering from unpleasant states such as **pain, fear, and distress**. Good animal welfare requires disease prevention and veterinary treatment, appropriate shelter, management, nutrition, humane handling and humane slaughter/killing. Animal welfare refers to the state of the animal; the treatment that an animal receives is covered by other terms such as animal care, animal husbandry, and humane treatment. (OIE, 2008)."

The OIE's *Terrestrial Animal Health Code* contains recommendations on appropriate animal welfare management and practices for transportation by land, sea and air, and for slaughter. These recommendations outline standards regarding condition, health, welfare and handling arrangements, strategies and techniques for the purposes of ensuring satisfactory animal welfare. The OIE code does not recommend specific levels or acceptable ranges for space, temperature, body mass accretion, etcetera, but specifies its standards in the generality.

Australia's livestock transportation regulatory framework

Government legislation, compliance measures, and quality assurance programs support Australia's livestock transportation standards. Policy responsibility and regulatory oversight of the industry is a shared arrangement between the Australian Government and the States and Territories. The latter have responsibility for production, management and transport of the animals, and the Australian Government has responsibility for the actual export of the animals. There are also codes of practice to assist and guide industry. The Australian Government's 2003 *Live Export Review* observed that the live export trade "...faces a complex regulatory system, with a myriad of disparate responsibilities spread over a large number of parties" (DAFF, 2003).

Australian Standards for the Export of Livestock

To be permitted to export livestock, the central piece of regulation for operators to be compliant with are the *Australian Standards for the Export of Livestock* (ASEL), version 2.2². The ASEL set requirements for the export process across the transportation chain, from property of origin, road transport, pre-export assembly, loading and shipment, and were developed in consultation with industry, governments and animal welfare groups including the Royal Society for the Prevention of Cruelty to Animals (RSPCA). These standards take an outcome-based approach to risk management, and specify condition, health, welfare and handling arrangements in great detail all the way along the value chain. They embody the standards for the conduct of the livestock export trade, as required by the Australian, state and territory governments and endorsed by the Primary Industries Ministerial Council. ASEL is very similar in the scope and coverage to the OIE code, but also mandate specific levels or acceptable ranges regarding per head space, animal temperature, change in body mass, among others.

Several Australian government agencies have key roles in implementing the standards. Market Access and Biosecurity of DAFF are responsible for negotiating the health agreements which importing countries want the Australian Government to certify. The Australian Quarantine Inspection Service administers the *Australian Meat and Live-stock Industry Act 1997*, which requires exporters to first gain an export licence, and the *Export Control Act 1982*, which requires a licensed exporter to meet local and the importers' criteria related to health and welfare of the animals. An AQIS veterinarian inspects the animals and reviews documentation prepared by the exporting company's veterinarian, before deciding whether to issue an export permit. The Australian Maritime Safety Authority (AMSA) is responsible for matters

² The standards were conceived in 2005 and reviewed and amended in 2006, in response to advances in knowledge and understanding of animal welfare and changes in community expectations.

of animal welfare on board ships and during an export journey, per the *Navigation Act 1912* and associated Australian Commonwealth Marine orders. These orders, embodied in ASEL, contain provisions about:

- loading facilities
- ship design
- fodder and water supplies
- the number of animals that may be carried
- stocking density
- design and arrangement of pens
- the care of livestock onboard ships.

ASEL applies to the movement of all live animals within Australia, including those being prepared for slaughter and processing for domestic and foreign markets. This regulatory symmetry is crucial in ensuring that beef and cattle producers retain flexibility and scope to easily switch between live exports and processing. A précis is in table 2.11.

From the industry's perspective, satisfying the regulatory code is its 'due diligence', and a potential 'defence' against charges of poor and inhumane treatment of livestock in the course of exporting. As long as operators comply with the regulatory framework and standards, and satisfy the regulators, they cannot be held *legally* liable for adverse outcomes. The Australian Government, as regulatory service provider, is an important producer in the value chain, so to some extent takes on partial responsibility for adverse outcomes, regardless of whether this is actual or perceived.

State and Territory regulations

The range of state and local government laws and regulations have big impacts on the industry, governing matters of general animal health and welfare, production, feedlots and holding yards, transportation of the animals to port of loading. States and territories have the responsibility to support market access by disease surveillance, enable identification and traceability and to have effective disease responses in the event of an outbreak. States, with assistance from the RSPCA administer arrangements pertaining to livestock cruelty, contained in the various Animal Welfare Acts, which are consistent with, and largely restate the key provisions and tenets of the ASEL and OIE standards (Commonwealth of Australia, 2003).

State governments' veterinarians and stock inspectors act as animal welfare officers and animal welfare inspectors, respectively. State governments oversee livestock production standards incorporating biosecurity, animal health and welfare

2.11 Australian Standards for the Export of Livestock Version 2.2

Standard	Principle	Key outcomes to be met
1. Sourcing and on-farm preparation of livestock	Sourcing appropriately prepared livestock that are fit to travel is critical to health and welfare outcomes during export.	<ul style="list-style-type: none"> ▪ Satisfy all state/territory laws (food safety, chemical residues and environmental contaminants) ▪ Meet importing country requirements ▪ Only source animals fit to enter the live export chain. Reject animals that do not meet condition or weight requirements ▪ Satisfy AQIS that these standards have been met.
2. Land transport of livestock	Land transport is planned and undertaken on a competently operated and suitable vehicle, with the livestock being handled in a manner that prevents injury and minimises stress throughout the journey	<ul style="list-style-type: none"> ▪ Only fit livestock are loaded, in a manner that prevents injury, minimises stress. ▪ Transport occurs in accordance with ASEL, state, territory and importing government requirements. ▪ Livestock are provided water, breaks, and are loaded in accordance with the minimum specific densities in pens. ▪ Livestock unloaded in a manner that prevents injury and stress.
3. Management of livestock in registered premises	Livestock are assembled at registered premises, where the husbandry and management practices ensure that the livestock are adequately prepared for the export voyage.	<ul style="list-style-type: none"> ▪ Facilities at registered premises are appropriate for the type and species of livestock in construction, effluent drainage, sufficient shelter from the elements, appropriate fencing, etc. ▪ Health and welfare needs are appropriately catered for in a secure environment – ie, meet stocking densities, water and feed requirements. ▪ Livestock leaving premises are fit for the export voyage and meet importing country requirements. Condition is assessed and rejection criteria applied appropriately. ▪ Livestock rejected for export are managed humanely.
4. Vessel preparation and loading	The sea voyage is planned and undertaken on an appropriately provisioned vessel certified for the carriage of livestock. Livestock are loaded in a manner that prevents injury and minimises stress.	<ul style="list-style-type: none"> ▪ Livestock are healthy, fit to travel and comply with importing country requirements. ▪ The vessel meets Australian requirements for the safe carriage of livestock. ▪ Livestock are loaded according to a plan, and this plan is in accordance with the stocking densities in the ASEL. ▪ The ship carries sufficient rations, provisions and bedding onboard and carries minimum veterinary equipment, in accordance with ASEL. ▪ Sufficient personnel are available both at loading and during the voyage to ensure that livestock husbandry and welfare needs are addressed. ▪ Livestock are handled and loaded in a manner that prevents injury and minimises stress. ▪ The travel and loading plans adequately address the health and welfare of the livestock. ▪ A health certificate and an export permit are issued by AQIS.

Continued on next page

2.11 Australian Standards for the Export of Livestock Version 2.2 Continued

Standard	Principle	Key outcomes to be met
5. Onboard management of livestock	Onboard facilities, management and husbandry must be adequate to maintain the health and welfare of livestock throughout the sea voyage.	<ul style="list-style-type: none"> ▪ The voyage is completed safely. ▪ Adequate livestock services are maintained throughout the voyage, provided by onboard stock persons, veterinarians and handlers. ▪ Onboard care and management of the livestock is adequate to maintain their health and welfare throughout the voyage. ▪ Animals are inspected twice daily, sick animals must be treated, isolated and, if necessary euthanized humanely and without delay. ▪ A contingency plan for ship breakdowns, feed and water shortage, disease outbreak, extreme weather and rejection at destination must be prepared for each consignment. ▪ Statutory reporting requirements are met, both during and after the voyage. This includes daily and end-of-voyage reports, and notifiable incidents of mortality(s).
6. Air transport of livestock	Animals are prepared according to required protocols, are fit to travel, and the journey is planned and undertaken in a manner that meets the importing country requirements for the air transport of livestock.	<ul style="list-style-type: none"> ▪ Livestock sourced for export must meet any requirement under a law of a state or territory relating to the sourcing of livestock. ▪ Livestock sourced for export must meet ASEL and importing country requirements. AQIS is responsible for ensuring that these standards and requirements are met. ▪ Livestock sourced for export that become sick or injured during on-farm preparation must be excluded from export, and arrangements must be made for their prompt and humane handling and care. ▪ Livestock are transported by air, in accordance with ▪ Livestock are safely delivered to an airport of the importing country. ▪ Statutory reporting requirements are met after the flight.

Source: DAFF (2006).

standards. The use of chemicals in livestock and chemical residue surveillance and control are also legislated by states³ (Northern Territory Government, 2006). The state governments' Departments of Agriculture issue a range of recommendations regarding all livestock movements, suggesting techniques from its R&D activities found to improve animal welfare, among others. Again, these recommendations are consistent and reinforce the risk-management approach outlined in the OIE and ASEL codes.

Industry codes of practice

The Australian Government and state governments have consulted with industry and welfare groups to develop Model Codes of Practice for the welfare of farm animals, which are used by the states to develop their own codes and set standards for husbandry and transport that can be prescribed and enforced by legislation. Some of these codes were developed from industry codes⁴. For the most part, the codes are not mandatory and have not been implemented consistently in all states' Animal Welfare Acts⁵. The codes also provide a basis for animal welfare standards in industry programs (Commonwealth Government, 2003).

There are a raft of mechanisms that work together to achieve compliance and satisfy expectations surrounding livestock animal welfare. Table 2.12 summarises the roles of legislation, regulations, standards and voluntary commitments by operators in achieving good outcomes regarding animal welfare, in the course of livestock management in Australia.

Importing country health and animal welfare standards and policies

Once landed in destination markets, Australian regulations and frameworks do not apply. The OIE's *Terrestrial Animal Health Code* describes the responsibilities of the importing country's authorities, to satisfy its definition of animal welfare, as:

- establishing minimum standards for animal welfare, including requirements for inspection of animals after their travel, and for certification and record keeping;
- approving facilities, containers, vehicles and vessels for the holding and transport of animals;

³ For example, the Northern Territory's *Agricultural and Veterinary Chemicals Control and Use Act 2006*.

⁴ For example, the Western Australian *Code of Practice for the Transportation of Sheep* is based on the *Code of Practice for the Welfare of Animals* produced by the Livestock Transporters' Association of WA.

⁵ In South Australia, codes are mandated, Victoria and Queensland have non-regulatory based application of the code, and in the other states' legislation recognises them to varying extents (Animal Health Australia, 2007).

2.12 Animal welfare compliance framework in Australia

<i>Instrument</i>	<i>Scope</i>	<i>Current situation</i>
Legislation	Commonwealth and state laws to give effect to policy relating to animal welfare	While animal welfare legislation varies between states its effect throughout Australia is to prevent cruelty to animals.
Regulations	Details of how legislation is interpreted and applied in practice — for example, Marine orders and Export Control orders	Linked to legislation by provisions. Spells out the details of how the legislation will be interpreted and enforced and the associated penalties. Can be changed often and at short notice.
Standards or directives	Actions and systems that must be followed to achieve a specified and acceptable outcome — for example, ASEL	Not yet the basis for animal welfare legislation within Australia. The development of standards uses contemporary knowledge to specify the actions and systems that must be adopted. Often based on objective criteria coming out of latest R&D.
Codes	Agreed guidelines for delivering outcomes but stem from current practices and preference — for example, model codes of practice	Voluntary guidelines developed through consensus and observed to varying degrees by the States. Can be used as a defence of the legislation where enacted.
Best practice	May reflect existing standards but can also reflect practices actually being used by the industry's best operators	Best practice is an empirical statement of the methods being employed by an industry's best operators and will change through time according to community expectations, innovations coming out of R&D and affordability considerations.

Source: MLA, (2006).

- setting competence standards for animal handlers and managers of facilities;
- implementing the standards, including through accreditation of/interaction with other organisations and the authorities;
- ensuring that the exporting country is aware of the required standards for the vessel transporting the animals;
- monitoring and evaluating health and welfare of the animals at the point of unloading; and
- giving animal consignments priority to allow import procedures to be completed without unnecessary delay.

The OIE codes are not treaties, so are not binding on member states. They are recommendations that countries have agreed, in the broadest generality, to work towards. There is obviously a wide variety of application of these standards between countries, and weak application of these standards leads to poor animal welfare, and potentially threatens the quality and reputation of the exporter, and raises domestic public opinion against the industry. The industry therefore has some interest in ensuring that importers have satisfactory arrangements in place.

Standards adopted by other livestock exporting countries

A 2006 study (MLA) specifically investigated the specificity and rigor of the livestock export standards applying in individual countries that participate significantly in the

trade. The study benchmarked the ASEL against standards applying in New Zealand, Ireland, UK, EU, Canada, Brazil, Argentina, Uruguay, Mexico, China, Djibouti, Ethiopia, Kenya, Somalia, Sudan and Uganda. The study documented the standards or procedures, but did not attempt to verify actual compliance by exporters, nor application of the standards. The benchmarking assessed standards in terms of coverage (of species and phases of transportation) and capacity to deliver acceptable outcomes (measured against animal welfare indicators).

The study found a large range in standards. Some exporting nations (primarily in Africa) did not have standards at all; for others (South America), the study could find no *evidence* of standards.

Overall, it was found that there are not features of standards or regulations adopted by other countries that would add significantly to the effectiveness of Australian livestock export standards in terms of coverage and welfare outcomes.

Rejected shipments and welfare

When shipments are rejected on the grounds of poor health or disease by the importing countries' authorities, this creates an immediate animal welfare predicament. Even if the importing countries are rejecting the shipment, the welfare of the animals would in theory, be best served by unloading as soon as practicable. Australian shipments of sheep to Saudi Arabia have, at times, been rejected, and authorities have generally not allowed livestock to unload temporarily. These rejections focus heavy attention and scrutiny on the immediate management steps taken and on the live export industry generally.

Measuring animal welfare with mortality rates

In the case of live exports, mortality is currently the main welfare indicator in the livestock export industry, and the industry reports on mortality rates to government. Mortality levels on all voyages are reported and if these exceed predetermined trigger levels a full investigation occurs. These levels are two per cent for sheep and 1 per cent for cattle on voyages over 10 days and 0.5 per cent for voyages under ten days. Mortality rates vary with the distance of the voyage, the time of year and type of stock.

Mortality rates have their drawbacks as a useful indicator into animal welfare. They only measure extreme events and do not tell us much about animals' treatment and conditions in handling and transportation. A further limitation of mortality as an indicator is that rates have declined so markedly in the last two decades that there are likely to only be proportionally small, and smaller decreases in mortality going forward. Interpreting observed changes at such low levels is increasingly difficult -

factors other than improvements in handling, such as disease outbreaks or extremely hot weather may explain trends and swamp other observables in the data⁶.

The mortality rate, as specified, is in isolation. It would be more usefully specified as a measurement of decreases in mortality, compared with a benchmark, such as mortality levels for farm animals (non-transported), and those transported on land.

Demand side drivers of live exports

Cattle market demand drivers

A range of demand side factors affect the trade of live exports into Asia:

- Limited availability of cold-chain storage and refrigeration in South East Asia.
 - Refrigeration of meat is generally limited to abattoirs, and wholesalers and retailers in metropolitan areas supplying the smaller medium and higher priced markets. It is primarily middle and upper class populations that can purchase packaged meat to store in their home refrigerators.
 - In many rural and urban fringe areas, consumers would only access freshly slaughtered beef sourced from small livestock farmers through wet markets.
- Growth in demand for beef in South East Asia, reflecting generally rising incomes.
 - Beef, which is generally more expensive and much less widely available than poultry and other protein sources, is still only 10 to 20 per cent of overall meat consumption in the key markets of Indonesia, Israel, Malaysia and the Philippines. The increasing tendency of consumers to consume meat (as a function of per person incomes and a switch away from grain-based protein).
- Australian cattle saleyard (beef) price movements relative to those of the staple local protein sources in these markets, poultry, pork and fish.
- Exchange rate movements - for example, there were significant falls in exports to the Indonesian live market in 1997 as a result of the large devaluation of the rupiah. Local feedlots responded by shutting or sourcing domestic cattle. Exchange rate movements resulted in a rapid decline of live exports to Egypt and the Philippines.
- Changes in market access can also cause demand shifts - Australian live exports could face potentially greater competition from other beef and meat producers of boxed beef.

⁶ Mortality approaches zero, but seems unlikely to ever zero. Cattle mortality rates are unlikely to go much lower since poor weather or outbreaks of disease, or ship sinkage will occur at *some* stage, regardless of how well the industry manages these risks. A target of a zero per cent mortality rate is not achievable, nor, arguably shed much light on how the animals have been faring and treated up to that point.

- Indonesian government policy currently restricts the entry of frozen beef from Brazil and frozen buffalo meat from India because of the threat of foot and mouth disease.
- Malaysia has been importing substantial quantities of Indian low-priced beef and this, in concert with a fall of the ringgit against the Australian dollar, has reduced its imports of Australian live cattle.
- Israel primarily imports calves⁷ and these mostly come from Australia and Hungary. Poland had been a major supplier of calves to Israel before its BSE was discovered and Argentina was the source for half of frozen beef imports before its 2006 export ban (ABARE, 2008). These factors contributed to the recent increase in cattle live exports to Israel.
- The adoption of more liberal beef import laws in the Philippines expanded beef demand and created more commercial farms and feedlots relying on low price feeder cattle from Australia and New Zealand (ABARE, 2008).

Dairy cattle market demand drivers

A major driver of growth and timing of the live dairy trade is government policy or donor-based aid programs in destination countries. Little is known about other market drivers such as freight rates or the relative price of acquiring dairy breeding stock between Australian and other countries with a modern genetics base such as New Zealand.

Sheep market demand drivers

A range of factors particular to the key sheep live export markets underpin the trade.

- Demand for live sheep primarily reflects cultural and religious preferences.
 - Lamb, which is reared locally but in insufficient quantities, is the preferred meat protein source in many parts of the Middle East. The main way of selling sheep meat products is in the *souk*, a traditional market where live animals are sold and slaughtered fresh for the buyer, who is generally the ultimate consumer. This approach assures customers that the meat is as fresh as possible and has been slaughtered *halal*. Butchers also supply retail consumers in the same manner (ABARE, 2008);
- As with live cattle, rapidly rising incomes in the Gulf region have encouraged consumption of lamb (per person lamb and other proteins);

⁷ Australian calves are imported at an average live weight of 220 to 250 kilograms and are fattened for up to 235 days until they reach slaughter weight of 500 to 600 kilograms. The Hungarian cattle are primarily air freighted at 60 to 70 kilograms and fed for up to 350 days to reach 450 to 580 kilograms (ABARE, 2008).

- Australian farmgate (sheep) price movements relative to those of the protein sources in these markets, poultry, pork and fish;
- Consumption is supported in some countries by various policies aimed at making retail lamb cheaper, for example the price caps in Kuwait and government subsidised processing and distribution in Bahrain (Hassell's, 2008). Imported sheep meat products do not benefit from these subsidies;
- Prices and exchange rate movements, although the live sheep markets appear to be less responsive to price than beef markets;
- Changes in market access can cause rapid demand shifts, most visibly in response to periodic export bans by Saudi Arabia; and
- Substitution to chilled sheep meat, for which demand has risen in the last decade and primarily servicing urban consumers without the same demand for freshly slaughtered lamb (check data).
 - Middle East demand for chilled sheep meat has been met by Australia, and New Zealand, China, India, Pakistan, Uruguay and Sudan. In recent years, cheaper Chinese chilled sheepmeat to Jordan has expanded markedly; in contrast, Australian sheepmeat exports largely go to Saudi Arabia and the UAE (ABARE, 2008).

Goat market demand drivers

Goat exports in recent years have been driven by demand by Malaysia for a mix of breeding and processing animals – it imported more than 80 per cent in 2007/08, with nearly all of the remainder going to Thailand, Singapore and Brunei. Saudi Arabia was a large market before 2003, when a ban on Australian live goat imports was imposed. In Jordan, Chinese goat meat is a substitute for other proteins, and this most recent increase in demand partially reflects substitution away from beef and poultry (LiveCorp, 2008). The Malaysian-centred demand for breeding stock has resulted in most exports now going by air transport.

3 *MLA evaluation framework and development of key performance indicators*

MLA evaluation framework

MLA has established a framework for evaluating the investment that it makes on behalf of industry and the Australian community more generally. In developing appropriate KPIs for LiveCorp it is useful in the first instance to understand and apply the evaluation framework. This approach ensures that the KPIs are then relevant for the subsequent evaluation of LiveCorp. This section provides a brief description of MLA's evaluation framework and why it is of relevance to LiveCorp and the LEP⁸.

An overview of the framework

One of MLA's main stakeholders is government since the Australian Government provides the taxation power to raise levy income and, in the case of R&D, it provides a matching dollar investment. Government is interested in seeing that MLA funding through levies and R&D grants is having positive impacts on the industry and Australian welfare. It is also interested in seeing that MLA has a process in place to ensure it is achieving the best outcomes possible. Likewise, MLA's other stakeholders, in particular levy payers – livestock exporters – want to see that money is well invested.

The framework provides program managers with a tool for considering how research outputs, through adoption by industry or changes in consumer behaviour, can be expected to lead (or have led) to:

- impacts and benefits both for the industry;
- Australia as a whole; and
- International interests, where relevant.

⁸ The detailed framework is presented in The CIE, *MLA Evaluation Framework*, March 2006.

The framework is applicable to both *ex-ante* and *ex-post* evaluation. The most important concept behind the MLA evaluation framework is the logical mapping from inputs to impacts.

Steps in applying the framework

Each MLA project uses inputs to produce outputs. Outputs typically generate some outcomes, and these outcomes generate impacts that deliver benefits to producers, consumers and the wider community. While MLA should have some control over the outputs from the investment, external events will often influence the outcomes and impacts achieved. Identifying the respective contributions is a key challenge in undertaking an evaluation. These concepts and their relationship to each other are shown in chart 3.1.

Note that inputs, outputs, outcomes and impacts have a time profile. In some cases the impacts that result from a project will occur with considerable lag, while with others the impacts will be immediate but transitory. It is important to always remember that the terms discussed below have a unique value at each point in time.

Inputs

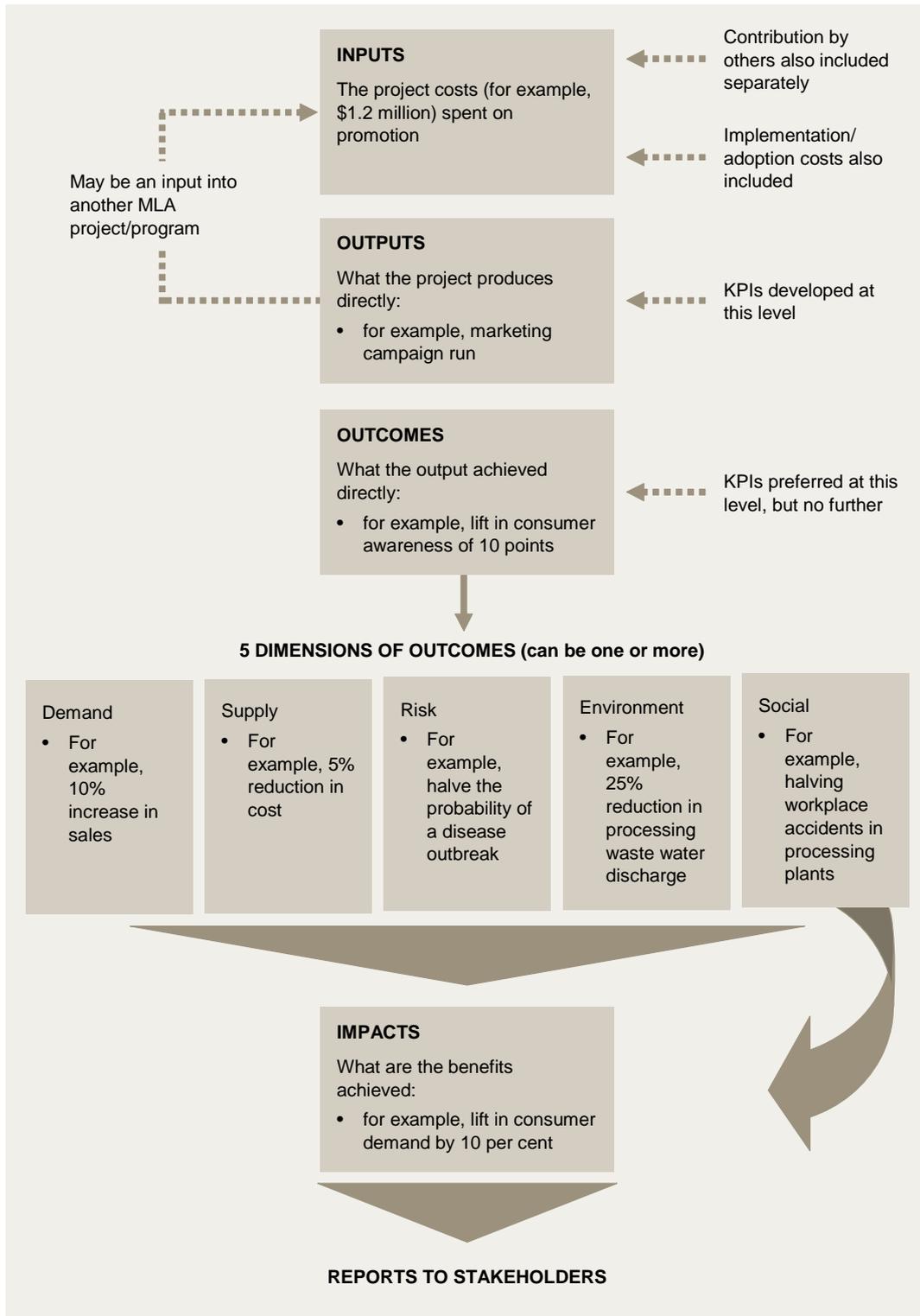
Inputs are the investment in the project. These can be 'in-kind' as well as in cash. The investment in management should also be included. These costs include MLA expenditures and the contributions by others. The implementation and adoption costs (often paid for by industry members) are also inputs that contribute to achieving outcomes and must be tracked. These costs can usually be given a dollar value.

All of the inputs that contribute to the outcomes being measured should be included in the evaluation. This can be best achieved by using MLA's project evaluation questionnaire to collect information on inputs and outputs for each project and using a full questionnaire to evaluate a group of projects.

Outputs

Outputs are the goods and services (including knowledge) that a project produces. For example, scientific papers on the distribution of *E. coli*, a marketing campaign on food safety or the development of a new technology that can reduce processor costs are outputs.

3.1 Inputs to impacts



Source: TheCIE.

KPIs are often based on outputs, for example the number of scientific research papers published. Setting outputs as KPIs means that the MLA project can be held directly responsible for achieving (or not achieving) its KPI. However, meeting an output KPI

does not guarantee that a project has led to any changes in practice or behaviour (outcomes). Some outputs are largely inputs into other projects later in the project cycle, and can only be evaluated as a part of a cluster of projects.

Outcomes

Adoption rates are an important indicator of outcomes often measured by MLA. Active adoption provides evidence that producers, processors and other private parties perceive value in using MLA's outputs. Adoption is an intermediate step between outputs and outcomes – if nobody adopts then there will be no outcome following from the project.

Outcomes are the consequences of adoption and/or influence of the output of a project and result from changes in practice or behaviour. Outcomes can follow directly from the application, use or influence of the output. For example:

- reduced transit time resulting from R&D which has improved infrastructure or personnel training;
- reduced animal stress/losses resulting from implementation of best practice standards across the industry; and
- additional exports resulting from negotiation of market access.

To compare project outcomes and to estimate the net benefits of the investment, outcomes need to be linked to impacts.

Dimensions of impact

The evaluation framework developed for MLA divides the impact of a program into five possible dimensions – demand, supply, risk, environment and social. Demand and supply capture the traditional economic impacts, but do not cover many other important MLA activities.

Risk needs to be captured as this is an important determinant of economic welfare. This impact category encompasses projects that changes the probability that an event occurs or the impact of that event should it arise. Risk impacts are really demand and supply impacts that are associated with an event that may or may not occur.

Other impacts that are important to the welfare of Australians are captured in the environment, social and other impacts. These may not be captured as 'market-evident economic impacts' because there are no market signals to provide an indication of value. This applies particularly to environmental benefits and unpriced technology spillover benefits to other Australian industries. The latter could include feeding and management practices for live exports that subsequently have application and benefit to other livestock industries.

Some impacts, such as regional impacts and social benefits, are termed 'distributional impacts'. They inform government and others of how the benefits are distributed across the national or between different social groups in the Australian or international community.

Demand

An increase in demand occurs when consumers are either willing to pay more for a given quantity of the product, or they are willing to buy more at the same price, or some combination of these. Some of LiveCorp's activities aim to increase demand by:

- changing the quality or perceived quality of live exports, for example , age, disease free status, level of stress; and
- improving market access – such as through security of supply and supplying management technologies to facilitate better animal husbandry in importing countries.

Actual or perceived quality can be changed by factors such as eating quality, consumer attitudes or perceptions about food safety.

Supply

An increase in supply occurs when production costs fall (at any point in the value chain) due to a change in input mix, cost and/or quality. This means that producers increase the quantity they will supply at a given price or lower the price they would accept for supplying a given quantity. LiveCorp projects might increase supply by reducing transport costs, losses in transit and the of cost feed rations. LiveCorp projects might also increase livestock supply in other countries – through the transfer of technology to importing/other exporting countries as well as directly lowering the cost of livestock production in importing countries

Risk

Many LiveCorp projects are aimed at reducing the probability of an adverse event or reducing the cost if an adverse event occurs. The Australian Government has decided on previous occasions to discontinue live exports to particular markets. A major risk for livestock exporters is future discontinuation either because of real or perceived concerns with the welfare of live exports. These impacts fall under the change in risk impact category in the evaluation framework. The key characteristic of a risk is that the event has a probability associated with it (that is, it may or may not happen). The actual impact of an adverse event or opportunity should it arise is usually a change in demand or supply.

Environment and animal welfare

Environmental impacts generally change either the amount of a resource being used (for example, water, soil, nutrients, biodiversity and fuel) or the quality of a resource being used (for example, salinity impacts, erosion, air, water and noise pollution). In many cases, projects with environmental objectives also impact on supply and demand and may be addressing risks associated with access to natural resources and/or right to practice.

Animal welfare impacts are of particular importance to LiveCorp. Improvements in animal welfare have direct economic benefits for exporters and importers. More generally it concerns Australians at large. Australians appear supportive of the live export trade as long as agreed standards of animal welfare are maintained and improved upon.

Social

LiveCorp's activities have potential social benefits. Livestock exporting impacts on specific supply regions, providing employment and associated local economic impacts. Australian livestock exports, particular the live cattle trade to Indonesia, provides benefits to village and other communities through subsequent opportunities for value adding through additional fattening of cattle, and the benefit of beef consumption.

Impacts to benefits – allowing for adjustment over time

The final level in the evaluation framework is to transform the dimensional impacts into dollar values over time to allow for comparability between investments. More important are adjustments over time that may enhance or dampen the economic impact. These include movements in prices, copying by competitors or changes in circumstances which may make R&D or other outputs more or less relevant.

Aspects of environment, animal welfare, social and risk impacts that are not quantifiable in dollar values must still be reported, as should the extent to which these impacts are maintained or eroded over time given the external context.

Quantifying impacts

If there are complex adjustments in response to changes in demand or supply, quantification of the equilibrium effects of the economic impacts for the industry requires the use of a general equilibrium model of the industry, such as The CIE's Global Meat Industries (GMI) model. For example, a project that improved market access in one country by meeting a set of standards brings value in the extent to which a higher price can be obtained in this market. The gain is the price difference

as the product sold here is not sold in another market. It must also be adjusted for higher costs if meeting the standard imposes additional costs. In the long run, producers may expand production to replace that diverted, and may try to expand product into the higher price market driving down the prices somewhat. If this is the adjustment pathway, consumers end up better off in the market with standards, worse off in the market without, and while producers gain, the amount depends on their cost structures.

Causality and attribution

In evaluation, there are always difficult issues to grapple with regarding causality and attribution. The measurement of impacts from a project or program on key drivers of production and profitability needs to be established by comparing outcomes for those drivers after completion of the project, with a suitable baseline for the 'before project' case. The design of the evaluation should incorporate collection of information that shows MLA's contribution to changes in those key drivers by:

- Establishing a link between the project and the measured outcomes;
 - For example, by asking producers if changes in drivers were the result of this project or program, or did the information come from other sources (*assessing causality*).
- Recognition that many projects or programs are run collaboratively between MLA and other stakeholders.
 - That is, what was the total contribution of MLA, both financial and through leverage, to the total project outcome (*attributing benefits correctly*).

Why evaluation is relevant for LiveCorp?

Evaluation is relevant for LiveCorp & the LEP on four grounds.

Accountability and corporate governance

It is necessary for LiveCorp & the LEP to assess their performance and accountability against the LiveCorp Strategic Plan and AOPs. Also, the *2008-11 Statutory Funding Agreement* between the Australian Government and LiveCorp requires that LiveCorp 'engage an independent organisation or persons to complete a Performance Review by 28 February 2010'. Reviews of other similar organisations (Rural Development Corporations - RDCs) have evaluated performance against the organisations' Strategic and Annual Operational Plans, and the value for money they provide levy payers and the Australian community at large, given taxpayer funding.

Co-funding of programs

A number of programs are co-funded from MLA via the LEP. MLA programs are evaluated at various stages throughout their lifecycle for their efficiency, economy and effectiveness in achieving objectives based on established criteria. Beyond the basic indicators – inputs and outputs – the MLA evaluation framework traces outcomes, impacts and benefits, providing a comprehensive assessment of program performance. This framework ensures accountability to stakeholders including red meat producers (MLA members), the red meat industry, peak industry bodies, third party investment partners, and the Australian Government. LiveCorp and the LEP will be using the MLA evaluation framework.

RDCs have agreed to it

The RDCs, through the Council of Rural Research and Development Corporation Chairs (CRRDCC) have agreed to an evaluation process that reports on, overall returns from the RDCs collectively to industry; public and spillover returns from the collective program; and the public and spillover returns that are conditional on public contributions to the RDCs. The collective response comprises independent project/program evaluations undertaken by the respective RDCs. Evaluations cover the economic, social and environmental impacts. LiveCorp is a member of the Council.

Implications for applying the framework to LiveCorp/LEP KPIs

This chapter has outlined the evaluation framework, its dimensions and some approaches, lessons and principles to learn from its application. To some extent, we have only explored these issues in the abstract. The next step is for LiveCorp/LEP, KPIs to be developed, cognisant of these issues and the evaluation framework. The next step is to do the analysis and use the framework to identify and map the organisation's inputs, outputs and outcomes.

4 *Evaluation framework and KPIs: Application to LiveCorp/LEP*

The previous chapter outlined the framework's logical mapping from inputs to impacts. This mapping provides program managers with a tool for considering how research outputs, through adoption by industry or changes in consumer behaviour, can be expected to lead (or have led) to impacts and benefits for:

- producers in the respective industries
- consumers of live export products
- other Australian industries and the Australian community as a whole
- other international interests, where relevant.

The framework can thus be used for *ex ante* (before the program/activity) and *ex post* (after the program/activity) evaluation.

The CIE and QualData have jointly developed a strategy to help LiveCorp and the LEP prepare for future evaluations and simplify and more clearly monitor its performance, using the framework. The purpose of this work is to help LiveCorp and the LEP:

- prepare for future evaluations of their impact;
- establish appropriate KPIs for the 2008–11 LiveCorp Strategic Plan to enable them to monitor and report progress in achieving their objectives, noting that the Strategic Plan is an industry agreed plan which this consultancy did not review;
- develop KPIs for the respective program or strategic focus themes and associated AOPs; and
- develop and establish data systems, using existing data and systems where possible, to support reporting against the KPIs.

Why KPIs?

The development of KPIs has three purposes:

1. to assist LiveCorp & the LEP in subsequent evaluations of their impact on the live export industries and, more generally, across the Australian and international community – though recognising that future evaluations will span a wider set of issues than covered by the KPIs;

2. to enable LiveCorp & the LEP to report to their levy payers and the Australian Government their performance against their objectives; and
3. to assist LiveCorp & the LEP manage within the organisation: that is, ensure that the respective program areas are developed within the context of LiveCorp's Strategic Plan and associated KPIs.

This chapter focuses on the second and third purposes.

Impact evaluation usually always requires a much broader set of data than the management KPIs. This report outlines the evaluation framework which will be applied by LiveCorp & the LEP but does not scope the precise data collection systems or other required.

This chapter outlines:

- the evaluation framework being adopted by LiveCorp & the LEP;
- the main differences between monitoring and evaluation;
- requirements of good KPIs;
- proposed Strategic KPIs for LiveCorp & the LEP; and
- proposed AOP KPIs for the Livestock Management and Welfare Program and part of the Industry Capability and LiveCorp Services programs.

Logical mapping

Logical mapping, as applied to LiveCorp & the LEP, is presented in chart 4.1. In undertaking the logical mapping, of key importance is establishing:

- the effect of LiveCorp & the LEP in the breadth of impacts (economic and social);
- its contribution to these impacts relative to others and to other events which may have contributed to the identified impacts.

LiveCorp's performance against its KPIs is an important, but not complete, input into the evaluation process. Outcome KPIs provide information on the application and usage across industry and thus provide an input into assessing impacts. However, outputs and outcomes are typically determined against strategic objectives rather than expected or intended impacts. Further, impacts have to be assessed against what otherwise might have happened to arrive at an assessment of the net effect.

An overarching feature of the framework is that it aims to identify (and quantify where possible) the significant impacts that LiveCorp's & the LEP activities may have contributed to. It thus enables LiveCorp and the LEP to report to respective stakeholders the impacts of concern, recognizing that the perspective of respective stakeholders will often differ.

In the next few years LiveCorp is expected to be applying the evaluation framework in order to meet its own, SFA, MLA and CRRDCC obligations.

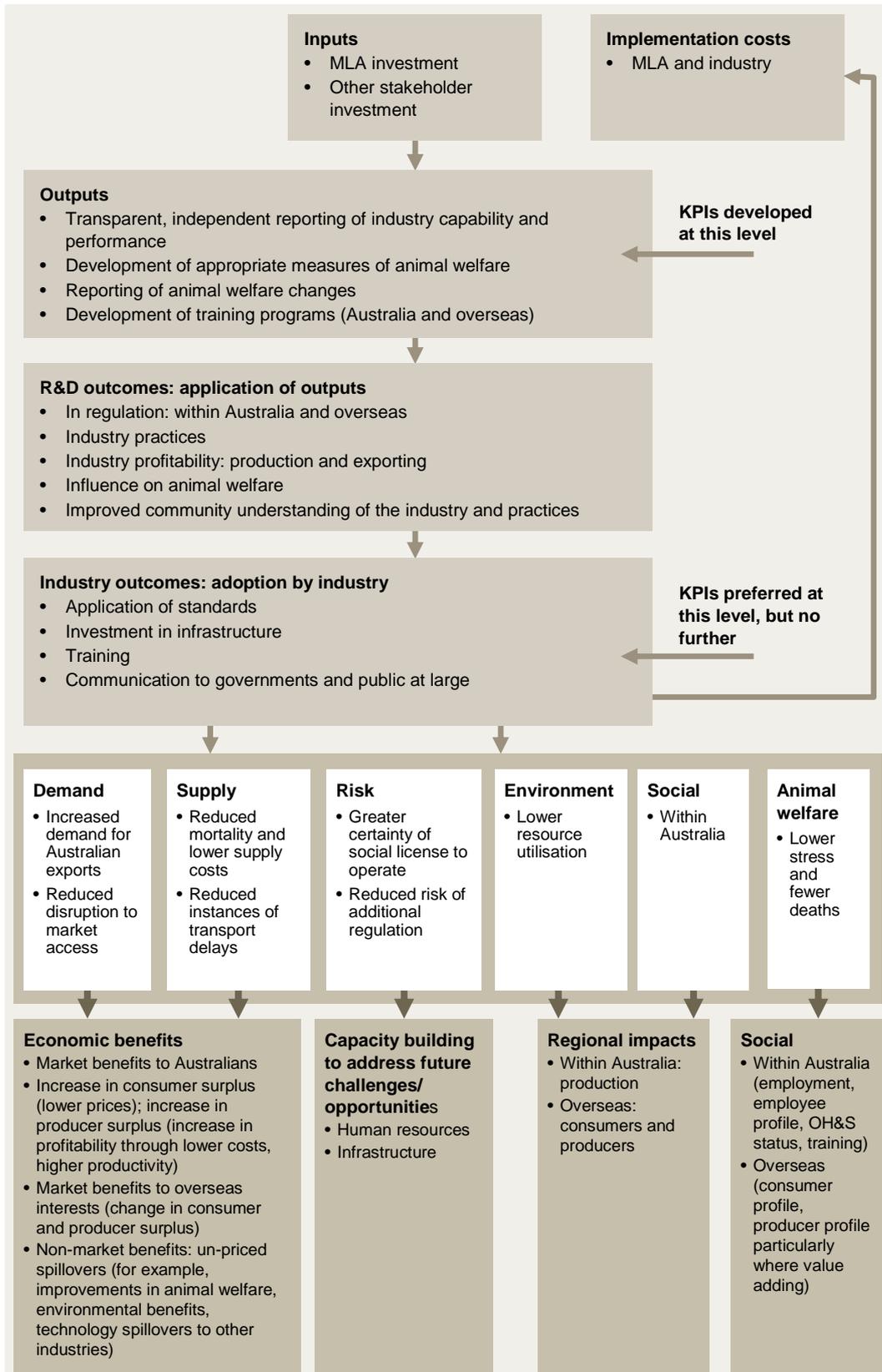
Strategic Plan KPIs: monitoring and reporting

The main purpose of the Strategic Plan KPIs is to monitor performance in an ongoing manner. The monitoring needs to be

- of the right things (that LiveCorp & the LEP can influence and actually matter);
- targeted at the right level (outcomes achieved rather than processes undertaken).

Monitoring requires pre-determined indicators (KPIs) and is essentially about management. In contrast to evaluation it does not try to ascertain the relative role of the organisation in delivering change or the broad levels of impact, as discussed above. The key differences between monitoring and evaluation are outlined in table 4.2.

4.1 Input to impacts logic map for LiveCorp & the LEP



Source: TheCIE.

4.2 Key differences between monitoring and evaluation

Monitoring	Evaluation
Continuous or periodic	Episodic, ad hoc
Reporting to the Board, industry peak councils and DAFF	Reporting to industry and taxpayers
Aim to ensure that strategy and operations are consistent with overall objectives and purpose	Aim to report impacts (economic and social) against resources used
Program objectives taken as given	Program objectives assessed in relation to higher-level goals
Pre-defined indicators of progress assumed to be appropriate	Validity and relevance of pre-defined indicators open to question
Tracks progress against small number of pre-defined indicators	Deals with a wide range of issues
Focus on intended results	Identifies both unintended and intended results
Qualitative and quantitative methods	Qualitative and quantitative methods
Data routinely collected	Multiple sources of data
Does not answer causal questions	Provides answers to causal questions
Usually an internal management function	Often done by external independent evaluators and sought by external interests

Source: TheCIE.

TheCIE review of the KPIs for the LiveCorp Strategic Plan

TheCIE has reviewed the KPIs for LiveCorp's Strategic Plan. Although developed recognising the MLA framework, the KPIs are primarily a management tool to help LiveCorp & the LEP monitor and report progress in achieving the outcomes sought in its Strategic Plan. KPIs are best specified as measures of success that are generally appropriately pitched at the outcome or output level, as outlined in the evaluation framework.

Good KPIs:

- state clearly and unequivocally what will be achieved – not what will be done – with a clear relationship between what is done (outputs) and what is to be achieved and measured (outcomes);
- are the basis upon which managers are held accountable for outcomes; they must be reported on – investors in programs need to be comfortable and convinced that their investment will be and has been used efficiently, effectively and appropriately;
- relate to what the organisation, LiveCorp and the LEP, can achieve, not what the impact might be at the industry level since the latter is dependent upon many variables not within the control of LiveCorp and the LEP – KPIs should thus be limited to outcome-type KPIs;

- should be substantial, non-trivial and contain a 'stretch factor'; they should not simply describe ongoing activity (inputs);
- must be measurable, and measurement should not require too much effort in collection, or require too much judgement, interpretation, qualification or debate about meaning of the data (an independent data source is the ideal); and
- enable managers to give reasons for non-achievement – due to unexpected events that are outside their control.

Good outcome KPIs:

- are leading indicators of the possible extent of the benefits that can be achieved from a program – this is a core element of program logic since if no one adopts, there will be no impact following from the program;
- address changes in awareness and the rate and level of adoption (and resulting benefit), recognising that a range of factors influence adoption besides LiveCorp and LEP activities;
- changes in practice and/or behaviour in a target group of adoptor stakeholders, customers and/or consumers should be observable from the indicator;
- for evaluation purposes, must be accompanied by a statement about how much – and from what baseline – any claimed increase should be relative to the outcome under the same scenario in the absence of a LiveCorp investment.

The intention is that performance against appropriately set KPIs reflects the performance, quality and usefulness of the program outputs.

LiveCorp KPIs

The Annual Operating Plan (AOP) KPIs are designed to monitor performance. The existing AOPs do not contain output or outcome level KPIs. They do contain '2008-09 outcomes', which appear to elaborate on the current KPIs in the Strategic Plan.

The Strategic Plan KPIs, ideally, would ask 'are the programs having the outputs or outcomes we sought?' Strategic Plan KPIs try to tell us something about their effectiveness, and the extent of adoption, relevance and usefulness for the intended users. The point of monitoring the Strategic Plan KPIs is to get some current insights the effectiveness, adoption, relevance and usefulness of LiveCorp's & the LEP activities and investments. It's only later, at the evaluation stage, that the benefits of these programs can be assessed and quantified.

Revised KPIs for LiveCorp & the LEP under the LiveCorp Strategic Plan are presented in following section. These KPIs have been developed through working sessions of TheCIE, QualData and, LiveCorp and MLA management. They represent

work in progress reflecting the evolving nature of the Strategic Plan and what is feasible and reasonable to measure (especially given data collections costs).

Development of the KPIs was an iterative process. This reflected the search for both the core focus of the outcomes being sought and the words to succinctly express the outcomes.

Identifying LiveCorp's objectives

The two overarching LiveCorp objectives developed through the project were:

- A Maintain Australian Government and community support for the livestock export industry through** demonstrated improvement in animal welfare, livestock management, prompt and effective incident management and ensure these outcomes are communicated effectively.
- B Maintain industry commitment to LiveCorp and the Livestock Export Program through** consultation, industry focused initiatives, continuous improvement in livestock management and supply chain efficiency.

Strategic KPIs for LiveCorp and the LEP

The Proposed Strategic Plan KPIs that sit underneath these objectives are presented in table 4.3. They have been grouped into four areas, across which the KPIs have been targeted at achieving outcomes, impacts and benefits.

4.3 Proposed Strategic Plan KPIs

1. Livestock management and animal welfare	2. Market access and development	3. Supply chain	4 Communications and stakeholder relationships
1.1 Ongoing improvements to handling and transport	2.1 Maintenance and building of existing markets, improving conditions and efficiency of access and improving understanding of market requirements.	3.1 Increased efficiency in transport and handling from farm to in-market	4.1 Increased stakeholder endorsement of the industry (by industry, the Australian community and the Australian Government).
1.2 Increasing understanding and capacity by management and staff of exporters, shippers and in-market interests	2.2 Support for additional market options and increasing industry's ability to have ready access to markets.	3.2 Ongoing improvements in skills and capacity of the supply chain workforce.	4.2 Enhanced perceptions by the scientific community of the technical capacity of industry
1.3 Ongoing improvements in facilities and infrastructure	2.3 Improved capacity for industry to manage in-market operational issues	3.3 Improved capacity to meet market requirements	4.3 Stakeholders have confidence in technical advice and analysis undertaken by the Livestock Export Program
1.4 Demonstrated capacity to respond to incidents		3.4 Reduced cost of regulatory compliance for industry.	4.4 Demonstrated industry unity through membership and support for LiveCorp and the LEP

Source: TheCIE

The Strategic Plan KPIs mapped against the KPIs for LiveCorp objectives are shown in table 4.4.

4.4 Proposed Strategic Plan KPIs mapped to LiveCorp objectives

KPIs mapped by objective

A. Maintain Australian Government and community support for the livestock export industry	B. Maintain industry commitment to LiveCorp and the Livestock Export Program	Both A and B
1.4 Demonstrated capacity to respond to incidents	2.1 Maintenance and building of existing markets, improving conditions and efficiency of access and improving understanding of market requirements.	1.1 Ongoing improvements to handling and transport
	2.2 Support for additional market options and increasing industry's ability to have ready access to markets.	1.2 Increasing understanding and capacity by management and staff of exporters, shippers and in-market interests
	3.1 Increased efficiency in transport and handling from farm to in-market	1.3 Ongoing improvements in facilities and infrastructure
	3.2 Ongoing improvements in skills and capacity of the supply chain workforce.	2.3 Improved capacity for industry to manage in-market operational issues
	3.3 Improved capacity to meet market requirements	3.4 Reduced cost of regulatory compliance for industry.
		4.1 Increased stakeholder endorsement of the industry (by industry, the Australian community and the Australian Government).
		4.2 Enhanced perceptions by the scientific community of the technical capacity of industry
		4.3 Stakeholders have confidence in technical advice and analysis undertaken by the Livestock Export Program
		4.4 Demonstrated industry unity through membership and support for LiveCorp and the LEP

KPIs mapped against objectives

1.1 (A & B)	2.1 (B)	3.1 (B)	4.1 (A & B)
1.2 (A & B)	2.2 (B)	3.2 (B)	4.2 (A & B)
1.3 (A & B)	2.3 (A & B)	3.3 (B)	4.3 (A & B)
1.4 (A)		3.4 (A & B)	4.4 (A & B)

Source: TheCIE

Developing Annual Operating Plan KPIs

The Annual Operating Plan (AOP) activities, outputs and intended outcomes that program managers had developed were amended through workshops. As the program managers developed their AOPs, TheCIE and QualData provided some assistance and suggestions, to assist them in clearly distinguishing between:

- the outputs their programs are undertaking; and
- the outcomes and changes they were expecting to see as a result of their programs.

Essentially the consultants made suggestions to build on and elaborate the detail of intended outputs and outcomes for their programs. The intention was to ensure that the intended outcomes were things that the programs could realistically influence or achieve, and that the activity could neatly fit somewhere under the strategic plan KPIs that had already been developed. If this could not be achieved, it would have suggested that the strategic plan KPIs were deficient and would need to be revisited.

Happily, all of the project activities were able to be placed under one or more of the strategic level KPIs, in the nesting 'Russian dolls' manner. The respective AOPs mapped against the Strategic Plan KPIs are presented in the appendices.

The process and lessons about developing KPIs for MLA activities

A number of aspects of the review are worth identifying as they provide a better understanding of the review findings and hopefully act as useful guidance for future KPI and performance monitoring development activities (under the MLA evaluation framework). These observations reflect both what was done within the review and what might have been done with the benefit of hindsight.

The process – meetings

Initial meetings with LiveCorp and MLA senior management focussed on the industry – its development, past and future challenges and the regulatory environment in which livestock exporters operated and therefore the context in which LiveCorp and the LEP sought to deliver benefits to LiveCorp's members, the livestock industries and the Australian community more generally.

These meetings also introduced the MLA evaluation framework, the role of KPIs within this framework as well as the consequential issues of data collection and reporting.

The CIE held discussions with the Department of Agriculture, Fisheries and Forestry to understand the Australian Government perspective on market access, animal welfare and export inspection.

Developing the KPIs – key lessons

On the basis of these discussions, and their prior knowledge of the MLA framework, the consultants prepared an initial analysis of the inputs, outputs, outcomes and possible KPIs for each area of the Strategic Plan.

The analysis was quite detailed and indeed too detailed for the program managers to readily absorb. In hindsight this top-down approach of working *from* the Strategic Plan was too restrictive in that it focussed on the outcomes (as stated in the Plan) rather than asking what outcomes had to be delivered along the way, to meet the overall Plan objectives. It both delayed establishing the draft KPIs and it consumed considerable resources. A better approach (which was undertaken much later in the review) would have been to initially review the Strategic Plan objectives from the viewpoint of developing KPIs for the four themes and then working down to establish the outcomes sought and the associated KPIs.

Working with LiveCorp managers

Later meetings with LiveCorp program managers focussed on better understanding the objectives and activities of respective programs and discussion of potential KPIs. In hindsight these discussions would have been more focussed had the consultants first reviewed the outcomes sought (as noted above) and circulated the paper outlining the MLA framework and KPIs at an early stage in the review. That paper is now presented as chapter 4 of this report.

Once the Plan objectives and required outcomes were more clearly enunciated, program managers could both identify with the draft KPIs proposed and relate the development of the own Annual Operating Plans (AOP) to the Strategic Plan outcomes and KPIs. In doing so it became evident that AOPs often addressed more than one outcome in the Plan (which in itself is not an issue) and potential gaps in AOPs could be identified (and rectified) in the relevant AOPs.

Finalising the KPIs

The process of developing AOPs and associated KPIs across LiveCorp was finalised through an all organisation workshop. In addition to focussing on AOP development it enabled a better appreciation across the organisation of the role played by each program area in achieving the Strategic Plan outcomes and KPIs. It identified where there were common outcomes and thus an associated need for program managers to work together to deliver those outcomes in a cost effective manner.

KPIs and data

Finally, the discussions with program managers during the review revealed to the managers that much of the data that would be required for reporting on AOP KPIs

was available or near available from their current activities, such as monthly reports. In other instances relatively simple methods of data collection were identified. These included small additional information from field personnel who were already visiting industry for other purposes, especially 'in-market' interests.

Some key operational issues

Three other operational aspects are worth noting. Firstly, the methodology of the review was 'new' for MLA. The approach of reviewing Strategic Plan KPIs jointly with program managers, within an overall investment evaluation framework and developing KPIs that reflect the organisation's responsibilities, have a quantitative focus and an element of elasticity, had not been undertaken before. Invariably this meant that a degree of 'learning as we went' would be involved.

Secondly, TheCIE and QualData worked in concert from the start of the review. This was important for the process of developing the KPIs, ensuring continuity and a practical match between KPI development and associated (future) data collection that QualData began when the KPIs were agreed upon. Also, it will mean that in subsequent support of data collection/reporting systems QualData will 'hit the ground running' and LiveCorp staff know the QualData team and their role in the development of the KPIs.

Thirdly, the documentation of the KPIs as reported later in this report is the culmination of the review process. The KPIs are the agreed way forward: agreed by LiveCorp and MLA managers. The consultants have helped with the process and the eventual content but much of the credit for the result lies with the open minded approach and commitment of the managers.

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Appendices

A 2009-2010 Annual Operating Plan activities and KPIs

The AOP activities, outputs and intended outcomes were finalised through a workshop process building on and revisiting the outcomes and KPIs developed by respective program managers. These are present below in the tables. The Strategic Plan KPI numbers are mapped against the Strategic Plan KPIs in the "Activity/project" column.

LiveCorp Industry Operations

Program area:	Industry and government communications
Strategic imperative:	Communications and stakeholder relationships
Program objective:	To ensure that LiveCorp continues to build new and maintains existing relationships through effective communication and engagement which result in support for the industry direction, activities and management of issues.

A.1 Industry and government communications

Activity/Project	Output	Outcome
Ministerial and Government Relations 4.1	<p>Regular communication with the Minister's office and Department to ensure timely and effective understanding and responses to industry activities, direction, issues and performance.</p> <ul style="list-style-type: none"> ▪ Undertake meetings and briefings with the Minister as required under the SFA; ▪ Continued Development of strong & effective working relationships with AQIS, DAFF, BA, Animal Welfare and Policy Divisions; ▪ Improved LEICC performance; ▪ Regional and in-market planning and review with key department and government staff; ▪ Identification of key joint industry /government projects including OIE initiatives 	<p>Positive statements and support for industry direction and programs.</p> <p>Clear knowledge, understanding and engagement with industry to ensure appropriate policy and operational decisions for whole of industry matters.</p> <ul style="list-style-type: none"> ▪ Maintenance and ongoing compliance with the SFA; ▪ Development and delivery of agreed programs to improve operational and regulatory performance maintain and enhance market access, increase in-market animal welfare and livestock management capability in line with best practise and OIE Requirements.

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A.1 Industry and government communications Continued

Activity/Project	Output	Outcome
Peak Council Consultation, Policy Development and Implementation 4.4	Regular consultation with ALEC as the peak industry council on industry issues, planning and policy implementation. <ul style="list-style-type: none"> Attendance at State Chapter Meetings to provide operational and industry updates as well as identify or resolve any service delivery issues. 	ALEC — LiveCorp Consultation agreement negotiated and in place. <ul style="list-style-type: none"> Clear policy direction received from ALEC and communicated to industry; Industry policy registers developed and maintained including implementation outcomes; Improved industry operational, risk management, livestock health and welfare performance.
Member Communications 4.4	Delivery of relevant and timely information to members. <ul style="list-style-type: none"> Effective communication of direction, operational or industry process changes, issues management, communication activities, events and performance of LiveCorp, LEP and industry. Development and delivery of communications surrounding the AGM. Individual communications with members and where possible meeting with exporters in their place of business. 	Members that are informed about industry and company developments, that have received enough information to allow them to prepare or change appropriately and are satisfied with the service from their company. <ul style="list-style-type: none"> Exporters are clearly and properly informed of impending operational or standards changes, upcoming events and campaigns. Members are able to provide feedback on company and program performance to better deliver services and required industry outcomes. LiveCorp and LEP staff able to identify with operational activities and assist with industry related issues. Members aware of developments and direction from key industry representative groups such as LEICC, Long Distance Transport Taskforce and the Australian Animal Welfare Strategy (AAWS). Improved member's satisfaction with company performance and AGM process. Timely response to management of issues, enquiries and feedback.
Industry & Stakeholder Communications 4.1	Managing LiveCorp's relationship with the broader livestock and agricultural production sectors. <ul style="list-style-type: none"> Provision of updates and briefings for producer peak bodies including NFF, CCA, SCA, ADF and GIA. Industry updates for stakeholder groups such as RMAC, AVA, LiveShip, LiveAir, ALPA, ALTA and AMIC. Changes in industry policy communicated to producers to ensure operational compliance. Attendance at key industry events such as NTCA AGM, PGA & WAF Meetings, etc 	Strong working relationships with producer peak councils and MLA which results in continued support and investment into the LEP. <ul style="list-style-type: none"> Clear understanding of key issues allowing for support of industry direction and positive reinforcement of key messages. Constructive working relationships with broader industry.

Program Area: Market development and trade access

Strategic Imperative: Market access and development

Program Objective: To continue to ensure the development and maintenance of sustainable and valuable markets for the export of live animals from Australia as well as the promotion of Australia as a supplier of high quality, healthy, traceable and suitable livestock to a broad range of markets

A.2 Market development and trade access

Activity/Project	Output	Outcome
Dairy Cattle Trade Development and Support 2.1	<p>To coordinate agreed investments of exporter dairy levies to help support and grow the trade in dairy cattle.</p> <ul style="list-style-type: none"> ▪ Market development and support of existing dairy export markets through development and extension of in-market support materials developed through R&D; delegation support to Australia and in-market visits. ▪ Promotion of the livestock export industry as a valuable market option for Australian dairy producers. ▪ Meetings of the dairy exporters to ensure specific dairy issues are addressed, such as protocol, operations and post arrival performance. ▪ Seek opportunities to develop co-investment in projects with Dairy Australia 	<p>Member and dairy industry satisfaction with regards to the future direction and operations of dairy cattle exports.</p> <ul style="list-style-type: none"> ▪ Strong demand from a range of markets for Australian dairy cattle. ▪ Post arrival management of dairy cattle is suitable and the welfare of the animals is not compromised. ▪ Producers identify livestock exports as a long term, market for surplus livestock or a market to breed specifically for. ▪ Any issues are raised and managed in a timely and effective manner.
Market and Trade Access 2.1	<p>Regular communications with relevant foreign Government authorities, in market Australian Government representatives, importers and key in market operators to ensure:</p> <ul style="list-style-type: none"> ▪ Market access conditions are maintained and improved and key animal welfare outcomes are achieved, ▪ Support of visiting delegations to Australia through involvement with planning itinerary, briefings and industry events. ▪ In-market program review and key stakeholder visits including importers, regulators and importing country governments. ▪ Identification and development of joint strategic issues within importing countries. 	<p>Development of strong relationships with official, regulatory, import association and commercial operations in existing and new importing countries. Importing countries identify Australia as a proactive supplier of high quality & healthy animals, with an identified reputation for animal welfare and an important source of expertise and advice.</p> <ul style="list-style-type: none"> ▪ Market access to existing markets maintained whilst continuing to improve trade parameters such as protocols or tariffs. ▪ Robust relationships that allow issues, protocols, livestock and in-market performance to be discussed ▪ Industry to industry relationships maintained and improved.

Program Area:	Industry initiatives and animal welfare
Strategic Imperative:	Livestock Management and Welfare, Market Access and Development, and Communication and Stakeholder Relationships
Program Objective:	To ensure the integrity and safety of Australian livestock production, monitoring of critical diseases for livestock export protocols and engagement in broader industry animal welfare related activities or initiatives.

A.3 Industry initiatives and animal welfare

<i>Activity/Project</i>	<i>Output</i>	<i>Outcome</i>
Broader Industry Product Safety Initiatives 1.4	Engagement in the MLA Meat safety and issues Management program. Principle areas of engagement will be: <ul style="list-style-type: none"> ▪ BSE surveillance, research and management control measures; ▪ Domestic and International issues management; ▪ NLIS; ▪ Livestock Quality Systems including Livestock Production Assurance and National Vendor Declarations 	Enhanced disease management preparedness and agreed industry action plans which include and identify livestock export industry responsibilities; <ul style="list-style-type: none"> ▪ Continued development and improvement of the national movement and traceability system for livestock; ▪ Maintenance of an accurate and reliable verification system which exporters have confidence in with regards to prior treatment or movement for health protocol compliance.
NAMP 2.2	Monitoring of Arbovirus type diseases such as Blue Tongue, Ephemeral Fever and Akabane is maintained and managed under an Animal Health Australia scheme. <ul style="list-style-type: none"> ▪ The Arbovirus zones change seasonally around Australia and are particularly influenced by rainfall volume and distribution. ▪ To ensure the ongoing disease incidence is identified and reported, the livestock production and associated industries have been requested to partly fund the scheme. Other funders include Federal and State Governments; CCA, SCA, Wool Producers; Goat Industry and possibly Dairy Industry. ▪ While the scheme is important domestically, Arbovirus diseases do not restrict sale or movement of livestock within Australia whereas the loss of the system would likely impact on a number of livestock export health protocols as Australian authorities could not certify zone or regional freedom from the diseases. 	Existing health protocols with importing countries that list Arbovirus freedom at farm of origin or regional freedom are maintained.

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A.3 Industry initiatives and animal welfare Continued

Activity/Project	Output	Outcome
Animal Welfare Initiatives 1.4	<p>Increasingly LiveCorp is called upon to either contribute to broader industry animal welfare initiatives or undertake such initiatives independently.</p> <ul style="list-style-type: none"> ▪ Animal rights group campaigns that specifically target livestock exports need to be defended against, not only from a communications perspective but from operational and occasionally legal perspectives also. ▪ Specific veterinary or technical issues also arise that need to be addressed and resolved which cannot always be included in the LEP but require some availability of funds (e.g. AQIS / BA review). 	Industry is able to defend or resolve issues that arise outside of pre-approved LEP programs.

Corporate Operations – strategic objective

To ensure the systems and processes provide effective management and governance for LiveCorp.

Program: Corporate and LEP management

Strategic Imperative: Communications and stakeholder relationships

Program Objective: To provide day to day management of the company and ensure the LEP programs are managed efficiently and effectively. To undertake liaison with industry, government and other stakeholders and to deliver outcomes as required under the Strategic and Annual Operating Plans.

A.4 Corporate and LEP management

Activity/Project	Output	Outcome
Management - Corporate, Board and Statutory, etc 4.1	Manage the company having due regard for its Strategic Plan, constitution and the requirements under the Company's code and the Statutory Funding Agreement as well as the requirements set by the Board of Directors.	The company maintains SFA funding and has no conditions placed upon its operations either by the Federal Government, DAFF or other regulatory and governance authorities.
LEP Management 4.4	Day to day management of the various programs to ensure delivery of agreed project outcomes and management of arising issues.	Delivery of AOP to member and board satisfaction.

Program:	Planning, strategy and review
Strategic Imperative:	Communications and stakeholder relationships
Program Objective:	To develop strategic and operating plans in conjunction with industry and other stakeholders.

To ensure exporter levies are invested in accordance with agreed priorities and statutory requirements. To facilitate strategic directives as determined by industry and the board.

A.5 Planning, strategy and review

<i>Activity/Project</i>	<i>Output</i>	<i>Outcome</i>
Strategic Plan Review 4.1	The Strategic Plan is updated to take into account conditions prevailing in the industry	The ALEC and LiveCorp Boards endorse the Strategic Plan. The Statutory Funding Agreement requirements for the Strategic Plan is met. The direction of the industry is clearly set and communicated with industry.
Annual Operating Plan 4.1	The AOP Is developed which clearly outlines programs to be undertaken during 2009 – 2010 Annual Operating Plan prepared following approved process which includes: <ul style="list-style-type: none"> ▪ Staff planning workshop ▪ AOP Taskforce review and acceptance ▪ ALEC Board endorsement ▪ LiveCorp Board approval 	The Statutory Funding Agreement requirements for the AOP are met. Industry support and commitment to the AOP. Programs deliver clear benefits to the industry. Clearly communicated industry and company objectives to stakeholders.
SFA Performance Evaluation 4.1	LiveCorp is required to undertake an in depth review of its operations during each SFA period. The report is undertaken by external consultants and its findings are reported to members and DAFF	The members and the Minister are satisfied that the performance of the Company achieves their expectations. <ul style="list-style-type: none"> ▪ A new SFA is negotiated and approved.
Statutory Dairy Levy 4.1	Coordinate the development of whole of industry submission to remove the existing exemption of the export charge levy for producers and exporters of dairy cattle.	Establishment of statutory levy for the export of dairy cattle and a transaction levy for producer sales of dairy cattle for livestock exports.
Industry Intranet Portal 4.1	A scoping study into business to business communications to provide improved information distribution to members on all areas of operation including R&D outcomes, project management and Strategic Plan/AOP evaluation and measurement.	Improved company performance and engagement with stakeholders.

Program:	LiveCorp systems
Strategic Imperative	Communications and stakeholder relationships
Program Objective	To ensure LiveCorp Systems are reliable and provide value to members and stakeholders through our delivery of service and management of company and industry risks. To ensure risks are controlled and systems and procedures within LiveCorp are relevant and up to date. Delivered through LiveCorp Services

A.6 Livecorp systems

<i>Activity/Project</i>	<i>Output</i>	<i>Outcome</i>
Web Site 4.4	<ul style="list-style-type: none"> ▪ New web site operational ▪ A more extensive system for updating site ▪ An ALEC section of the website ▪ Integration of the LiveCorp website with Intranet project 	<ul style="list-style-type: none"> ▪ A web site known and used throughout the industry (how many exporters are using the site on a regular basis ▪ Increasing number of hits to member pages ▪ Board and other groups (eg stockmen, consultants, LiveShip etc) communication streamlined
Risk Management 4.4	<p>Update the risk register after the yearly review and risk identification process in May 2009</p> <p>Expand the LiveCorp risk management plan to include risks arising from LEP activity that impinge on LiveCorp operations</p>	<ul style="list-style-type: none"> ▪ An up to date risk register ▪ Sign off from the LiveCorp Board through the Governance and audit committee ▪ All risks which LiveCorp is capable of mitigating are classified as 'Low Risk'
ISO Certification 4.4	Successfully obtain re-certification to ISO 9001: 2008 in July 2009	<ul style="list-style-type: none"> ▪ Recertification ▪ No major non conformance ▪ A relevant LiveCorp Quality Manual

Program:	Administration
Strategic Imperative	Communications and stakeholder relationships
Program Objective	<p>That industry and stakeholders have confidence in the Administration functions of the company that provide allow LiveCorp to meet its operational objectives as well as complying with the Corporations Act, the Accounting Standards, and the requirements of the Statutory Funding Agreement.</p> <p>Ensure the Company is financially viable and has the financial resources available to meet its operational objectives.</p>

A.7 Administration

<i>Activity/Project</i>	<i>Output</i>	<i>Outcome</i>
Compliance & Governance	Annual Accounts comply with the Accounting Standards as evidenced by no audit qualifications.	A competent and proactive administration function capable of meeting all compliance requirements providing input into strategic decision making
	The Annual Report meets the obligations of the Companies Code, and the SFA requirements as evidenced by no qualifications or negative feedback from DAFF.	Annual report is tabled in Parliament with no qualifications of negative feedback from DAFF. Annual reports meet dual needs of compliance with Companies Code, presentation of financials and as an industry promotional/information document.
	Management Accounts provided to DAFF in accordance with the requirements of the Statutory Funding Agreement.	The management accounts are produced monthly and the information is sufficient for financial decision making.
	Board and Committee papers are accurate, informative and facilitate decision making as evidenced by no negative feedback from the Board of Directors.	
Financial Management	Ensure the 2009-10 budget reflects the outcomes as determined by the Board.	
	Provide the Board with P&L, Balance Sheet, Cash Flow Statements, income analysis and forward projections as required.	

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A.7 Administration Continued

<i>Activity/Project</i>	<i>Output</i>	<i>Outcome</i>
	<p>Ensure reconciliations are done monthly and include them as a standing agenda item on Finance & Audit Committee meetings. Ensure that there are no outstanding reconciling items which may significantly affect the financial results.</p> <p>Manage Cash Flow by ensuring creditors are paid, minimal use is made of the overdraft facility and that maximum use is made of short term surplus funds.</p> <p>Bring to the immediate attention of the Board any matters which may significantly affect the Company's financial position.</p>	<p>A competent and proactive administration function capable of meeting all compliance and Board requirements as well as providing input into strategic decision making</p>

ALL 4.4

Program:	Board operations
Strategic Imperative	Communications and stakeholder relationships
Program Objective:	To provide direction and governance to the Company in accordance with Commercial and Community best practice, Corporate Governance guidelines and the Company's Constitution.

A.8 Board operations

<i>Activity/Project</i>	<i>Output</i>	<i>Outcome</i>
Board Operations 4.4	<ul style="list-style-type: none"> ▪ Set and approve the strategic direction of the Company. ▪ Approve budgets and develop Strategic Plan ▪ Ensure adequate resources are available to enable the Company to perform its role. ▪ Set, enforce and comply with best practice corporate governance guidelines 	<p>LiveCorp meets its obligations under the Statutory Funding Agreement</p> <p>LiveCorp remains financially viable and is able to meet its objectives as laid out in its Strategic Plan</p> <p>The Live-stock export industry remains a valuable contributor to the Australian economy.</p>

Communications

Program Area:	Proactive communications
Strategic Imperative	Communications and stakeholder relationships
Program Objective	Actively develop proactive programs to encourage greater community and key stakeholder understanding and acceptance of Australia's livestock export industry; highlight industry initiatives, achievements, stories and people

A.9 Proactive communications

Activity/Project	Output	Outcome
National media 4.1	Identifying metro news-worthy stories, issuing media releases and pitching stories to appropriate TV programs Respond to and address media enquiries and stories Continue to build media contact database to ensure maximum coverage of industry stories.	<ul style="list-style-type: none"> ▪ Increase in community support from 40% favourability; ▪ Increase national media coverage ▪ Ensure balance in reporting and that facts about the industry are accurately reported ▪ Maintain leading message as industry favourable ▪ Minimum two articles per month in key metro/national media (e.g./one article in SMH; one in Courier Mail), ▪ Minimum one positive television story per year ▪ Increase in key message recognition
Media educational 4.1	Media educationals held in each state (metro and regional) across Australia and with national media <ul style="list-style-type: none"> ▪ One on one educationals ▪ Media tours on vessels and in-market to build knowledge of the industry 	<ul style="list-style-type: none"> ▪ Journalist receiving education and media tour print regular industry stories ▪ Number of direct contacts from journalists receiving information (unsolicited)
Social Media 4.1	Develop social media program to build community awareness of livestock export industry in new media channels <ul style="list-style-type: none"> ▪ Consultant expertise in establishing program framework ▪ MLA strategy/policy ▪ Utilise media such as Youtube, facebook 	<ul style="list-style-type: none"> ▪ Greater community awareness of livestock export industry on new social media channels

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A.9 Proactive communications Continued

Activity/Project	Output	Outcome
Spokesperson network 4.1	<p>Expand spokesperson network to ensure a supply of talent is available for media, proactive stories</p> <p>Continue to identify key spokespeople to represent industry</p> <ul style="list-style-type: none"> ▪ Identify and train in-market spokespeople <p>National forum held and relationships established with key stakeholders including media and government representatives</p>	<ul style="list-style-type: none"> ▪ Sufficient supply of talent to represent the industry in media and proactive stories ▪ In-market spokespeople are able to credibly and confidently represent the industry ▪ Proactive endorsement of industry by spokespeople
Community awareness campaign 4.1	<p>Attend key community, animal welfare, state farmer conferences and industry events to promote and educate the broader community on the livestock export industry</p> <ul style="list-style-type: none"> ▪ Utilise industry display stand and livestock pens at Royal Shows to educate broader community 	<ul style="list-style-type: none"> ▪ Greater exposure and awareness of industry messages / facts among target populations exposed to the community awareness campaign activities.
Advertising program 4.1	<p>Utilise advertising opportunities in:</p> <ul style="list-style-type: none"> ▪ Metropolitan media ▪ Regional media ▪ Special features/industry publications <p>Update and develop “we care” advertising</p> <p>Develop industry-facing advertisement</p> <p>Develop in-market advertising</p>	<ul style="list-style-type: none"> ▪ Greater exposure and awareness of industry messages /facts among target populations exposed to the community awareness campaign activities. ▪ Focus group recognition and recall of advertisements in key markets; ▪ Hits to liveexportcare.com increase during ad programs
Media monitoring 4.1	<p>Monitoring community support – Continually measure the community perceptions of the trade and the value of proactive activities using CARMA, Media monitors, News Poll, Meltwater, and Focus groups.</p> <ul style="list-style-type: none"> ▪ Utilisation of this monitoring information to segment key target groups and development of appropriate strategies. 	<ul style="list-style-type: none"> ▪ Understanding of varying demographic perceptions of the livestock export trade: age/geography/background. Information and analysis allows the more effective and better targeted media strategies.

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A.9 Proactive communications Continued

Activity/Project	Output	Outcome
Support materials 4.1	<p>Maintain and expand industry photography and video library for use in media releases, social media, fact sheets and industry promotions.</p> <ul style="list-style-type: none"> ▪ Develop video footage from on farm, consignment preparation, on board vessel and in-market. <p>Deliver promotional materials for distribution to key stakeholder and industry events</p> <ul style="list-style-type: none"> ▪ Develop fact sheets for industry information kits and industry events. ▪ Develop year in review document 	<ul style="list-style-type: none"> ▪ Support and promotional materials are readily available to use for the various proactive communications programs.

Program Area: Issues management

Strategic Imperative: Communications and stakeholder relationships

Program Objective: Deliver agreed and tested process and templates for successful issue management

A.10 Issues management

<i>Activity/Project</i>	<i>Output</i>	<i>Outcome</i>
Issues management 1.4	<p>Manage livestock export issues to minimise media and industry impact:</p> <ul style="list-style-type: none"> ▪ Daily monitoring of activist websites and media portals to identify developing issues and stories ▪ Maintain a set of key talking points and pro-forma responses for LEP staff and external spokespeople. ▪ Develop an advertising strategy for reactive media ▪ Oversee emergency management plan communication process 	<ul style="list-style-type: none"> ▪ Timely response to issues and activist campaigns ensuring issues are kept out of the media and retains industry control over issues management and media strategy ▪ Spokespeople are able to credibly and confidently represent the industry ▪ Government and industry support of issue management process

Program Area:	Stakeholders communications
Strategic Imperative:	Communications and stakeholder relationships
Program Objective:	Provide timely and communication to key stakeholders and develop valuable relationships via communication of valuable information

A.11 Stakeholders communications

Activity/Project	Output	Outcome
Member Communications 4.4	Deliver to members timely information and updates on markets, market activities and livestock export news (Livelink, Weekly News Digest, eNewsletter)	<ul style="list-style-type: none"> ▪ Communication rated by stakeholders as valuable - greater than 75 per cent
Government communication 4.1	Develop government communication process and template for regular updates of valuable and timely information <ul style="list-style-type: none"> ▪ Facilitate research updates to govt departments ▪ Facilitate Government awareness tours - farm to market 	<ul style="list-style-type: none"> ▪ Industry keeps governments sufficiently informed about key industry developments with valuable and timely information ▪ Improved awareness from members of DAFF, Ministers' Department following awareness tours
Websites 4.1	Improved web management - internet sites - LiveCorp, MLA, liveexportcare.com; review all content and design; redevelop web blogs and increase frequency; increase frequency of updates	<ul style="list-style-type: none"> ▪ Internet sites build a base of knowledge about the industry in the community and influences the community.

Asia Pacific

Program Area:	Market access
Strategic Imperative:	Market access and development
Program Objective:	Maintain and increase market and trade access resulting in increasing demand internationally for Australian cattle, sheep and goat exports.

A.12 Market access

Activity/Project	Output	Outcome
Foreign Government consultation and liaison 2.1	Regular communication with relevant foreign Government authorities in key markets to ensure: <ul style="list-style-type: none"> ▪ Market access conditions are maintained or improved ▪ Timely and efficient responses to access issues ▪ Key animal welfare outcomes in the region are achieved ▪ Bring key Indonesian officials to Australia for two Indonesian missions re Australia's supply capacity, feeder and breeder. ▪ Continue to develop close relationships with local governments specifically in Indonesia with the DGLS. 	Strong relations with Foreign Government officials in the region with clear knowledge and communication of market access issues: <ul style="list-style-type: none"> ▪ Maintained and/or improved market access conditions in the region. ▪ Market access issues are addressed in a timely and efficient manner. ▪ Increased understanding by the DGLS about Australia's supply capabilities
Australian Government consultation and liaison 2.3	Regular communication with Australian government representatives in-market to ensure timely and effective communication of key market access issues: <ul style="list-style-type: none"> ▪ Regular meetings with Australian Ambassadors, and embassy staff in the region. ▪ Support activities to assist the development of free trade agreements and negotiation and implementation of new and improved health protocols. ▪ Provide support for new markets when required. Explore and respond to opportunities in new markets by engaging with exporters and government to facilitate market access requirements. 	Strong relations with Australian government officials in the region with clear knowledge and communication of market access issues: <ul style="list-style-type: none"> ▪ Maintained and/or improved market access conditions in the region ▪ Market access issues are addressed in a timely and efficient manor. ▪ Improved or new health protocols for the region ▪ News markets opened ▪ Increased awareness of Government officials of the livestock export industry

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A.12 Market access Continued

<i>Activity/Project</i>	<i>Output</i>	<i>Outcome</i>
	<p>Regular contact maintained with Australian government representatives in Australia – DAFF, DFAT, AQIS and Bio-Security.</p> <p>Assist with government and industry delegations to Indonesia and other markets</p>	
<p>Importer and regional stakeholder consultation and liaison</p> <p>2.1</p>	<p>Regular communication and liaison with importers and destination country stakeholders.</p> <ul style="list-style-type: none"> ▪ Conduct regular meetings with importers, lot feeders, transport operators, butchers and supermarkets dealing with Australian fresh meat and livestock. ▪ Work with APFINDO to identify and implement projects that support the development and maintenance of the Australian livestock trade to Indonesia. ▪ Utilise MLA meat market access representative in Indonesia to monitor market access conditions and implement projects on a cost sharing, case by case basis. ▪ Develop relationships with Indonesian local interest groups and veterinary associations (IVMA) to facilitate animal welfare improvements <p>Market access and market maintenance visits for LEP/ LiveCorp Management and Board involvement to Indonesia, Malaysia and Philippines.</p>	<p>Strong relationships that sustain existing markets and encourage new market opportunities.</p> <ul style="list-style-type: none"> ▪ Increased market intelligence of key issues and market trends. ▪ Clear understanding of animal welfare activities in the region and ability to inform other stakeholders

Program Area: Trade support

Strategic Imperative: Market access and development

Program Objective: To retain, strengthen and grow demand for Australian livestock by delivering innovative, trade, support initiatives and timely market intelligence that is beneficial to stakeholders.

A.13 Trade support

<i>Activity/Project</i>	<i>Output</i>	<i>Outcome</i>
PR/TV educational beef promotions Indonesia 2.1	<p>Implement consumer promotion campaign to grow demand for beef</p> <ul style="list-style-type: none"> ▪ Deliver PR/TV activities to raise awareness of the benefits of beef. Highlighting nutritional benefits of beef and good for kids messages. <p>Promotion programs, managed by MLA Marketing Manager, to deliver co-ordinated messages that are common with the meat team's demand building strategies.</p> <ul style="list-style-type: none"> ▪ Cost share the employment of the Marketing Manager with MLA meat team. 	<ul style="list-style-type: none"> ▪ Improved perception and knowledge of the consumer benefits of beef by target audience (mothers with kids).
Wet Market Promotions Indonesia 2.1	<p>Conduct promotional activities in key consumer wet markets in Jakarta and regional cities.</p> <ul style="list-style-type: none"> ▪ Develop appropriate promotional and support materials for wet market promotions. ▪ Weekend promotions conducted across the leading wet markets in Jakarta (based on appearance and activity) and leading wet markets in regional cities. ▪ Incorporate butcher training as part of the promotional activity to inform butchers of the objectives of the promotional program prior to the event. ▪ Butchers to reward customers with recipe/ giveaways on purchase of minimum quantities. ▪ Encourage APFINDO members and their butcher customers to actively support wet market promotions. 	<ul style="list-style-type: none"> ▪ Increased sales volume through wet market stalls that have had promotional assistance. <p>Measurements</p> <ul style="list-style-type: none"> ▪ Wet market butchers to judge impact of activities on program conducted. ▪ Benefits vs cost / measurements determined by butcher attitudes and response to promotions. ▪ Effectiveness of POS – consumer feedback. ▪ Feedback from butchers ▪ APFINDO feedback

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A.13 Trade support Continued

Activity/Project	Output	Outcome
Women's groups events Indonesia 2.1	<p>Deliver educational information on beef to influential women's groups (known as Arisans).</p> <ul style="list-style-type: none"> ▪ Conduct Arisan group meetings in key districts in Jakarta to deliver educational messages. ▪ Meeting to include discussion groups on beef, what's good for kids, where to buy and what to look for. High profile spokesperson to be used to draw attention to the beef message. ▪ Develop and provide appealing educational material for participants. 	<ul style="list-style-type: none"> ▪ Improved perception and knowledge of the benefits of beef of key influential women's groups. <p>Measurements</p> <ul style="list-style-type: none"> ▪ Survey members of the Arisans – follow-up interviews to test impact of events
Retail Promotions Indonesia 2.1	<p>Conduct cost sharing promotional activities with key producers of branded beef from Australian cattle.</p> <ul style="list-style-type: none"> ▪ Cooperative retail promotions with distributors of branded beef from Australian cattle 	<ul style="list-style-type: none"> ▪ Increased sales volume through retail outlets participating in promotional activities. ▪ Measurements ▪ Survey retailers to judge impact of activities
Consumer research Indonesia 2.1	<p>Conduct research to further monitor consumer response to promotional activities.</p> <ul style="list-style-type: none"> ▪ Conduct tracking studies at the start and end of the year 	<ul style="list-style-type: none"> ▪ Tools, analysis and better knowledge about promotional activities, so that better judgements can be made about their effectiveness
Promotional support in other markets 2.1	<p>Conduct promotional activities with importers / distributors of cattle and goats in other Asia Pacific markets.</p> <ul style="list-style-type: none"> ▪ Cooperative promotions with distributors of product from Australian livestock 	<ul style="list-style-type: none"> ▪ Increased sales volume through outlets participating in promotional activities

Program Area:	Technical support
Strategic Imperative	Supply Chain
Program Objective	Strengthen and grow demand for Australian livestock by delivering technical support programs that increase the efficiency of key in-market stakeholders, provide on going skills development of in-market stakeholder employees, and provide an increased capacity to meet market requirements.

A.14 Technical support

<i>Activity/Project</i>	<i>Output</i>	<i>Outcome</i>
Breeding Projects Indonesia 3.2	<p>Conduct training programs with key importers and recipients of Australian breeding cattle.</p> <ul style="list-style-type: none"> ▪ Provide extension materials and technical expertise to APFINDO training schools ▪ Conduct breeding workshops in feedlots that are engaged in breeding programs. ▪ Work with local extension officers to build up skills and local capacity. 	<ul style="list-style-type: none"> ▪ Increased knowledge and ability of feedlotter and local farmers to raise Australian breeding cattle following completion of training courses. ▪ Increased satisfaction with Australian breeding cattle in small holdings and feedlots ▪ Increased capacity of local extension officers undergoing training programs with regard Australian breeding cattle.
Feedlot nutrition and animal health workshops Indonesia 3.2	<p>Provide technical assistance (husbandry, nutrition, health advice) to feedlotter of Australian cattle.</p> <ul style="list-style-type: none"> ▪ Regular visits by nutrition experts to assist feedlots with nutrition and management advice. ▪ Workshops to be conducted to address feedlot induction, health and other issues. ▪ Other technical assistance as requested by feedlotter 	<ul style="list-style-type: none"> ▪ Improved livestock performance achieved through more efficient management systems
Livestock projects in other Asia Pacific countries 3.2	<p>Provide expertise (husbandry, nutrition, health advice) to importers in Philippines, Malaysia, Brunei and emerging markets with cattle under palm and other feeder or breeding projects.</p> <ul style="list-style-type: none"> ▪ Provided technical assistance to importers in the Philippines ▪ Conduct workshops to assist government breeding projects and cattle under palm enterprises in Malaysia and Brunei. ▪ Use educational materials to support these programs ▪ Conduct goat workshops with goat importers and feedlotter in Malaysia and other markets. 	<ul style="list-style-type: none"> ▪ Improved livestock performance achieved through more efficient management systems. ▪ Increased satisfaction with Australian livestock in small holdings and feedlots.

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A.14 Technical support

Activity/Project	Output	Outcome
Butcher skills and presentation training Indonesia 3.2	<p>Conduct training workshops with wet market and retail butchers to assist product preparation and presentation. Conduct workshops in advance of promotional programs.</p> <ul style="list-style-type: none"> ▪ Local representatives to conduct regular training session throughout the year. 	<ul style="list-style-type: none"> ▪ Increased motivation and skills of butchers in wet markets and retail. ▪ Increased sales volume through wet markets and retail where butchers have been trained. <p>Measurements:</p> <ul style="list-style-type: none"> ▪ Survey after some time to measure improvements in presentation.
Training of key livestock or processing staff Indonesia 3.2	<p>On a cost sharing basis, arrange with importers and processors to send key staff to participate in training courses in Australia.</p> <ul style="list-style-type: none"> ▪ Provide support for members of the Indonesian trade to attend beef specification, chiller assessment courses or other relevant training programs in Australia. 	<ul style="list-style-type: none"> ▪ Improved knowledge and skills in handling livestock and beef from Australian cattle.

Program Area: Animal welfare

Strategic Imperative: Livestock Management and Welfare

Program Objective: Improve the in-market welfare of Australian animals in Asia by increased adoption of improved practices and standards of handling and processing through collaboration with industry and government.

A.15 Animal welfare

<i>Activity/Project</i>	<i>Output</i>	<i>Outcome</i>
Animal handling workshops 1.1	Conduct animal handling workshops at key location in market ▪ Workshops to be conducted by animal handling trainers at feedlots, ports and pre slaughter.	▪ Improved livestock management systems at feedlots and in transit.
Restraining box program Indonesia 1.3	Provide maintenance of existing restraining boxes. Assess the needs for additional restraining boxes and manage the installation and commissioning of new restraining boxes. ▪ APFINDO Animal Welfare taskforce to maintain, repair and install restraining boxes during the year.	▪ Improved animal welfare outcomes through increased % of cattle processed through restraining boxes.
SOP training for slaughterhouse staff 1.2	Deliver training for the adoption of Standard Operating Procedures (SOP) in abattoirs and slaughterhouses processing Australian cattle. To deliver improvements in animal welfare. ▪ Training to be provided on SOP guidelines to groups of slaughterhouse staff. Training conducted by LEP staff, Indonesian vet association (IVMA) and Bristol Uni representative as required.	▪ Improved animal welfare outcomes through more efficient handling and processing of cattle.
Animal welfare advocacy Philippines 1.2	Conduct advocacy program to encourage uptake of stunning in AA slaughterhouses. ▪ Engage local consultant to work with Philippines authorities and processors to encourage adoption of humane stunning.	▪ Improved animal welfare outcomes through increased numbers of slaughterhouses using humane stunning (from 4 to 15) ▪

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A.15 Animal welfare Continued

<i>Activity/Project</i>	<i>Output</i>	<i>Outcome</i>
Animal welfare workshops Malaysia 1.2	<p>Co-funded delivery of animal welfare workshops conducted by Bristol University with Department of Veterinary Service staff.</p> <ul style="list-style-type: none"> ▪ Co-fund the 2008/09 animal welfare training modules delivered to the DVS by Bristol University. ▪ Develop a SOP workshop with DVS. 	<ul style="list-style-type: none"> ▪ Improved awareness of animal handling and welfare issues by DVS staff.

Middle East and Africa

Program Area:	Market access
Strategic Imperative:	Market access and development
Program Objective	Maintain and increase market and trade access resulting in increased demand internationally for Australian cattle, sheep and goat exports.

A.16 Market access

Activity/Project	Output	Outcome
Foreign Government consultation and liaison 2.1	Regular communication with relevant foreign Government authorities in key markets to ensure: <ul style="list-style-type: none"> ▪ Market access conditions are maintained or improved ▪ Timely and efficient responses to access issues ▪ Key animal welfare outcomes in the region are achieved ▪ Major issues for progression: <ul style="list-style-type: none"> – Kuwait slaughter standards and practices; – Management of peak religious festival sales and distribution – Qatar 	Strong relations with Foreign Government officials in the region with clear knowledge and communication of market access issues: <ul style="list-style-type: none"> ▪ Maintained and/or improved market access conditions in the region. ▪ Market access issues are addressed in a timely and efficient manner. ▪ MENA Governments are aware of their OIE requirements for animal welfare.
Australian Government consultation and liaison 2.3	Regular communication with Australian Government representatives in-market to ensure timely and effective communication of key market access issues: <ul style="list-style-type: none"> ▪ Regular meetings with DAFF MENA Agriculture Consul based in Dubai. ▪ Regular meetings with Australian Ambassadors, and embassy staff in the region to raise awareness of the livestock export industry. ▪ Support activities to assist the development and negotiation of improved health protocols <p>Regular contact maintained with Australian government representatives in Australia – DAFF, DFAT, AQIS and Bio-Security.</p>	Strong relations with Australian Government officials in the region with clear knowledge and communication of market access issues: <ul style="list-style-type: none"> ▪ Maintained and/or improved market access conditions in the region. ▪ Market access issues are addressed in a timely and efficient manner. ▪ Improved or new health protocols for the region

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A.16 Market access Continued

<i>Activity/Project</i>	<i>Output</i>	<i>Outcome</i>
Importer and regional stakeholder consultation and liaison 2.1	<ul style="list-style-type: none"> ▪ Host LEP Management, LiveCorp/MLA Board and Government delegation related visit to the region once per year during summer. <p>Regular communication and liaison with importers and destination country stakeholders.</p> <ul style="list-style-type: none"> ▪ Conduct regular meetings with importers, lot feeders, transport operators, butchers and supermarkets dealing with Australian fresh meat and livestock. ▪ Conduct meetings with NGO's including local animal welfare groups and MENA OIE representative. 	<p>Strong relationships that sustain existing markets and encourage new market opportunities.</p> <ul style="list-style-type: none"> ▪ Increased market intelligence of key issues and market trends ▪ Clear understanding of animal welfare activities in the region and ability to inform other stakeholders

Program Area:	Trade support
Strategic Imperative	Market access and development
Program Objective	To retain, strengthen and grow demand for Australian livestock by delivering innovative, trade support initiatives and timely market intelligence that is beneficial to stakeholders.

A.17 Trade support

<i>Activity/Project</i>	<i>Output</i>	<i>Outcome</i>
Quantify the performance of Australian livestock 2.1	Conduct regular market visits and assessments of feedlots, abattoirs and sales outlets to monitor and report upon market trends, supply issues, competitor pricing, trade threats and critical issues	Strong relationships that sustain existing markets and encourage new market opportunities. <ul style="list-style-type: none"> ▪ Increased market intelligence of key issues and market trends ▪ Clear understanding of animal welfare activities in the region and ability to inform other stakeholders ▪ Delivery of advice and development of programs to address threats and critical issues.
Australian exporter and key stakeholder communication 2.3	Conduct biannual meetings with exporters and key stakeholders in Australia and provide regular communication and intelligence from the Middle East.	Strong relationships with Australian exporters with an improved ability to identify and address important market issues affecting their business and to better meet market requirements. <ul style="list-style-type: none"> ▪ Well informed key stakeholders that have the capacity to influence the trade.

Program Area:	Technical support
Strategic Imperative	Supply chain
Program Objective	To retain, strengthen and grow demand for Australian livestock by delivering innovative, trade support initiatives and timely market intelligence that is beneficial to stakeholders

A.18 Technical support

<i>Activity/Project</i>	<i>Output</i>	<i>Outcome</i>
Provision of input into new feedlot and abattoir programs 1.3	Provide technical expertise and input into new feedlot and abattoir design to improve animal performance and welfare, engaging local government authorities for increased support for implementation of recommendations.	<ul style="list-style-type: none"> ▪ Modern, well equipped facilities in the region that optimise production and animal welfare and comply with OIE guidelines.
Develop engagement program for vets and stockmen post-arrival 3.1	Develop a system to engage stockmen and on board veterinarians to monitor and access discharge process and facilities.	<ul style="list-style-type: none"> ▪ Regular and up to date information regarding discharge issues at port and status of discharge equipment
Identification & development of in-market expertise and resources 3.2	Develop a sponsorship / employment program that identifies local resources in the region that can deliver cost-effective handler training and maintenance of facilities.	<p>A network of trained personnel in ports, feedlots and abattoirs delivering:</p> <ul style="list-style-type: none"> ▪ Supplement core stock handling training programs ▪ Identifying animal welfare issues ▪ Monitoring and maintaining facilities

Program Area: Livestock management and welfare

Strategic Imperative: Livestock management and welfare

Program Objective To raise the standard of livestock management and achieve better handling practices, procedures and facilities at destination locations resulting in improved animal welfare by activities targeting facilities and personnel knowledge and behaviour.

A.19 Livestock management and welfare

Activity/Project	Output	Outcome
Livestock handler training 1.1	Deliver training courses to feedlots and ports in livestock handling skills and practices.	Trained and skilled personnel in ports and feedlots with increased understanding & awareness of the impact of animal handling upon welfare, production and trade sustainability
Long-term sustainability of improved feedlot performance 1.2	<p>Development of livestock inspection and pen monitoring framework replicated from Bahrain</p> <ul style="list-style-type: none"> ▪ Initiated into Qatar and Kuwait, ▪ Humane disposal policy. ▪ Daily inspection and removal ▪ Autopsy education. <p>Provision of nutritional and feeding management assistance to feedlots and receivers of Australian livestock.</p> <ul style="list-style-type: none"> ▪ Regular visits by nutritional experts ▪ Promotion of induction practices and procedures ▪ Extension of existing feedlot management materials ▪ Investigation of feed trials ▪ Comparative analysis of feed stuffs 	<p>Achievement of higher self sufficiency through improved feedlot management:</p> <ul style="list-style-type: none"> ▪ Reduced levels of mortality and morbidity ; ▪ Reduced levels of slaughter house condemnation; ▪ Increased profitability ▪ Improved feed quality ▪ Improved water suitability

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A.19 Livestock management and welfare Continued

Activity/Project	Output	Outcome
Monitoring and improvement of vessel discharges, port and transport facilities and practices 1.1	<p>Deliver improved conditions, procedures and systems at the time of discharge and transport.</p> <ul style="list-style-type: none"> ▪ Regular visits to ports to develop and implement discharge systems and procedures with key vessel staff. ▪ Provision of training and improvements to infrastructure ▪ Development of discharge reporting. ▪ Where static labour force exists for discharge, identification and development of key local individuals as leaders. ▪ Liaison with key stakeholders (industry & govt.) to proactively address issues delaying optimal discharge and transport of livestock. 	<p>Improved discharge process through:</p> <ul style="list-style-type: none"> ▪ Increased rates of discharge ▪ Identification of issues or infrastructure requirements ▪ Improved animal welfare outcomes through increased skills and better handling.
Improving animal welfare at point of slaughter 1.1	<p>Deliver improved conditions, procedures and systems at the point of slaughter.</p> <ul style="list-style-type: none"> ▪ Sheep – deliver infrastructure improvements (sheep tables) in key locations to ensure that slaughter practices meet ▪ OIE Cattle – Implement the instillation of restraining boxes throughout the region where Australian cattle are being slaughtered. ▪ Training – deliver training programs in meat inspection to regional government vets to facilitate improvements in slaughter process in the region. ▪ Training – deliver training in best practice slaughter practices to key facilities in the region. ▪ Development of SOP's for point of slaughter ▪ Promotion of stunning of slaughter cattle in UAE, Bahrain, Qatar and Kuwait. 	<ul style="list-style-type: none"> ▪ Improved animal welfare outcomes through an increased % of sheep processed via a sheep table; ▪ Improved animal welfare outcomes through an increased % of cattle processed through a restraining box; ▪ Improved animal welfare outcomes through increased number of abattoirs using stunning as a part of slaughter process. ▪ Increased % of livestock processed in accordance with OIE guidelines.

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A.19 Livestock management and welfare Continued

Activity/Project	Output	Outcome
<p>Infrastructure repairs and maintenance</p> <p>1.3</p>	<p>Recommend infrastructure repairs, maintenance and improvements in port, feedlot and abattoir facilities.</p> <ul style="list-style-type: none"> ▪ Arrange co-funding programs with importers and local governments to address critical infrastructure issues. 	<ul style="list-style-type: none"> ▪ Improved infrastructure that ensures the optimal transport, housing, handling and processing of livestock. <p>Measured by:</p> <ul style="list-style-type: none"> ▪ Infrastructure projects undertaken and delivered upon.
<p>Handling aids</p> <p>1.1</p>	<p>Provide tools such as goads to livestock handlers in feedlots, ports, vessels and abattoirs that complement and support practical skills based training.</p>	<p>Acceptance and use by handlers of appropriate stock handling tools that comply with OIE guidelines.</p>
<p>MENA Livestock Export Improvement Awards</p> <p>1.2</p>	<p>Conduct MENA Livestock Export Improvement Awards with feedlot and abattoir participants from throughout the region.</p> <p>Deliver improved quantitative and qualitative scores on feedlot and abattoir assessments conducted for the MENA Livestock Export Improvement Awards.</p> <ul style="list-style-type: none"> ▪ Judge key assessment criteria specified in MENA Livestock Improvement Awards. ▪ Provide a commercial-in-confidence report to the relevant stakeholder. ▪ Provision of advice and recommendations to operational and senior management to address welfare opportunities ▪ Use information to benchmark and monitor improvement ▪ Awards forum and presentation event. 	<p>To achieve:</p> <ul style="list-style-type: none"> ▪ Accredited feedlot and abattoir facilities via MENA Feedlot and Abattoir Accreditation Scheme and formal recognition of improvement in key category areas. <p>Measured by:</p> <ul style="list-style-type: none"> ▪ Quantitative and qualitative measures used in the MENA Livestock Improvement judging process. ▪ Reports produced and returned to participants. ▪ Delivery of the MENA Awards ceremony and presentation of Awards.

Industry Capabilities

Program Area:	Export standards and practices
Strategic Imperative:	Livestock management and welfare
Program Objective:	To develop and formulate evidence based positions on behalf of industry to be considered by the Livestock Export Standards Advisory Group (LESAG), this will be achieved by establishing a IR&TWG to bring together a specialist group of industry experts. Furthermore, address additional industry issues as directed by ALEC to improve livestock care and animal welfare standards and to ensure that the livestock export industry recognised for its responsible livestock management practices, supported by balanced, evidence based data.

A.20 Export standards and practices

Activity/Project	Output	Outcome
Technical Working Group (TWG) 3.4	<p>Bring together specialised industry representatives to address all relevant issues associated with standards set by LESAG and industry guidelines as well as issues identified by industry in order to prepare advice and industry position papers</p> <ul style="list-style-type: none"> ▪ Provide secretariat services to the group to ensure accurate information is provided to ensure timely responses to issues ▪ Ensure the group is presented with accurate and relevant information to enable it to develop evidence based positions and directives on LESAG and industry issues. ▪ Ensure advice and recommendations from the IR&TWG reflect the practical application of proposed measured, animal welfare improvements and commercial objectives of the industry. 	<p>Industry's reputation as a provider of balanced scientific and technical advice to a range of industry and government decision making forums maintained.</p> <p>There is the capacity to address industry issues through a balanced, reputable, science based process.</p> <p>Maintenance of constructive working relationships between the livestock export industry and regulators.</p> <ul style="list-style-type: none"> ▪ More efficient industry standards used along the live export supply chain ▪ Changes to standards and guidelines that improve animal welfare outcomes and reduce costs (or keep them unchanged) along the livestock export supply chain. ▪ LESAG adopts standards that are balanced, evidence and science based and have contemporary relevance.
Information Management 4.3	<p>Manage current industry information sources and where necessary develop avenues to access information that will assist future decision making processes.</p>	<p>Industry has sufficient, relevant and timely industry information to make good decisions</p>

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A.20 Export standards and practices Continued

<i>Activity/Project</i>	<i>Output</i>	<i>Outcome</i>
Supply Chain operation 3.4	<ul style="list-style-type: none"> ▪ Ensure all relevant scientific principals, research findings, historic outcomes are provided to the TWG ▪ Plan and develop efficient data management systems to record voyage data at an industry level that continually meets the ongoing needs of the group and industry. <p>Provide credible and reliable evidence based data in a transparent manner.</p> <p>Report on the future needs of the voyage reporting processes through feedback from the TWG.</p> <p>Detailed position papers provided to industry representative in a timely manner.</p>	<p>Measured by: endorsement of draft standards and guidelines along with feedback from IR&TWG representatives.</p>
	<p>Continue to review and align on farm and pre-shipment processes with activities that influence voyage outcomes.</p> <ul style="list-style-type: none"> ▪ Liaise with producers, service providers and exporters to identify opportunities to better deliver regulatory obligations and animal welfare outcomes. ▪ Identify opportunities to improve voyage outcomes through improved Livestock Export Standards and Guidelines ▪ Assist producers, service providers and exporters in the adoption and compliance to export standards and guidelines. 	<p>Changes to standards and guidelines improve animal welfare outcomes and reduce costs (or keep them unchanged) along the livestock export supply chain.</p> <p>Industry and governments are engaged and influenced in their behaviour or regulation by the R&D.</p> <p>Measured by:</p> <ul style="list-style-type: none"> ▪ Report on the efficiency and effectiveness of pre-export systems.

Program Area:	Domestic infrastructure
Strategic Imperative	Supply chain
Program Objective:	Review the management and ownership of key areas of domestic infrastructure – identify opportunities to improve access to facilities and new investment and/or system upgrades. Analyse the efficiency and effectiveness of the management and price determination processes. Review and report on opportunities to develop or improve information exchange process between the regulator and industry.

A.21 Domestic infrastructure

<i>Activity/Project</i>	<i>Output</i>	<i>Outcome</i>
Port Infrastructure 3.1	Engage industry and government to better understand the major issues that have potential to create inefficiencies and/or costs at our key ports. <ul style="list-style-type: none"> ▪ Develop a report on the key public and private infrastructure constraints and challenges to industry. ▪ Identify ways to manage and drive improvements within areas or sectors of major cost / imposition. 	Improve the base understanding of the key areas of port infrastructure: operation, planning and investment, to reduce costs and improve animal health and welfare. <ul style="list-style-type: none"> ▪ Ensure ongoing access to facilities.
Livestock Production Systems 4.3	Identify and examine the range of domestic livestock production information management facilities which have capacity to deliver improvements to the information flow across the live export supply chain. Report on potential gains in developing linkages across livestock information management systems.	Enhance performance management information systems. <ul style="list-style-type: none"> ▪ Greater awareness of domestic livestock information along the live export supply chain. ▪ Feedback from report
Information exchange processes 3.4	Review current administrative exchange processes between industry and regulator. Investigate and support opportunities to develop systems to more effectively manage administrative requirements that reflect the intent of industry's regulatory obligations. <ul style="list-style-type: none"> ▪ Identify opportunities to improve administrative efficiencies. Manage and drive improvements within areas of greatest cost and imposition to industry. 	Plan a project based on identified opportunities <ul style="list-style-type: none"> ▪ Measured by cost benefit analysis

Program Area: Industry liaison and extension

Strategic Imperative: Supply chain

Program Objective: Engage key stakeholders (producers, service providers, exporters and customers) and identify opportunities review standards and practices to ensure all regulatory processes are efficient and add value to animal welfare and voyage outcomes. Assist in the extension and implementation of research and development outcomes by assisting in the management of change across industry.

A.22 Industry liaison and extension

Activity/Project	Output	Outcome
Liaison, Extension and Promotion 4.3	<p>Consult with individual exporters and interested parties on the activities and being conducted by the industry TWG and inform all stakeholders of the outcomes and industry position papers presented by the TWG.</p> <ul style="list-style-type: none"> ▪ Ensure all stakeholders are informed of the outcomes of LESAG and industry issues. ▪ Where required provide alternative avenues of feedback if required. ▪ Assist in the identification R&D opportunities across the industry through stakeholder engagement to ensure program outputs are promoted. 	<p>Exporters and interested parties have sufficient, relevant and timely information about LESAG and industry developments, to make sound decisions.</p> <p>Measured by: the adoption of industry preferred positions and stakeholder feedback received.</p>
Exporter Assistance 4.1	<p>Foster on-going relationships across the livestock export industry and ensure all short term industry issues are resolved in timely manner.</p> <ul style="list-style-type: none"> ▪ Regularly engage exporters and seek their views on areas of greatest cost and concern in relation to the current and future regulatory system. 	<p>Improve the capability and understanding of relevant government stakeholders of the practical aspects of the live export trade. Manage industry stakeholder engagement with government and regulators in order to better resolve operational issues so that trade can occur.</p> <ul style="list-style-type: none"> ▪ Measured by the delivery of effective industry outcomes and stakeholder feedback.

LiveCorp Services

Program Area:	Training
Strategic Imperative:	Supply chain
Program Objective:	Train and equip stockmen, employees and other service providers to meet all the regulatory and industry requirements for the livestock export process.

A.23 Training

Activity/Project	Output	Outcome
Stockman Training courses 3.2	Conduct stockman's training courses.	Delivery of at least two training courses as required, to ensure a pool of trained stockmen.
3.2	Implement strategy to partial cost recover and subsidise incentives for exporters to use trained stockmen	A higher percentage of stockmen with on board ship experience <ul style="list-style-type: none"> ▪ All stockmen trained in 2008/09 complete at least one voyage.
3.2	Set up a small network of RTOs to supervise courses	Meet National Qualification framework requirements without losing control of content or trainers
Stevedore Training 3.1	Continue and expand stevedore training program <ul style="list-style-type: none"> ▪ Monitor course delivery in WA through liaison with DAFWA and the Stevedore companies ▪ Delivery of training in other States 	Delivery of at least 2 stevedore training courses through the existing subsidy arrangements in WA & delivery of at least two additional courses outside of WA to ensure a consistent number of trained operators at each wharf. <ul style="list-style-type: none"> ▪ Stevedore satisfaction with course delivery and content. ▪ Increased percentage of stevedores with good animal handling techniques. ▪ Distribution of 'sheep talkers' to Australian based load port staff.
Vaccinator Training 2.1	Review current administration of vaccinator training to ensure it still meets requirements of Live Exporters to Saudi. Such a review will cover usage of trained vaccinators	Better utilisation of training resources <ul style="list-style-type: none"> ▪ Decreased expenditure on audits for vaccinators ▪ Satisfaction from Saudi Exporters
Additional Training Opportunities 3.4	Adequate training module/ program developed to assist exporters meet regulatory compliance for animal welfare	Exporters have identified and trained animal welfare representatives at loading as required under ASEL <ul style="list-style-type: none"> ▪ Reduced risks of intervention from Government and other stakeholders.

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A.23 Training Continued

<i>Activity/Project</i>	<i>Output</i>	<i>Outcome</i>
Consistent Training Materials	Ensure consistency of animal welfare components to all LiveCorp and LEP training courses and update using the results of R&D projects	<p>Live Export Training has consistent animal welfare training components as other related industries</p> <ul style="list-style-type: none"> ▪ All trained stockmen showing good skills.

Program area:	Industry systems – animal welfare
Strategic Imperative:	Livestock management and welfare
Program Objective:	Identify industry issues, analyse, develop and implement mitigation strategies to prevent them or reduce impact when they occur and to ensure industry has the capacity to respond to incidents in a manner that strengthens the Government and community confidence in the industry.

A.24 Industry systems — animal welfare

Activity/Project	Output	Outcome
Emergency Management Plan 1.4	Continual review and refinement of the EMP.	<p>A manual and process which is relevant and familiar to industry members</p> <ul style="list-style-type: none"> ▪ Conduct desk top exercises (3) as a means of monitoring effectiveness of the process ▪ Govt. and Stakeholders have confidence in industry's ability to handle an incident
A	<p>Liaise with Animal Health Australia to ensure Animal Disease section of the EMP meets the requirement of the Ausvet plan</p> <p>Establish agreement with stakeholders on the issue of returning animals to Australia following the R&D project to identify associated scientific risk assessments.</p> <p>Engage with ship owners to ensure linkage of results of R&D, existing on-board vessel plans and the industry EMP</p>	<p>LiveCorp EMP becomes part of a Nationwide response to Animal Disease outbreaks</p> <p>Agreement between major agri-industry bodies and regulators to provide options for the potential return of livestock.</p> <ul style="list-style-type: none"> ▪ Govt. and Stakeholders have confidence in industry's ability to handle an incident <p>A shipping industry which contributes to and is engaged with the industry plan</p>
Australian Load Port Equipment 1.3	Conduct an audit of loading infrastructure facilities available at major shipping outlets and airfreight terminals within Australia for the use of all Exporters	<p>Usage efficiencies improved</p> <p>Obsolete equipment identified</p> <p>Resources identified to improve infrastructure</p> <p>Identify opportunities to improve through Keniry program.</p>

Program Area: Industry systems supply chain

Strategic Imperative: Supply chain

Program Objective: To maintain and deliver industry information and tools that assist exporters to meet their statutory and operational obligations and where possible provide the linkage into standards and guidelines. To ensure industry has ongoing access to valuable information and processes that support their operations

A.25 Industry systems supply chain

<i>Activity/Project</i>	<i>Output</i>	<i>Outcome</i>
Software 3.4	Conduct and report on an audit of industry on the needs for software to improve export processes and the possibility of developing more standardised industry software particularly to handle compliance issues	A strategy and plan to design software supported by and of value to LiveCorp members Maintain existing software.
Statistics 4.3	Streamline sourcing and reporting of industry statistics. Options include MLA, use of AQIS figures over ABS and a review of the International stats	Greater efficiency with no loss of service level
Breeding cattle Processes 3.3	Develop strategies for promoting breeder cattle exports within Australia for export markets. Opportunities will be developed by LiveCorp and Holstein Australia to expand and improve the Live Export Dairy supply.	Improved options for sourcing Breeder cattle for exporters <ul style="list-style-type: none"> ▪ Increased producer knowledge and understanding of the livestock export process and requirements for dairy cattle. ▪ Increased availability of breeder cattle.

Program Area:	Industry systems stakeholder relationships
Strategic Imperative:	Supply chain
Program Objective:	Develop, implement and maintain effective relationship management plans for key supply chain stakeholders to ensure a flow of information to add value to LiveCorp and its members.

A.26 Industry systems stakeholders relationships

<i>Activity/Project</i>	<i>Output</i>	<i>Outcome</i>
LiveShip, LiveAir and Registered Premises 4.4	Monitor and assist these groups and continue to provide technical and facilitation support where required without compromising ownership Develop R&D project to produce animal welfare and handling DVD for use on board and at Registered premises.	<ul style="list-style-type: none"> ▪ An information source valuable to LiveCorp and members ▪ A mechanism to gain support of industry stakeholders when required ▪ A quality resource for industry service providers to train crew and staff in a manner consistent with the remainder of industry.
Breeding cattle Exporters group 4.4	Monitor and assist this group and continue to provide technical and facilitation support where required.	<ul style="list-style-type: none"> ▪ An information source for LiveCorp and members ▪ A sounding board in which specific issues can be brought or identified ▪ Hold at least 2 face to face meetings in a year
Customer Country groups 1.4	Continue to provide technical support to ALEC in facilitating and implementing initiatives and solutions with various customer country issues	<ul style="list-style-type: none"> ▪ An information source for LiveCorp and members ▪ A sounding board in which specific issues can be brought or identified

Research and Development

Program Objectives The following have been identified as the key objectives for the Live export R&D program;

1. Projects are identified in consultation with industry to match researchers' capabilities.
2. The outputs of the research program reflect rigorous research that is grounded in good science.
3. There is good understanding among stakeholders of outputs of the research.
4. The research influences industry and its practices, and the nature of government regulation.
5. There is engagement with researchers to implement results relevant to the industry.
6. The research is used to improve and expand awareness of industry to community.
7. Develop an understanding of the causes, interactions, and treatments of salmonella and inanition in sheep.
8. Provision, maintenance and implementation of the heat stress risk assessment model.

A.27 Live export R&D program

Activity/Project	Output	Outcome
Management of sheep pre export 1.2	<ul style="list-style-type: none"> ▪ Develop an understanding of causes, interactions and best treatment protocols for salmonella / inanition and pink eye ▪ Scientific knowledge and explanation of pre disposing causes of inanition ▪ Development of best practice guidelines to reduce incidence of inanition in exported sheep ▪ Develop diagnostic and treatment standards for salmonella / inanition. 	<ul style="list-style-type: none"> ▪ Both industry and governments have been engaged in the implementation of R&D projects and accept and understand the science underpinning the R&D. Their behaviour and regulations are influenced by the R&D.
Management of cattle pre export 3.1	<ul style="list-style-type: none"> ▪ Identifying factors affecting the performance of cattle from Northern Australian into South East Asian feedlots ▪ Development of best practice guidelines for supply of cattle from Northern Australia to maximise profitability 	<ul style="list-style-type: none"> ▪ Both industry and governments have been engaged in the implementation of R&D projects and accept and understand the science underpinning the R&D. Their behaviour and regulations are influenced by the R&D.

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A.27 Live export &D program Continued

Activity/Project	Output	Outcome
Environmental impact of livestock export industry 2.2	<ul style="list-style-type: none"> ▪ Undertake a lifecycle assessment for the live export industry from farm gate to discharge ▪ Industry will have the information necessary to demonstrate its status with regard to emissions and water us 	<ul style="list-style-type: none"> ▪ Both industry and governments have been engaged in the implementation of R&D projects and accept and understand the science underpinning the R&D. Their behaviour and regulations are influenced by the R&D.
Management of livestock on board ship 1.2	<ul style="list-style-type: none"> ▪ Validate current stocking densities and their impact on animal welfare outcomes ▪ Develop system and guidelines to implement investigations into causes of mortality of cattle to the ME ▪ Annual reporting of the livestock export industry ship board performance ▪ Develop better system of data collection for livestock ships and including on board vet reporting ▪ Transparent independent analysis of the livestock export industry performance 	<ul style="list-style-type: none"> ▪ Greater understanding and acceptance by stakeholders of current ASEL stocking rates ▪ Greater understanding by industry and researchers of the causes of mortality in cattle to the ME
Management of heat stress on board ship 1.2	<ul style="list-style-type: none"> ▪ Additional update to HSRA model to include additional ports and jetting allowance ▪ Maintenance and training of HSRA software package 	<ul style="list-style-type: none"> ▪ Greater understanding and acceptance by stakeholders of the HSRA model ▪ Acceptance of the HSRA model by Government as the standard
Management of livestock post discharge Middle East 1.2	<ul style="list-style-type: none"> ▪ Development of best practice post discharge management strategies for feedlots in the Middle East including ▪ Demonstration trials ▪ Epidemiology studies ▪ Feed and water strategies ▪ Identify the cause of mortality in Middle East feedlots and introduce best practice guidelines to improve animal welfare and reduce mortality securing trade sustainability ▪ Highlight ME R&D priorities to improve market access and sustainability 	<ul style="list-style-type: none"> ▪ Both industry and governments have been engaged in the implementation of R&D projects and accept and understand the science underpinning the R&D. Their behaviour and regulations are influenced by the R&D.

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A.27 Live export R&D programt Continued

Activity/Project	Output	Outcome
Management of livestock post discharge Asia 1.3	<ul style="list-style-type: none"> ▪ Identifying new novel feed stuffs for Asian feedlots ▪ Delivery and extension of south east Asian feedlot modules and breeding management modules ▪ Development of a feedstuff database for feedlot operators in Asia to increase profitability 	<ul style="list-style-type: none"> ▪ Both industry and governments have been engaged in the implementation of R&D projects and accept and understand the science underpinning the R&D. Their behaviour and regulations are influenced by the R&D.
Improved slaughter practices in overseas markets 1.3	<ul style="list-style-type: none"> ▪ Develop, maintain and supply functional cattle restraining boxes 	<ul style="list-style-type: none"> ▪ Improve cattle animal welfare and handling during the slaughter process in overseas markets.
R&D project management 4.3	<ul style="list-style-type: none"> ▪ Coordinate and convene LERDAC and Management committee meetings ▪ Contract independent technical adviser ▪ Engage with exporters and researcher to identify industry relevant projects ▪ Engage with Government, exporters and research institutions to increase awareness and perceptions of live export industry 	<ul style="list-style-type: none"> ▪ Projects are identified and delivered that meet industry expectations ▪ Match research to industry concerns ▪ Increase public awareness of the live export industry through science and communication ▪ Satisfied government expectations about robust research that can inform policy

B 2009-2010 Annual Operating Plan activities and KPIs mapped by Strategic Plan KPIs

The above AOP activities, outputs and intended outcomes are mapped against Strategic Plan KPIs below. The mapping by Strategic Plan KPIs is shown in table B.1.

B.1 AOP activities mapped to Strategic Plan KPIs: mapped to primary Strategic Plan KPI

1.1 Ongoing improvements to handling and transport

Consistent Training Materials

Animal handling workshops

Livestock handler training

Monitoring and improvement of vessel discharges, port and transport facilities and practices

Improving animal welfare at point of slaughter

Handling aids

1.2 Increasing understanding and capacity by management and staff of exporters, shippers and in-market interests

SOP training for slaughterhouse staff

Animal welfare advocacy Philippines

Animal welfare workshops Malaysia

Long-term sustainability of improved feedlot performance

MENA Livestock Export Improvement Awards

Management of sheep pre export

Management of livestock on board ship

Management of heat stress on board ship

Management of livestock post discharge Middle East

1.3 Ongoing improvements in facilities and infrastructure

Restraining box program Indonesia

Provision of input into new feedlot and abattoir programs

Infrastructure repairs and maintenance

Management of livestock post discharge Asia

Improved slaughter practices in overseas markets

Australian Load Port Equipment

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B.1 AOP activities mapped to Strategic Plan KPIs: mapped to primary Strategic Plan KPI Continued

1.4 Demonstrated capacity to respond to incidents

Broader Industry Product Safety Initiatives
 Animal Welfare Initiatives
 Issues management
 Customer Country groups
 Emergency Management Plan

2.1 Maintenance and building of existing markets, improving conditions and efficiency of access and improving understanding of market requirements.

Dairy Cattle Trade Development and Support
 Market and Trade Access
 Foreign Government consultation and liaison
 Importer and regional stakeholder consultation and liaison
 PR/TV educational beef promotions Indonesia
 Wet Market Promotions Indonesia
 Women's groups events Indonesia
 Retail Promotions Indonesia
 Consumer research Indonesia
 Promotional support in other markets
 Foreign Government consultation and liaison
 Importer and regional stakeholder consultation and liaison
 Quantify the performance of Australian livestock
 Vaccinator Training

2.2 Support for additional market options and increasing industry's ability to have ready access to markets.

NAMP
 Environmental impact of livestock export industry

2.3 Improved capacity for industry to manage in-market operational issues

Australian Government consultation and liaison
 Australian Government consultation and liaison
 Australian exporter and key stakeholder communication

3.1 Increased efficiency in transport and handling from farm to in-market

Develop engagement program for vets and stockmen post-arrival
 Management of cattle pre export
 Port Infrastructure
 Stevedore Training

3.2 Ongoing improvements in skills and capacity of the supply chain workforce.

Breeding Projects Indonesia
 Feedlot nutrition and animal health workshops Indonesia
 Livestock projects in other Asia Pacific countries
 Butcher skills and presentation training Indonesia
 Training of key livestock or processing staff Indonesia
 Stockman Training courses

Continued next page

B.1 AOP activities mapped to Strategic Plan KPIs: mapped to primary Strategic Plan KPI Continued

Identification & development of in-market expertise and resources

3.3 Improved capacity to meet market requirements

Breeding cattle Processes

3.4 Reduced cost of regulatory compliance for industry.

Technical Working Group (TWG)

Supply Chain operation

Information exchange processes

Additional Training Opportunities

Software

4.1 Increased stakeholder endorsement of the industry (by industry, the Australian community and the Australian Government).

Ministerial and Government Relations

Industry & Stakeholder Communications

Strategic Plan Review

Annual Operating Plan

SFA Performance Evaluation

Statutory Dairy Levy

Industry Intranet Portal

National media

Media educational

Social Media

Spokesperson network

Community awareness campaign

Advertising program

Media monitoring

Support materials

Government communication

Websites

Exporter Assistance

4.2 Enhanced perceptions by the scientific community of the technical capacity of industry

4.3 Stakeholders have confidence in technical advice and analysis undertaken by the Livestock Export Program

R&D project management

Information Management

Livestock Production Systems

Liaison, Extension and Promotion

Statistics

4.4 Demonstrated industry unity through membership and support for LiveCorp and the LEP

Peak Council Consultation, Policy Development and Implementation

Member Communications

Broader Industry Memberships

LEP Management

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B.1 AOP activities mapped to Strategic Plan KPIs: mapped to primary Strategic Plan KPI Continued

Web Site

Risk Management

ISO Certification

Administration

Board Operations

Member Communications

LiveShip, LiveAir and Registered Premises

Breeding cattle Exporters group
