

2020-21

Annual Operational Plan

Contents

Section 01

Overview

Operating Environment for 2020-21 5

Budget Summary 7

Section 02

Strategic Imperatives

Animal welfare 10

Livestock export supply chain efficiency improvement 11

Livestock export market access 12

Livestock export industry advancement. 13

Section 03

Program Delivery

Our Programs 15

Our Approach 16

Collaboration 18

Evaluation and Monitoring 18

Section 04

LiveCorp Programs

Exporter Program 21

Industry Capability Program 22

Services and Innovation Program 24

Communications Program 26

Key Performance Indicators 27

LiveCorp Investment 27

Section 05

LiveCorp and MLA: the Livestock Export Program

LEP Investment 29

LEP RD&E Program 30

LEP In-Market Program 32

Section 06

Alignment of Objectives

Red Meat 2030. 37

Australian Government National Science and Rural RD&E Priorities 37

Section 07

Appendix

List of Abbreviations. 40

LiveCorp Vision

Leading the world in the health and welfare of livestock exports

LiveCorp Mission

- **Generate positive animal health and welfare outcomes along the length of the livestock export supply chain**
- **Introduce innovative solutions and technical improvements to the performance of the livestock export supply chain**
- **Contribute to the opening and development of livestock export market access**

Annual Operational Plan

The Australian Livestock Export Corporation (LiveCorp) is the rural Research and Development Corporation (RDC) for the Australian livestock export industry. LiveCorp provides research, development and extension (RD&E) and marketing services (promotion of best practice animal welfare standards and preference for Australian livestock) that maximise the productivity, sustainability and competitiveness of Australian livestock exporters.

The Annual Operational Plan (AOP) provides an overview of the investment LiveCorp will make in the financial year, on a program basis. It aims to inform Australian livestock exporters, peak industry councils (PICs), the Department of Agriculture, Water and the Environment, and the wider livestock export industry about LiveCorp's planned activities.

AOPs are prepared each financial year to guide the practical delivery of LiveCorp's investment priorities, as set out in the five year strategic plan. This AOP for 2020-21 is the first under LiveCorp's Strategic Plan 2025, with the two documents under development at the same time.

Strategic direction is taken from the LiveCorp Strategic Plan 2025, the Australian red meat and livestock industry's Red Meat 2030 and the Australian Government's Science and Research Priorities and its Rural Research, Development and Extension Priorities.

Overview

LiveCorp is the service provider and research body for the Australian livestock export industry. LiveCorp works closely with exporters and other stakeholders to continuously improve performance in animal health and welfare, supply chain efficiency and market access.

Operating Environment for 2020-21

The Australian livestock export industry provides nutrition and food security in its key markets. It also provides the capacity for other countries to expand their domestic livestock production capacity through education and training, fostering employment opportunities across the whole supply chain.

The welfare of livestock during long-distance transport and export remains a concern for the Australian community and LiveCorp. Our activities support the industry's commitment to high animal welfare standards (over and above those set by regulation) and continual improvement.

There are several key challenges identified and expected for the 2020-21 operating period. These include:

COVID-19

In early 2020, COVID-19 (the novel coronavirus) impacted global supply chains, with restrictions on both domestic and international travel introduced by many countries, along with extensive and prolonged closure of businesses including food service and retail stores.

Agriculture was considered a vital industry and permitted to continue operations despite the uncertainty. However, conditions were placed on the movement of personnel between states, shipboard personnel were unable to disembark in destination countries, and limits were placed on staff involved in loading and discharge.

Despite considerable social and economic upheaval, export volumes have remained relatively consistent with previous years as many nations continued to rely on the supply of livestock, highlighting their strong focus on food security and dependency on Australia to meet their needs.

Supply of livestock

Extended drought saw the Australian herd decline to the lowest level since the mid-90s. Coupled with devastating bushfires and floods, this saw livestock prices soar to all-time highs and limited availability. A return to average and above average seasonal conditions across much of Australia in the coming year will likely see prices for finished, young and breeder stock remain high.

Increased global demand for protein due to the impact of African Swine Fever (ASF) across Asia has counter-balanced some of the impact of COVID-19.

Restrictions on shipments of live sheep to the Middle East during the Northern Hemisphere summer remain – a challenge for the industry to navigate.

Regulatory framework

The department has completed its review of the Australian Standards for the Export of Livestock (ASEL) and the changes will take effect from 1 November 2020. LiveCorp has been working with industry to help them understand and implement these changes within their supply chains.

In addition, the department has continued to progress other reviews into the cost recovery of the administration of the livestock export industry and implementation of the third party assurance scheme, the Livestock Global Assurance Program (LGAP), to support the Exporter Supply Chain Assurance System (ESCAS).

These regulatory adjustments, along with other regulations, will remain a priority.

Market access

Importing countries are continuing to review existing health protocols for disease risk and management, and LiveCorp will work with industry and the department to minimise unnecessary, restrictive or complex requirements.

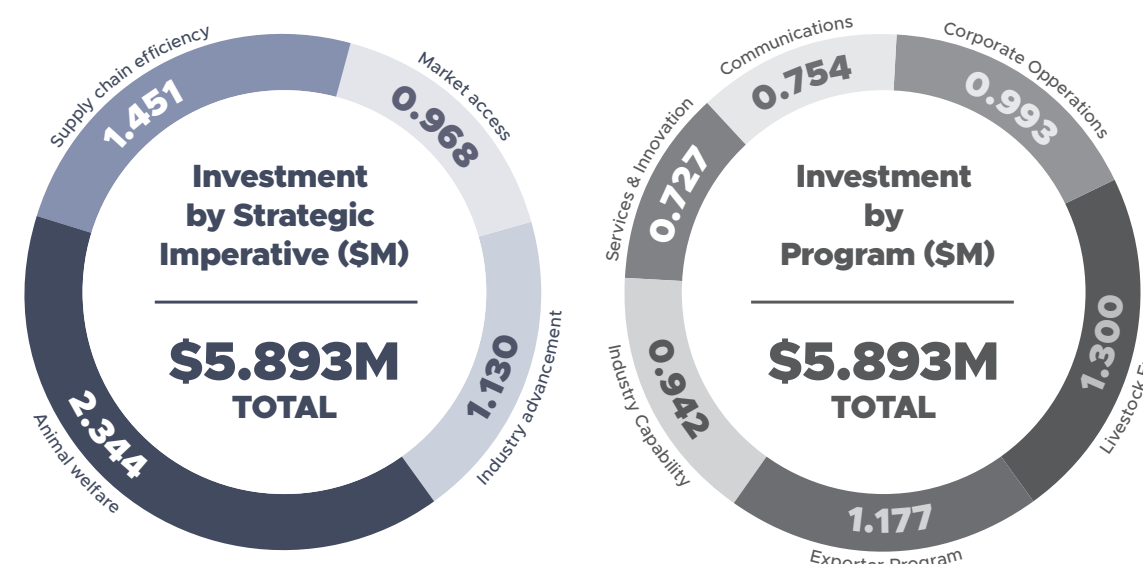
Protocol negotiations will continue throughout 2020-21 with key markets such as China, Japan, Iran and the Kingdom of Saudi Arabia.

The impact of COVID-19 to national and international supply chains has been extensive and the corresponding response by Australia's trading partners to manage and control the economic damage has been varied.

It is expected that non-tariff barriers (import bias, entry restrictions and permits/quotas) will continue, and government food security, price control and rebuilding policies will be stepped up in an effort to support economic and social recovery from COVID-19.

Budget Summary

In 2020-21 LiveCorp's investment in research, development and marketing activities is forecast to be \$5.893 million.



Levy rates

LiveCorp is funded by statutory levies on the export of live beef cattle, sheep and goats under the legislative framework of the *Primary Industries Levies and Charges Collection Act 1991*. These levies are collected on either a weight or per head basis.

The current rates are:

- Beef cattle - \$0.009523/kg
- Sheep - \$0.60/head
- Goats - \$0.50/head

The rates are divided into a marketing (approximately 83%) and a research component (approximately 17%) as set out in the *Primary Industries (Customs) Charges Act 1999*. The majority of the levy funding received by LiveCorp is marketing dollars and in accordance with the Cost Allocation Policy, the ratio of levy income informs LiveCorp's allocation of expenditure across research and marketing activities.

The Australian Government also contributes one dollar for every levy dollar LiveCorp invests in RD&E activities.

In May 2020, Minister for Agriculture, Hon. David Littleproud introduced an amendment to legislation into Parliament that would allow for the implementation of a statutory Dairy Cattle Export Charge of \$6 per head. Implementation is expected in early 2021.



Strategic Imperatives

LiveCorp exists in order to serve its members and levy payers and, through them, the livestock export industry. Directions and priorities for the investment of levies are set through consultation and engagement with a range of stakeholders.

LiveCorp's mandate is defined in its constitution. It is required to:

- **lead the way in the advancement of animal health and welfare along the export supply chain through its research and development efforts**
- **facilitate the introduction of ongoing improvements to animal health and welfare within the framework provided by Australian Government standards and industry codes and benchmarks**
- **improve the efficiency of the export supply chain, within ASEL and the associated regulation, and**
- **promote the export of Australian livestock to overseas countries through its market access services.**

With these responsibilities in mind, LiveCorp has identified four strategic imperatives that form the core of its Strategic Plan 2025. In each of these mission-related areas, LiveCorp has set goals and nominated the initiatives through which these goals are to be realised over the five year period covered by the plan.

The plan was developed in 2020 through an extensive consultation process involving members, the Australian Livestock Exporters' Council (ALEC) as the peak industry body, the Department of Agriculture, Water and the Environment as the regulator, and other stakeholders.

1 • Animal welfare

Lead in materially advancing animal health and welfare along the export supply chain through research, development and extension.

GOALS

1. By 2025, LiveCorp will have developed and introduced in the Australian livestock export industry an effective framework for monitoring and reporting on the health and welfare of animals across the various stages of the export supply chain.
2. By 2025, LiveCorp will have generated, through investment in R&D, information to increase the skills, knowledge and capability of people in the livestock export supply chain.
3. By 2025, LiveCorp will have extracted maximum value from its research by investing in extension and adoption pathways from research inception to completion, and effectively communicating the progress and outcomes.
4. By 2025, LiveCorp will have raised knowledge and awareness of the livestock export sector and its commitment to animal health and welfare through engagement and communication activities among the audiences that matter, including exporters, but also in the wider community, its industry partners, and with the department as the industry regulator.

2 • Livestock export supply chain efficiency improvement

Spearhead efficiency gains in the livestock export supply chain through innovative solutions and technical and technological improvements, within the framework of relevant regulation (e.g. ASEL and ESCAS).

GOALS

1. By 2025, LiveCorp will have assisted the industry to introduce the information and communication technology (ICT) capabilities required for the close monitoring, management and reporting of animal health and welfare throughout the supply chain and the operational and environmental conditions that underpin it.
2. By 2025, LiveCorp will have put in place (a) those mechanisms that enable it to access the industry-wide, reliable and quality live export data essential to its evidence-based research and advice; as well as (b) the data gathering, quality control, management and storage infrastructure that offers the robustness, resilience and functionality required to serve the organisation's purpose.
3. By 2025, LiveCorp will have produced effective research that translates to real, measurable performance enhancements along the livestock export supply chain.

3 • Livestock export market access

Advance the export of Australian livestock to overseas countries through services in market access, development and growth.

GOALS

1. By 2025, LiveCorp will have maintained and enhanced its reputation as a particularly valuable expert in, and contributor to, the development and maintenance of market access for Australian livestock.
2. By 2025, LiveCorp will have established a solid reputation for innovative approaches and contributions to the promotion of Australian livestock in overseas countries.
3. By 2025, LiveCorp will be able to point to a record of continuous investment in, and technical advice on, priority livestock biosecurity systems, as a material contribution to the development and advancement of market access priorities.

4 • Livestock export industry advancement

Contribute materially to a growing acceptance of the livestock export industry within the community; to the industry's ability to present its case; and to the ongoing development of a world-leading regulatory framework for the export of livestock.

GOALS

1. By 2025, LiveCorp will have made a material contribution to the greater acceptance of the livestock export industry in the community at large.
2. By 2025, LiveCorp will have fostered a significantly better understanding of the industry's nature, of its operations and of its performance among influential stakeholder audiences.
3. By 2025, LiveCorp will have demonstrated its unique expertise and value in the collaborative shaping of well-balanced regulation for the livestock export industry, through research products that speak to the insightful use of high quality data.

Our programs

LiveCorp Programs

There are four LiveCorp Programs that are focused on addressing key issues facing members and the livestock export industry, including sustainability, competitiveness, capability, capacity and performance.

In addition to being administered and delivered by LiveCorp, the LiveCorp Programs are supported by an industry-wide consultation process. This process aims to identify innovative outcomes central to the delivery of continuous improvement in livestock management, health and welfare throughout the supply chain, and the sustainability of the industry.

[FOR FURTHER DETAILS SEE PAGE 20](#)

The Livestock Export Program

The Livestock Export Program (LEP) is jointly funded by LiveCorp and Meat & Livestock Australia (MLA). It leverages both exporter and producer levies, as well as government matching of expenditure for eligible RD&E projects.

There are three LEP in-market programs and the RD&E program. MLA manages and administers the LEP to fund the following:

- Research, development and extension to improve animal health, welfare and productivity throughout the livestock export supply chain
- In-market activities to support the growth, productivity improvements and sustainability of the livestock export industry through the delivery of risk mitigation strategies and extension of best practice livestock management.

[FOR FURTHER DETAILS SEE PAGE 28](#)

Program Delivery

LiveCorp focuses its research and marketing activities across two program streams to deliver its AOP: LiveCorp Programs and the Livestock Export Program.

Our Approach

Research, development and extension

In order to obtain matching contributions on research expenditure from the Australian Government and maximise the return on research dollars received from exporter levies, LiveCorp directs its investment through the Donor Arrangement with MLA via the LEP Research, Development and Extension (RD&E) Program.

The purpose of the RD&E Program is to invest in projects that seek to build knowledge, fill gaps in existing understanding, and develop, trial and implement practical extension outputs in the areas of animal health and welfare, supply chain efficiencies and market access.

During 2017-18, an independent review of the RD&E Program was undertaken to improve the process, structure and reporting of the RD&E functions to demonstrate value returned on investment.

The review focused on the systems and processes that support the delivery of RD&E, with a particular emphasis on governance and the extension of project outcomes. The result has been a fresh focus on delivery and accountability which is already having an impact.

After a 12 month program, implementation and adoption of the recommendations from the review are complete.

RD&E Blueprint

A key recommendation of the review was the development of an RD&E Blueprint, which was released in June 2020. It will guide decision-making to ensure R&D investments align with strategic goals of the livestock export industry and the broader red meat industry, and that industry priority areas are addressed in a structured and consistent way.

The Blueprint identified five RD&E goals to be met across a five year timeframe:

1. **Greater transparency of animal health and welfare in the supply chain**
2. **Understanding and addressing animal health and welfare risks in the supply chain**
3. **Improving the uptake, adoption and commercialisation of better animal health and welfare practices and tools**
4. **Improving supply chain efficiency and regulatory performance**
5. **Supporting better market access conditions for Australian producers and exporters**

Balanced portfolio

The RD&E portfolio includes a mix of research projects with outcomes that inform the industry and government, and those with practical outputs that have a tangible and positive impact in the industry.

The Livestock Export Research and Development Advisory Committee (LERDAC) and the LEP RD&E Management Committee are committed to ensuring that they are continually investing in and managing a balanced portfolio of RD&E projects in alignment with the Blueprint.

In delivering a balanced portfolio of RD&E activity, LERDAC and the Management Committee undertake to:

- Identify short, medium and longer-term projects for funding, on merit, against industry priorities, government priorities and LiveCorp's Strategic Plan 2025
- Address gaps in the existing research portfolio
- Implement more structure to extension and adoption activities at the project inception phase to increase knowledge, participation and uptake by exporters
- Increase industry return on research investment
- Evaluate the risk profile of research projects against the risk appetite.

Collaboration

LiveCorp recognises the importance of working with industry, research partners, governments and other organisations to leverage expertise and to enhance capacity and capability.

In addition to the LEP, LiveCorp seeks to identify opportunities for collaboration with other research agencies and in cross-sectoral structures where the outcomes and value-for-money justify such engagement.

Cross-sectoral engagements include LiveCorp's participation in the Council of Rural Research and Development Corporations (CRRDC); collaboration on research with the other rural RDCs; the National Primary Industries RD&E Framework for Animal Welfare and Animal Biosecurity Strategies; and Animal Health Australia's National Arbovirus Monitoring Program.

Evaluation and monitoring

LiveCorp applies an annual cycle of planning and accountability. The cycle includes interlocking processes of strategic and operational planning, budgeting, implementation, evaluation, performance review and accountability to our members, levy payers and stakeholders.

Monitoring and reporting of LiveCorp activities

Monitoring and reporting mechanisms include oversight of LiveCorp's performance, conduct and compliance by an independent skills-based Board that reviews, on an ongoing basis, a suite of reports that cover LiveCorp's operational and strategic performance. These include:

- Operational reports, such as finance, workplace health and safety, and risk management
- Annual external audit
- Program and project activities and outcomes against priorities.

Additional monitoring and consultation are conducted through regular meetings with levy payers, the Australian Livestock Exporters' Council (ALEC), state and territory Livestock Exporter Associations (LEAs) and other stakeholders. This consultation includes consideration of both strategic and operational performance, and LiveCorp uses the feedback to continually improve the quality of research and investment processes, programs and activities.

The strategic evaluation of LiveCorp activities is conducted in alignment with key governance and planning cycles – particularly in relation to the five-year strategic plan and the four-year Funding Agreement.

As prescribed in the 2017-21 Funding Agreement, LiveCorp is required to engage an independent organisation to undertake a comprehensive review of performance. This process is currently underway, with a report due by October 2020 which must take into account LiveCorp's performance in:

- meeting its obligations under the Funding Agreement
- implementing governance arrangements and practices to ensure proper use and management of levy funds
- meeting the planned outcomes and targets of the Strategic Plan
- delivering benefits to members, industry and stakeholders
- consulting with levy payers and industry.



LiveCorp Programs

LiveCorp Programs are focused on addressing key issues facing members and the livestock export industry, including sustainability, competitiveness, capability, capacity and performance.

Exporter Program

PURPOSE

To plan, facilitate and coordinate issues management, consultation and specific animal welfare related initiatives, and prepare and respond to government inquiries or reviews. The Program is also the main source for regular consultation with ALEC on industry issues, policy support and implementation.

PROPOSED ACTIVITIES

- Consult with ALEC as the peak industry council on industry priorities, issues, planning and policy direction and implementation.
- Identify and respond to key emerging sensitivities and issues for market access and the supply chain, provide technical advice, and participate when required in meetings of the Strategic Response Group.
- Support the implementation of initiatives that enhance animal welfare and sustainability of the trade, including the extension and adoption of the Livestock Global Assurance Program (LGAP).
- Undertake an assessment of the fees and charges applied to the livestock export industry.
- Provide funding, representation and advice on the ongoing management of the National Arbovirus Monitoring Program (NAMP) to support market access.
- Provide funding to SAFEMEAT which oversees and promotes sound management systems to deliver safe and hygienically produced meat products.

OUTCOMES IN 2020-21

- LiveCorp and ALEC are aligned and coordinated on industry priorities.
- LiveCorp's technical advice and submissions to industry and government reviews are well-informed and support best practice animal welfare.

Industry Capability Program

PURPOSE

To provide technical advice to support improvements and efficiencies in the livestock export regulatory framework; develop and facilitate services, support and advice to assist in the implementation of regulatory reforms; and ensure diversity and increased opportunities for exporters and producers through access to new markets and by improving/maintaining existing markets.

PROPOSED ACTIVITIES

Regulatory reform and implementation

- Participate in and prepare submissions to industry and government reviews, including the Inspector-General of Live Animal Exports (IGLAE) and the export legislation, and prepare regulatory reform analysis and technical advice for industry bodies.
- Engage with and provide technical advice to the department to support the development of effective and scientifically informed regulation.
- Participate in and contribute to industry and government committees, working groups and consultative engagements, including the Livestock Export Government and Industry Regulatory Committee.
- Support the implementation of the Australian Standards for the Export of Livestock (ASEL) version 3.0, review ASEL policies and update materials and resources.
- Support the implementation of the IGLAE's 'Monitoring and reporting during livestock export voyages' report recommendations.
- Review ad-hoc regulatory updates from the department and provide technical advice (e.g. Approved Arrangements guidelines and Export Advisory Notices (EANs)).

- Support development of and updates to the heat stress risk assessment (HSRA) model and software.

Market access

- Provide secretariat support and technical advice to the Protocol Committee to set market access priorities and develop technical strategies to guide discussions for priority markets (including associated ad hoc exporter consultation).
- Provide expert advice to support the department in its protocol and market access negotiations, protocol issues management and engagement with trade partners in-market.
- Provide exporters with technical support and advice on export certification, market access and the department's negotiation and policy activities.

Other

- Manage special grants associated with research and extension activities to mitigate on-board heat stress risk.

OUTCOMES IN 2020-21

- Improvements and efficiencies in the livestock export regulatory framework are identified and implemented.
- Preferential market access for Australian livestock is maintained and developed.
- The special grant activities to research on-board heat stress mitigation are completed.

Services and Innovation Program

PURPOSE

To support industry to increase its capacity and capability through skills development to meet and exceed standards, compliance and reporting obligations for the Australian livestock export industry. The Program also develops improved and/or innovative systems and tools to create regulatory efficiencies.

PROPOSED ACTIVITIES

People, skills and capability development

- Deliver the Shipboard Stockperson Accreditation Program to educate participants on best practice animal handling and husbandry and enhance their knowledge of animal welfare and regulatory requirements.
- Review and update the Shipboard Stockperson Accreditation Program materials and resources for ASEL 3.0 and deliver ASEL 3.0 implementation training module sessions to stock people.
- Update the online ASEL Handbook application for ASEL 3.0.
- Close out the Short-term Stockperson Accreditation Program introduced in response to the coronavirus pandemic travel restrictions.
- Implement the revised Shipboard Stockperson Accreditation Program framework.
- Support skills and capability development in the next generation of talented people in the industry.

Digital transformation

- Design, develop and implement a digital transformation strategy to enable efficiency, integration and standardisation in the collection of data for insights, analytics and reporting.

- Develop the infrastructure and tools – specifically LIVEXCollect for ASEL 3.0 and initial animal welfare indicators – to support adoption of the digital transformation strategy.
- Develop business cases and trial software and tools for data collection, analytics and reporting to support exporters to meet regulatory obligations and investigate opportunities to provide commercially relevant products and insights.

OUTCOMES IN 2020-21

- Livestock exporters have access to shipboard stockpeople trained in best practice animal handling, husbandry and ASEL 3.0 requirements.
- The LIVEXCollect data collection system is designed, developed and adopted by industry to enable standardisation and reporting of animal health and welfare data.

Communications Program

PURPOSE

To provide the effective transfer of information to exporters, industry stakeholders and government on research and marketing activities undertaken by LiveCorp. The Program also supports the industry response to community sentiment by developing communication materials that provide information and visibility in areas where there are concerns and encourage the adoption of research by exporters which addresses those concerns.

PROPOSED ACTIVITIES

- Continue the community sentiment research, a three year project, and support the industry to demonstrate and communicate to the community its commitment to animal health and welfare throughout the supply chain.
- Develop informative materials and publications to support increased awareness and understanding of industry practices, requirements and regulations.
- Develop valuable resources and participate in select events to communicate to exporters and stakeholders on LiveCorp's marketing and research activities and the outcomes and outputs of RD&E to encourage extension and adoption.
- Oversee delivery of the LEP communications strategy.

OUTCOMES IN 2020-21

- Communication materials and resources developed enable the industry to raise community knowledge and awareness of those aspects of acceptance identified from the first year of the community sentiment research.
- Livestock exporters and stakeholders are informed of LiveCorp's activities and research and development projects.

Key Performance Indicators

Description	Measure
Member consultation and engagement	75% of members contributing to 80% of export levies are consulted at least twice in 2020-21
Access to reliable industry data	LIVEXCollect is used by 80% of active exporters
Member satisfaction with market access activities	There is continued member support and demand for LiveCorp's input and technical advice in the development of market access opportunities
Livestock export in Industry is aware of the new regulatory framework under ASEL 3.0	100% of members and stockpeople are provided with access to training resources and materials on the new regulatory requirements under ASEL 3.0
Improved visibility of R&D	Recent and current R&D projects are accessible on the new LiveCorp website by 31 December 2020
Community acceptance	Year on year improvement in knowledge and awareness of the livestock export industry

LiveCorp Investment 2020-21

INCOME (\$'000)			
Source	Marketing	Research	Total
Export levies	2,932	587	3,519
Other sources	1,090	—	1,090
Total income	4,022	587	4,609
EXPENDITURE (\$'000)			
Expense	Marketing	Research	Total
Exporter Program	1,151	26	1,177
Services and Innovation Program	727	—	727
Industry Capability Program	942	—	942
Communications Program	754	—	754
Corporate Operations	993	—	993
Livestock Export Program	750	550	1,300
Total expenditure	5,317	576	5,893
Total	(1,295)	11	(1,284)

The Livestock Export Program

LiveCorp, jointly with MLA, invests in the Livestock Export Program (LEP) which funds research and development to improve animal health, welfare and productivity throughout the livestock export supply chain; and livestock export market activities to support the growth, productivity improvements and sustainability of the livestock export industry.

THE LIVESTOCK EXPORT PROGRAM

LEP Investment

The investment into the LEP is directed through the following MLA managed programs:

- **Market access** – the market access program aims to defend existing favourable access conditions, position Australia favourably in trade negotiations and alleviate technical trade barriers.
- **International market insights** – the insights program monitors market trends, competitors and media and collects, analyses and interprets the signals into insights. The insights allow the red meat industry to anticipate and respond to future opportunities and disruption.
- **Livestock export market activities** – the export market activities program is delivered through the following two product groups:
 - ~ **Livestock export animal welfare** – this product group supports industry to identify and mitigate welfare risks and implement adoption of best practice welfare systems and innovations.
 - ~ **Livestock export productivity gains** – this product group joins the improvement of supply chain productivity and efficiency with business development to improve operator competitiveness and trade sustainability.
- **Livestock export research and development** – the livestock export R&D program provides industry with the tools, technologies, knowledge and capability to improve their productivity, profitability and sustainability at an individual business and industry level.

LEP Investment by Funding Source 2020-21 (\$'000)

	LiveCorp \$	MLA \$	Govt. \$	Total M\$	Total R\$	Total \$
Livestock export market activities	750	3,315	–	4,065	–	4,065
Livestock export research and development	550	558	1,108	–	2,216	2,216
Total	1,300	3,873	1,108	4,065	2,216	6,218

LEP RD&E Program

The research conducted by the LEP RD&E Program is targeted at progressively identifying, understanding and seeking to resolve key animal welfare risks, market access issues or supply chain inefficiencies. This is done through projects to gather and analyse data, build knowledge and capability, increase productivity and fill gaps in understanding, and develop, trial and implement practical extension outputs.

Investments made by the LEP RD&E Program are guided by the RD&E Blueprint. This was recently developed after extensive consultation with producers and livestock exporters to provide visibility and clarity on the industry's priorities for funding.

PROPOSED CORE INITIATIVES

Animal welfare

- Support ongoing research and standard data collection, scoping studies and adoption to improve heat load management during shipping and in-market in the Middle East.
- Identify economic and non-invasive animal welfare measures.
- Collect data on and assess the farm-level influences and pre-ship boarding factors that affect animal welfare.
- Improve understanding of, and identify effective controls for, animal health and welfare risks that operate along the supply chain, including in overseas markets, along with timely prevention management strategies.
- Conduct research on strategic issues to reduce welfare risks.
- Facilitate better stunning outcomes through the uptake and use of industry-leading tools and practices.
- Continue research in bedding management and stocking densities on board livestock vessels and identification of on-board environmental monitoring technologies that support animal welfare indicators.

THE LIVESTOCK EXPORT PROGRAM

- Support industry extension and adoption of best practice systems and procedures to achieve continuous improvements in animal welfare and mitigate risk of trade closure.

Productivity gains

- Support the implementation of the Livestock Global Assurance Program (LGAP) and other initiatives that enhance and secure animal welfare and sustainability of the trade.
- Improve information recording and facilitate automation of data collection.
- Support adoption of practices to improve livestock performance through the livestock export supply chain.

Market access

- Enable and support better risk assessment and risk management across regions, species and environmental factors to support a risk-based regulatory approach.

KEY PERFORMANCE INDICATORS 2020-21

1. Deliver an IT Conformance System to support Livestock Global Assurance Program (LGAP) implementation and complete required research for control and traceability.
2. Complete the roll out of the new systems and processes developed from the LEP research, development and extension review recommendations.
3. Complete winter trials for a salmonella vaccine.
4. Continue to invest in research projects that improve and manage heat stress, bedding and stocking densities during shipping and in respective destination markets.
5. Animal welfare surveillance framework adopted and refined according to outcomes from the animal welfare indicators research and in line with the ASEL 3.0 reporting requirements.

LEP In-Market Program

The LEP operates across three key livestock export regions – Indonesia; the Asia Pacific; and Europe, the Middle East and North Africa (EMENA).

Operating environment

The current operating environment contains a number of challenges, the most significant being the highly uncertain economic environment caused by the COVID-19 pandemic, but also widespread trade protectionism and increasing competition from other red meat suppliers. At the same time, Australian supply is constrained as the herd and flock recover from widespread drought. However, the demand outlook is positive, underpinned by growth in population and household wealth in the developing markets of Asia, and boosted in the immediate term by African Swine Fever's impact on global pig herds.

Indonesia

As the largest trading partner for Australian cattle exports, Indonesia remains a primary focus for the LEP. The implementation of the Indonesia-Australia Comprehensive Economic Partnership Agreement (IA-CEPA) will provide Australian and Indonesian businesses an opportunity to expand and diversify the economic partnership. There is growing pressure from expanded market access to other countries, such as imported frozen Indian buffalo meat, Brazilian beef and the potential for live cattle from Central and South America which will require continued monitoring and improvement to the competitiveness of Australian beef and live cattle products.

Asia Pacific

Vietnam, while a relatively young market for Australian livestock exports, is growing in importance. The LEP is partnering with lotfeeders and abattoirs to increase local capability and consolidate

THE LIVESTOCK EXPORT PROGRAM

supply chains, creating opportunities to value add and/or differentiate beef produced from locally processed Australian cattle. In addition to Vietnam, the LEP Asia Pacific in-market program incorporates Malaysia, Brunei, Cambodia, Thailand, Japan, the Philippines and China.

Europe, Middle East and North Africa (EMENA)

The restrictions to summer shipping have changed the livestock trade indefinitely. The reduction in trading capacity from Australia is shifting market share to other countries and products, such as live sheep from South Africa and chilled carcase exports from Australia, Africa, Europe, New Zealand, India and Pakistan.

A continual focus for the LEP remains on managing climatic conditions and feedlot morbidity and mortality as well as ensuring market access and competitiveness of Australian livestock.

PROPOSED CORE INITIATIVES

Animal welfare

- Support industry to identify and mitigate welfare risks and implement adoption of best practice welfare systems and innovations.
- Through the Exporter Co-Funding Program, support commercial participants in developing and implementing strategic welfare and productivity improvements.

Productivity gains

- Support improvement of supply chain productivity and efficiency with business development to improve operator competitiveness and trade sustainability.
- Deliver events, trade shows, seminars and other communications that educate customers and drive positive awareness, attitudes and behaviours towards Australian red meat and livestock.

Market access

- Support industry to mitigate market access risks through monitoring access conditions and prioritising initiatives to reduce non-tariff barriers to trade.
- Develop and foster key relationships to support industry priorities and market access activities.

Market insights

- Provide regional market insights to support market investment and business decision making.

KEY PERFORMANCE INDICATORS IN 2020-21

1. Produce two case studies per country or region, which relate to LEP programs, have provided insights and result in a direct impact on government/industry policy.
2. Produce two case studies per country or region which relate to LEP programs, have improved industry's ability to maintain existing market share position or increase the industry's competitiveness.
3. Two major supply chains per country or region undertake adoption of industry research and development (R&D) or direction of investment in R&D from market insights.
4. Successful adoption of the Livestock Global Assurance Program (LGAP), assessed by >80% of eligible Tranche 1 facilities signing onto the program.



Alignment of Objectives

Strategic direction is taken from the LiveCorp Strategic Plan 2025, Red Meat 2030, and the Australian Government's Science and Research Priorities and its Rural Research, Development and Extension Priorities.

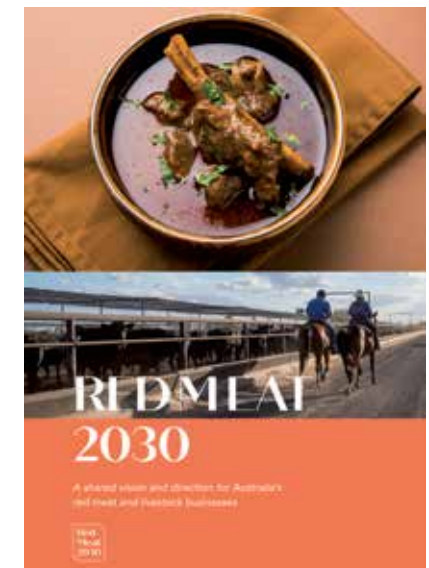
ALIGNMENT OF OBJECTIVES

Red Meat 2030

Red Meat 2030 is the overarching framework that sets the collective strategic direction for the Australian red meat and livestock industry. All industry signatories to the Red Meat Memorandum of Understanding (MoU) have formal obligations for the implementation of Red Meat 2030.

The Red Meat Advisory Council (RMAC) coordinates the development of the plan while the industry's service companies, LiveCorp, MLA and the Australian Meat Processor Corporation (AMPC), work with their respective peak industry councils to implement it.

FOR FURTHER DETAILS SEE TABLE 1 ON PAGE 38.



Australian Government National Science and Rural Research, Development and Extension Priorities

The Government has established a set of nine National Science and Research Priorities, and corresponding Practical Research Challenges designed to ensure that appropriate levels of public funding are allocated to research that addresses the most immediate and critical areas of importance to Australia.

The Government's Rural RD&E Priorities are designed to complement the National Science and Research Priorities. The Rural RD&E Priorities target rural RD&E funding to deliver tangible and sizeable on-farm benefits that improve farm gate returns. While these agriculture priorities do not cover all of the important issues facing primary industries, they are the highest priority research areas.

The primary objective of LiveCorp and LEP RD&E investment is to improve and implement best practice animal health and welfare outcomes as directed by LiveCorp's Constitution and FA. Investment will be made, where possible, into areas that align with the Government's Research Priorities.

FOR FURTHER DETAILS SEE TABLE 2 ON PAGE 39.

LIVECORP'S ALIGNMENT TO RED MEAT 2030 OBJECTIVES		Programs in 2020-21							2020-21 Investment (\$M) LiveCorp exporter levies
		Exporter program	Industry capacity program	Services and innovation program	Communications	Corporate operations	Livestock export program – in-market	Livestock export program – RD&E	
Our people				✓	✓	✓	✓	✓	0.395
	People see being part of the Australian red meat and livestock industry as attractive now and into the future.								
Our customers, consumers and communities		✓	✓		✓	✓	✓		0.659
	People feel good about eating Australian red meat. Our customers, consumers and communities recognise the vital role our industry plays in food production and food security, and trust us to deliver high value, high quality products.								
Our livestock		✓	✓	✓	✓	✓	✓	✓	1.629
	We set the standard for world class animal health, welfare, biosecurity and production practices.								
Our environment		✓			✓	✓			0.597
	We demonstrate leadership in sustainability, delivering on community expectations in the areas of land, water, biodiversity, climate variability and biosecurity								
Our markets		✓	✓		✓	✓	✓	✓	0.987
	We improve the economic resilience for our industry by increasing access to, and the performance of existing and new markets.								
Our systems		✓	✓	✓	✓	✓	✓	✓	1.625
	We are a trusted brand because of our integrity systems, built on trust and respect that supports strong partnerships and sharing of information, reducing unnecessary industry and government regulation.								

TABLE 1: ALIGNMENT OF LIVECORP'S PROGRAMS TO RED MEAT 2030

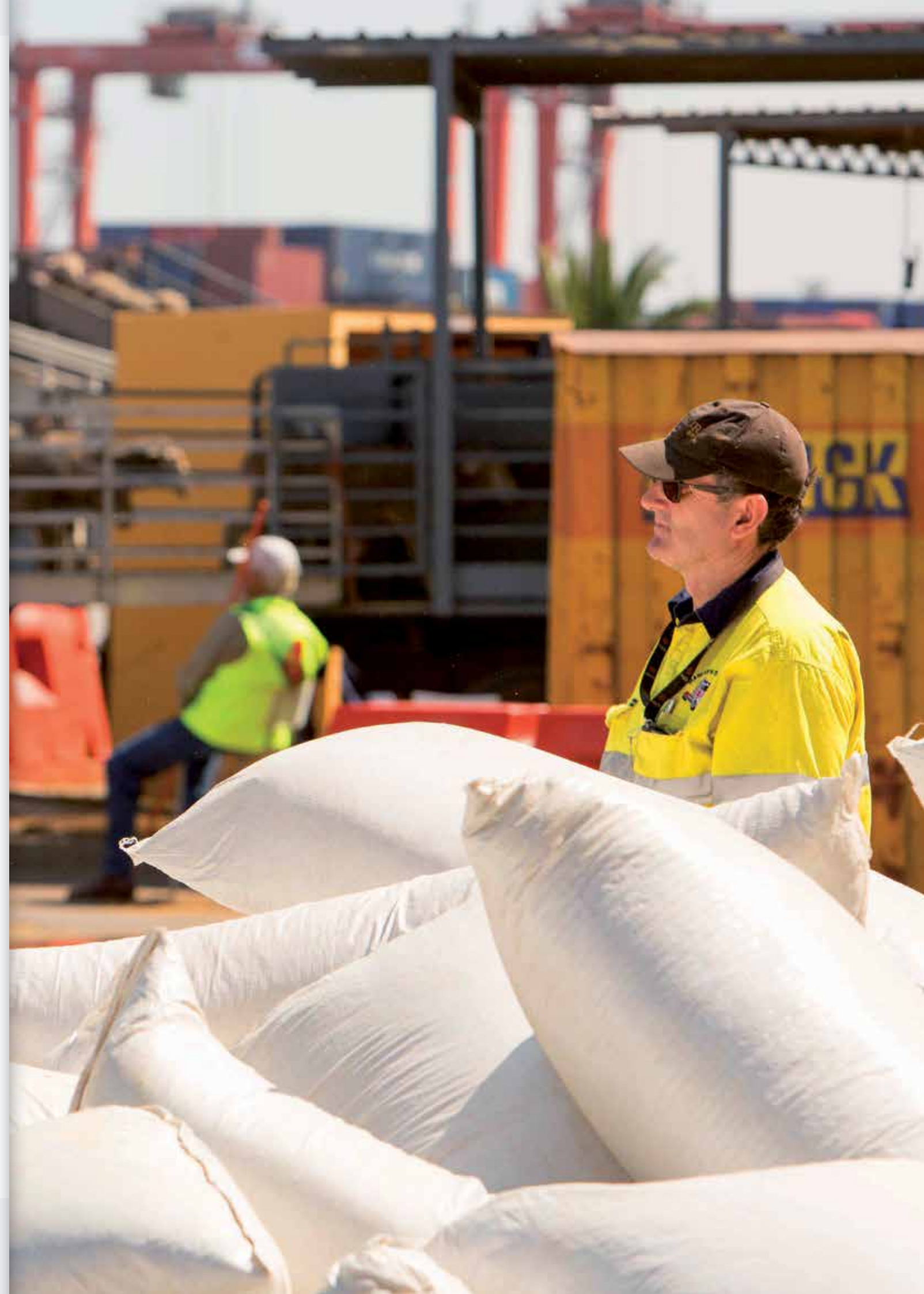
LIVECORP'S ALIGNMENT TO AUSTRALIAN GOVERNMENT RESEARCH PRIORITIES		Programs in 2020-21		
		Animal health and welfare	Supply chain efficiency	Market access
National Science and Research Priorities				
Food		✓		✓
Soil and Water				
Transport		✓	✓	
Cybersecurity				
Energy				
Resources				
Advanced Manufacturing				
Environmental Change				
Health				
Rural Research, Development and Extension Priorities				
Advanced Technology		✓	✓	
Biosecurity				✓
Soil, Water and Managing Natural Resources				
Adoption of R&D		✓	✓	✓
2020-21 Investment Total Research (\$M)		Total \$		
LiveCorp exporter levies*		0.416	0.116	0.044

*before matching dollars by the Australian Government

TABLE 2: ALIGNMENT OF LIVECORP'S RESEARCH INVESTMENT TO THE AUSTRALIAN GOVERNMENT'S RESEARCH PRIORITIES

List of Abbreviations

ALEC	Australian Livestock Exporters' Council
AMPC	Australian Meat Processor Corporation
ASF	African Swine Fever
AOP	Annual Operational Plan
ASEL	Australian Standards for the Export of Livestock
CRRDC	Council of Rural Research and Development Corporations
EAN(s)	Export Advisory Notice(s)
EMENA	Europe, Middle East and North Africa
ESCAS	Exporter Supply Chain Assurance System
FA	Funding Agreement
HSRA	Heat stress risk assessment
IA-CEPA	Indonesia-Australia Comprehensive Economic Partnership Agreement
IGLAE	Inspector-General of Live Animal Exports
LEA(s)	Livestock Exporter Association(s)
LEP	Livestock Export Program
LERDAC	Livestock Export Research and Development Advisory Committee
LGAP	Livestock Global Assurance Program
LiveCorp	Australian Livestock Export Corporation Limited
MLA	Meat & Livestock Australia
MoU	Memorandum of Understanding
NAMP	National Arbovirus Monitoring Program
PIC(s)	Peak Industry Council(s)
R&D	Research and Development
RD&E	Research, Development and Extension
RDC(s)	Research and Development Corporation(s)
RMAC	Red Meat Advisory Council





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