

2021-22

Annual Operational Plan

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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, 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.

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 2021-22

The Australian livestock export industry provides nutrition and food security in its key markets. It increases the ability of other countries to expand their livestock production capacity, as well as fostering employment opportunities and providing education and training across the whole supply chain.

In Australia, the industry provides jobs on and off farm, especially in rural and remote regions. It also supports livestock prices through increased competition, and provides a market in times of high turn-off, helping to protect the environment.

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 opportunities and challenges identified and expected for the 2021-22 operating period.

COVID-19

The livestock export industry has been deemed an essential service and continues with modest impacts from coronavirus. However, restrictions on international travel to most countries remain.

This requires shipboard personnel to return on the empty ships and undertake mandatory quarantine once back in Australia. It severely affects face-to-face visits and representations in-market, and by international delegations to Australia. Ensuring training, auditing and traceability systems are continuing to operate to their highest potential also remains a challenge.

Supply and price of livestock

The Australian herd remains at historically low levels. Above average seasonal conditions forecast for the latter half of 2021 have reduced slaughter rates and encouraged re-stocking, which will likely see the prices for finished, young and breeder stock remain high. The margin on feeder cattle exported overseas remains slim, reducing demand from some key partners such as Indonesia.

Maintaining relationships overseas remains vital, particularly in price sensitive markets, and LiveCorp will support ongoing dialogue with industry and governments regarding the price drivers in Australia.

Almost two million sheep were transferred from Western Australia to the eastern states in 2020, reducing the size of the WA flock, while restrictions on shipments of

live sheep to the Middle East during the Northern Hemisphere summer remain a challenge for the industry to navigate.

A subsidy on Australian sheep meat and live sheep in Qatar was removed on 1 January 2021, which has virtually doubled the cost of Australian fresh lamb and reduced demand in this market.

Government reviews

The Department of Agriculture, Water and the Environment (the department) has commenced its first annual review since releasing the Australian Standards for the Export of Livestock (ASEL) version 3.0. In addition, there are reviews underway by the Inspector-General of Live Animal Exports, and into the sea transport of *Bos taurus* cattle.

It is anticipated these reviews, along with additional unforeseen reviews, will require technical input and/or resource support from LiveCorp.

Regulatory reform

In the 2018-19 federal budget there was a government decision to start recovering costs for a range of regulatory activities provided to exporters, including live animal exporters, which government had previously been funding. In light of the staged approach outlined in the Live Animal Export Cost Recovery Implementation Statement (CRIS) to achieve full cost recovery by 2023-24, regulatory reform has been identified as a key priority for both industry and government.

Following a series of joint industry and government 'regulatory reform roundtable' meetings, a range of initiatives have been identified to streamline livestock export regulation, certification and approval processes to deliver cost savings. While the department has taken ownership of the suite of projects agreed under the roundtable process, several will require LiveCorp expertise and resources in a co-design approach to ensure regulatory and business needs are aligned. This applies particularly in the area of data, where LIVEXCollect is already operating but will undergo further development and refinements over 2021-22.

Climate change

There is increasing debate over greenhouse gas emissions from agriculture, particularly livestock, and about the potential for the sector to contribute to mitigation of climate change.

LiveCorp supports the commitments of the red meat industry and broader agricultural community to reduce carbon emissions over coming years, and recognises international moves to convert ships to low-sulphur fuel.

Market access

With limited supply and high prices for livestock, and continuing economic impacts from COVID-19 in many countries, the focus has shifted from opening new markets to maintaining access to existing ones.

Promoting the benefits of Australian livestock will be important, as existing competition from Indian buffalo meat and boxed beef increases, and our partners explore opportunities to source cattle from Brazil and Mexico.

Many markets are reviewing existing health protocols for disease risk and management, and increased non-tariff barriers (import bias, entry restrictions and permits/quotas) are expected during the international economic recovery process.

Understanding that many markets are price-sensitive, LiveCorp continues to support exporters to communicate the changes and challenges in the Australian livestock production cycle to their importing partners.

LiveCorp also continues to work closely with industry and the department to support market access, particularly through the Protocol Committee. Negotiations will continue throughout 2021-22 with key markets such as China, the Eurasian Economic Union and Japan.

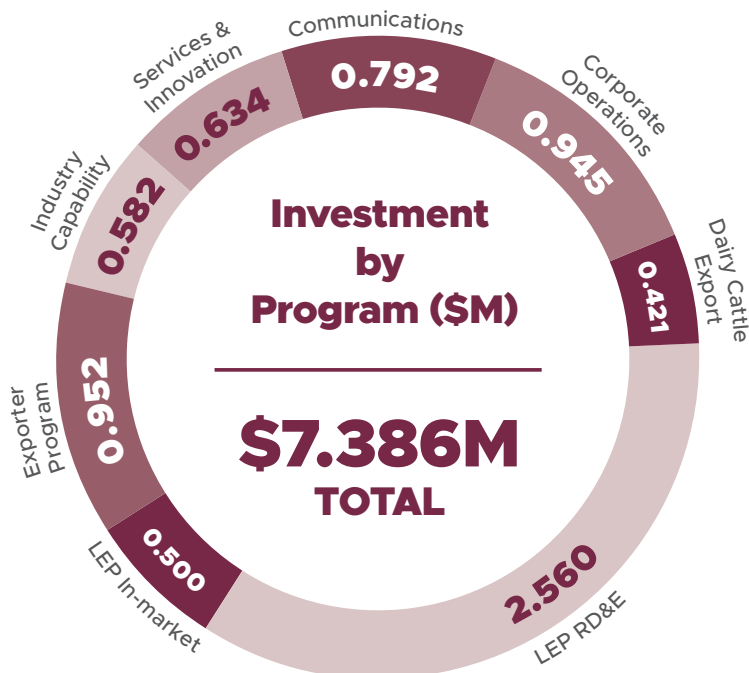
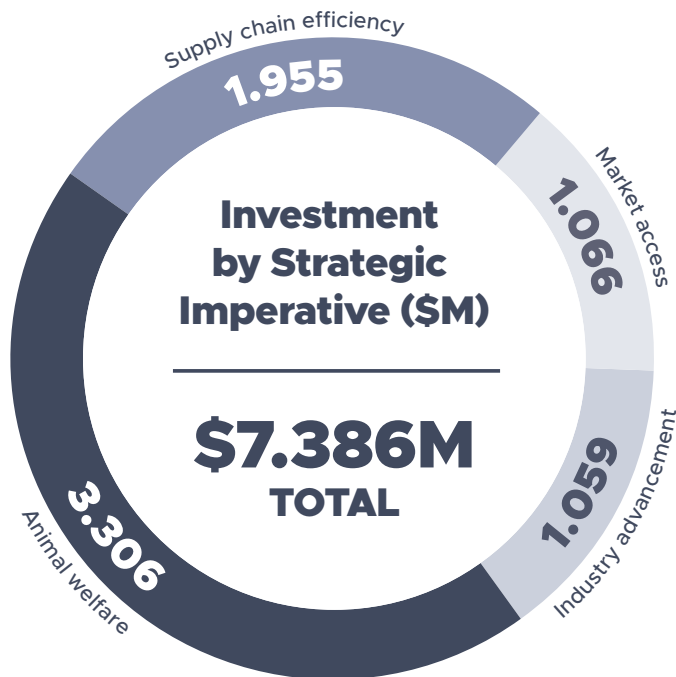
Community sentiment

The livestock export industry has a complex relationship with the Australian community. Many people recognise its economic contribution to regional communities in Australia, and to helping families in overseas countries gain access to safe and affordable meat. However, animal welfare outcomes in particular are under constant scrutiny – by the regulator, animal welfare groups, the community and industry participants themselves.

LiveCorp will continue its multi-year project to understand community sentiment, using the findings to develop information that addresses public concerns and fosters a better understanding of the industry, and to support supply chain participants to tell their own stories.

Budget Summary

In 2021-22 LiveCorp's investment in research, development and marketing activities is forecast to be \$7.386 million.



Levy rates

LiveCorp is funded by statutory levies on the export of live beef and dairy 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:

LEVY RATES (\$)			
	Marketing	Research	Total
Beef cattle (per kg)	0.007936	0.001587	0.009523
Dairy cattle (per head)	5.00	1.00	6.00
Sheep (per head)	0.50	0.10	0.60
Goats (per head)	0.40	0.10	0.50

The levies 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.

SECTION 02

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.

STRATEGIC IMPERATIVES

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.

SECTION 03

Program Delivery

LiveCorp focuses its research and marketing activities and investment across a suite of programs to deliver its AOP.

Image provided by The Livestock Collective.

Our programs

LiveCorp Programs

LiveCorp's programs are focused on delivering the Strategic Plan 2025 and addressing key issues facing members and the livestock export industry, including sustainability, competitiveness, capability, capacity and performance.

The LiveCorp Programs are supported by an industry-wide consultation process which 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 22

The Livestock Export In-market Program

LiveCorp and Meat & Livestock Australia (MLA) jointly invest in the Livestock Export Program (LEP). This leverages both exporter and producer levies, as well as government matching of expenditure for eligible research, development and extension (RD&E) projects.

There is an LEP RD&E Program and three LEP in-market programs. On 3 May 2021, LiveCorp assumed the management and administration of the LEP RD&E Program. MLA continues to manage and administer the in-market programs. The programs jointly aim to achieve 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 in livestock destination countries.

FOR FURTHER DETAILS SEE PAGES 31 AND 36

Our Approach

Research, development and extension

The purpose of the LEP 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.

LiveCorp directs its investment through the LEP via a donor arrangement with MLA to obtain matching contributions on research expenditure from the Australian Government and maximise the return on research dollars received from exporter levies. LiveCorp is responsible for the administration and management of the LEP RD&E Program.

The Program has a strong focus on delivery and accountability, with strict processes, structures and reporting in place to demonstrate value returned on investment. The Program uses a skills-based industry consultative committee, with both producer and exporter representatives overseen by an independent Chair, which serves as a sounding board to ensure projects are aligned with both industry priorities and community expectations.

RD&E Blueprint

The RD&E Blueprint, released in June 2020, is the strategic document that guides decision-making to ensure RD&E 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**

PROGRAM DELIVERY

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 Program 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. This collaboration extends across open innovation partnerships, federal government grant programs, and national monitoring programs that include all production sectors, State, Territory and Commonwealth agencies.

Cross-sectoral engagements include LiveCorp's participation in the Council of Rural Research and Development Corporations; 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.

LiveCorp is also a founding member of Agricultural Innovation Australia (AIA). Established in 2020, it seeks to facilitate investment from public, private and not-for-profit entities to address agricultural issues of national importance in Australia.

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 (eg Annual General Meeting) with levy payer members, 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 its Funding Agreement with the Australian Government.

In 2020, LiveCorp engaged an independent organisation to undertake a comprehensive review of its performance, including:

- meeting its obligations under the Funding Agreement 2017-21
- 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.

The LiveCorp Performance Review 2016-2020 showed that the company was managed effectively, provided value for money, consulted widely with its members, and complied with all its obligations, especially given the number of inquiries, reports and reviews within the period examined.

PROGRAM DELIVERY

Four recommendations were made to improve LiveCorp's performance, which were accepted in full.

LiveCorp has since signed a new Funding Agreement, covering the period 2021-31. It outlines five principles against which LiveCorp is required to monitor and evaluate its performance.

- To engage stakeholders to identify RD&E priorities and activities that provide benefits to the Industry
- To ensure RD&E priorities and activities (and marketing activities) are strategic, collaborative and targeted to improve profitability, productivity, competitiveness and preparedness for future opportunities and challenges through a balanced portfolio
- To undertake strategic and sustained cross-industry and cross-sectoral collaboration that addresses shared challenges and draws on experience from other sectors
- For governance arrangements and practices to fulfil legislative requirements and align with contemporary Australian best practice for open, transparent and proper use and management of funds
- To demonstrate positive outcomes and delivery of RD&E and marketing benefits to levy payers and the Australian community in general, and show continuous improvement in governance and administrative efficiency.



Image provided by The Livestock Collective.

SECTION 04

LiveCorp Programs

LiveCorp Programs are focused on addressing key issues facing members and the livestock export industry and outlined in the Strategic Plan 2025, including sustainability, competitiveness, capability, capacity and performance.

Exporter Program

PURPOSE

The Exporter Program facilitates and coordinates issues management, consultation and specific animal welfare related initiatives. It is also the main source for regular consultation with the department regarding regulatory reform and reviews, and with ALEC on new and emerging industry issues, policy support and reform implementation.

PROPOSED ACTIVITIES

- Consult with ALEC as the peak industry council on industry priorities, issues, planning and policy direction and implementation.
- Participate in and contribute to industry-government roundtables and working groups to bring about improvements and efficiencies in the industry's regulatory processes, such as the Livestock Export Government and Industry Regulatory Committee.
- Identify and respond to key emerging sensitivities and issues for market access and the supply chain, and provide technical advice.
- Coordinate and participate in meetings of the Strategic Response Group and undertake simulation exercises.
- Engage with the LEP on priority in-market projects regarding stunning, Mark IV boxes, wet markets and heat load management.
- 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).
- As a founding member of Agricultural Innovation Australia, support joint investment and collaboration in cross-industry agricultural issues of national importance.

OUTCOMES IN 2021-22

- LiveCorp and ALEC are aligned and coordinated on industry priorities.
- Improvements and efficiencies in the livestock export regulatory framework are identified and implemented.
- Strong relationships are maintained with ALEC, the department and other stakeholders.
- The Strategic Response Group maintains its ability to act effectively in the event of an industry crisis.

Industry Capability Program

PURPOSE

The Industry Capability Program provides technical advice to support improvements and efficiencies in the livestock export regulatory framework, and provides services, support and advice to assist in implementing regulatory reforms.

It also works to 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

- Prepare submissions to industry and government reviews, including for *Bos taurus* cattle sourced from southern Australia during export by sea and the Australian Standards for the Export of Livestock (ASEL) 3.2.
- Conduct analysis and provide technical advice to industry bodies and the department to support regulatory reform and effective and scientifically informed regulation.
- Support implementation of changes to the regulatory and legislative frameworks.
- Review ad-hoc regulatory updates from the department and provide technical advice (e.g. Approved Arrangements guidelines and Export Advisory Notices).

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.
- Provide exporters with technical support and advice on export certification, market access and the department's negotiation and policy activities

LIVECORP PROGRAMS

OUTCOMES IN 2021-22

- LiveCorp's technical advice and submissions to industry and government reviews are well informed and support best practice animal welfare.
- Preferential market access for Australian livestock is maintained and developed.

Services and Innovation Program

PURPOSE

The Services and Innovation Program supports industry sustainability and capability through skills development and training programs that equip stakeholders with the knowledge to deliver superior animal welfare outcomes. The program also develops innovative systems and tools to create efficiencies and regulatory improvements.

PROPOSED ACTIVITIES

People, skills and capability development

- Deliver the Shipboard Stockperson Accreditation Program to provide key industry participants with training to achieve optimal animal welfare and regulatory outcomes on livestock vessels.
- Review and update the Shipboard Stockperson Training Program materials and resources to ensure they reflect current regulatory standards and training needs across the supply chain.
- Provide input into and implement recommendations from the review of industry training materials.
- Update the online ASEL Handbook application to reflect any changes to ASEL.
- Support skills and capability development in the next generation of people in the industry.
- Support the delivery, extension and adoption of key research outcomes, including the on-board veterinary kit and air export training.

Digital transformation

- Continue to progress LiveCorp's digital transformation strategy to enable efficiency, integration, and standardisation in collecting data for insights, analytics, and reporting.
- Administer and maintain the LIVEXCollect data system in line with the digital transformation strategy, including regulatory amendment and other routine updates as required.
- Investigate opportunities to include commercially relevant insights into LIVEXCollect, to support increased data analysis and utilisation by industry and exporters.

LIVECORP PROGRAMS

- Manage special grants to investigate the development of a LIVEXCollect digital application prototype.
- Support the implementation and maintenance of the updated Heat Stress Risk Assessment platform.

OUTCOMES IN 2021-22

- Livestock exporters have access to LiveCorp Accredited Stockpersons trained in best practice animal handling, husbandry and ASEL requirements.
- The LIVEXCollect data management system continues to improve standardisation of data collection to support meaningful animal health and welfare outcomes.
- Special grant funding is used effectively to investigate a LIVEXCollect digital application prototype.

Dairy Cattle Export Program

PURPOSE

Since 1 January 2021, LiveCorp has received a statutory levy on the live export of dairy cattle. This is a unique aspect of the industry, as the export of high value breeding animals involves different challenges and opportunities to the trade of feeder and slaughter cattle.

The Dairy Cattle Export Program has been introduced for 2021-22 in recognition of the statutory levy, to outline activities that promote on-going market access and best practice animal health and welfare outcomes.

Going forward, these activities will be incorporated into LiveCorp's established programs, recognising that many core services, research and marketing activities support the dairy trade.

PROPOSED ACTIVITIES

- Maintain regular dialogue with dairy cattle exporters and stakeholders to discuss market access priorities, protocol requirements, technical advice and issues management.
- Provide dairy cattle exporters with technical support and advice on animal health and welfare issues and regulatory requirements.
- Provide funding, representation and advice on the ongoing management of the National Arbovirus Monitoring Program to support market access.
- Engage with key stakeholders and representative groups, such as Dairy Australia and Australian Dairy Farmers, on opportunities to collaborate on key areas of investment or research in line with the RD&E Blueprint.
- Undertake a stocktake of all past projects and program activities and produce a publication for dairy producers and stakeholders.
- Provide technical input into industry and government reviews – eg *Bos Taurus*, ASEL 3.2 and IGLAE reviews.

OUTCOMES IN 2021-22

- Effective processes are developed to engage with key stakeholders in the dairy cattle export industry regarding priorities and activities for live exports.

LIVECORP PROGRAMS

- Strong relationships and on-going engagement exist between the livestock export industry and overseas and Australian governments, to establish market priorities and monitor in-market conditions.
- Australia's animal health systems and structures are efficient and effective in supporting market access and improving Australia's animal health reputation.
- Current market access is maintained and market access priorities are advanced.

Communications Program

PURPOSE

The Communications Program supports the effective transfer of information to exporters, industry stakeholders and the 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 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.
- Develop the program and deliver the 2021 LIVEXchange conference.

OUTCOMES IN 2021-22

- Communication materials and resources are developed to enable the industry to raise community knowledge and awareness of those aspects of acceptance identified from the community sentiment research.
- Livestock exporters and stakeholders are informed of LiveCorp's activities and research and development projects.
- LiveCorp's website provides a valued and well-utilised source of information and resources on RD&E and training for the livestock export industry.
- The LIVEXchange Conference in Darwin is successfully delivered in November 2021.

LEP RD&E Program

PURPOSE

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

Day-to-day management of the LEP RD&E Program has been transitioned out of MLA to LiveCorp. LERDAC will continue to provide strategic research advice and represent industry priorities and community expectations, with Management Committee (representing LiveCorp and MLA) providing oversight of the RD&E Program as the decision-making group.

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

PROPOSED ACTIVITIES

Animal welfare

- Support the implementation of the Livestock Global Assurance Program (LGAP) and other initiatives that enhance and secure animal welfare and sustainability of the trade.
- Identify economic, practical and non-invasive animal welfare measures.
- Standardise data collection to promote completeness of supply chain information, transparency and benchmarking.
- Develop a standardised monitoring and reporting framework to improve understanding of potential risks, and identify effective controls along the supply chain, including in overseas markets for animal health and welfare risks.
- Collect data on and assess the farm-level influences and pre-ship boarding factors that affect animal welfare.
- Better understand and aim to address public expectations of animal health and welfare across the supply chain.

- Improve the training environment to encourage uptake of leading animal health and welfare practices across industry.
- Continue research in bedding management and stocking densities on livestock vessels and identification of on-board environmental monitoring technologies that support animal welfare indicators.

Productivity

- Provide stakeholders with knowledge of trends, preferences and expected market requirements that can inform their business practices.
- Enable better risk assessment and risk management across regions, species and environmental factors to support a risk-based regulatory approach.

Extension and adoption

- Support industry extension and adoption of best practice systems and procedures to achieve continuous improvements in animal welfare and mitigate risk of trade suspension or closure.
- Drive adoption of tools and techniques for identifying and assessing animal health and welfare risks through the supply chain.
- Provide targeted communications regarding the UNE Project Partnership, animal welfare indicators and shipboard animal welfare surveillance (SAWS) projects.
- Communicate research, development and adoption outcomes and program performance to stakeholders.
- Support adoption of practices to improve livestock performance through the livestock export supply chain.

OUTCOMES IN 2021-22

- Animal welfare surveillance framework adopted and refined according to outcomes from the animal welfare indicator and SAWS research, and in line with ASEL reporting requirements.
- Livestock export animal welfare surveillance framework adopted by all exporters.
- A whole livestock export supply chain data audit completed and resulting recommendations presented to livestock export stakeholders.

LIVECORP PROGRAMS

- Investment in key research projects that improve and manage heat stress, bedding and stocking densities during shipping is continued and delivered in a timely manner.
- Industry stakeholders demonstrate increased awareness of current R&D activities and the avenues to contribute new research ideas.
- Undertake an economic analysis of regulation in the livestock export industry.
- Review and update the LEP RD&E Blueprint.

Key Performance Indicators

Description	Measure
Member consultation and engagement	75% of members contributing to 80% of export levies are consulted at least twice in 2021-22
Increased supply chain efficiency	LiveCorp's input and technical advice contribute to the identification and implementation of efficiencies in the livestock export supply chain, including by the regulator
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
LIVEXCollect app	A prototype is developed, investigating the feasibility of a LIVEXCollect digital application for data collection
Community acceptance	An improvement in knowledge and awareness of the livestock export industry is demonstrated in the second community sentiment survey
Awareness of LiveCorp's investment of levies in delivering against the Strategic Plan 2025	Key stakeholders demonstrate increased access to the website, e-newsletters and other communication materials developed by LiveCorp.
Management of the RD&E Program	Systems and procedures are established and embedded for the ongoing management of the program by LiveCorp.

LIVECORP PROGRAMS

LiveCorp Investment 2021-22 (\$'000)

INCOME			
Source	Marketing	Research	Total
Export levies	2,876	575	3,451
Other sources	708	2,010	2,718
Total income	3,584	2,585	6,169
EXPENDITURE			
Expense	Marketing	Research	Total
Exporter Program	926	26	952
Industry Capability Program	582	–	582
Services and Innovation Program	634	–	634
Communications Program	792	–	792
Dairy Cattle Export Program	421	–	421
Corporate Operations	945	–	945
LEP RD&E Program	–	2,560	2,560
LEP In-Market Program	500	–	500
Total expenditure	4,800	2,586	7,386
Total	(1,216)	(1)	(1,217)

LEP Investment by Funding Source 2021-22 (\$'000)

	LiveCorp \$	MLA \$	Govt. \$	Total M\$	Total R\$	Total \$
Livestock export research and development	550	730	1,280	–	2,560	2,560
Livestock export in-market activities	500	2,535	–	3,035	–	3,035
Total	1,050	3,265	1,280	3,035	2,560	5,595

Livestock Export In-market Program

Livestock export in-market activities are managed and delivered by MLA to support the growth, productivity improvements and sustainability of the livestock export industry.

LIVESTOCK EXPORT IN-MARKET PROGRAM

LEP In-Market Program

The livestock export in-market program is delivered by MLA 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.

The LEP in-market team operates across three key livestock export regions – Indonesia; the Asia Pacific; and Europe, the Middle East and North Africa (EMENA) – to support the growth, productivity improvements and sustainability of the livestock export trade for the benefit of both producers and exporters.

A shift in recent years from intensive industry compliance-related support to productivity, efficiency and business development focused work will continue. A major shift in 2021-22 will be an expansion of the LEP to a whole of supply chain focus, with particular emphasis on Australian producer stakeholders and linking the entire livestock export supply chain through data capture and sharing.

Operating environment

The current operating environment contains a number of challenges, the most significant being the ongoing uncertainty and trade difficulties caused by the COVID-19 pandemic, as well as widespread trade protectionism.

High livestock prices due to supply constraints as the Australian herd and flock recover from widespread drought are also pushing down already slim margins for many exporters and importers.

However, apart from some impact from COVID-19, the demand outlook remains 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 pig herds.

Indonesia

As the largest trading partner for Australian cattle exports, Indonesia remains a primary focus for the LEP.

Indonesia is sensitive to increases in livestock prices, and ongoing dialogue has been occurring around the livestock production cycle in Australia. 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 Mexico, which will require continued monitoring and a focus on improvements to the competitiveness of beef from locally processed Australian cattle.

Asia Pacific

Vietnam is continuing to grow as a market of importance for Australian livestock. The LEP partners with lotfeeders and abattoirs to increase local capability and consolidate supply chains, creating opportunities to value add and/or differentiate beef produced from locally processed Australian cattle. In addition, the LEP has been supporting moves by the Vietnamese Government to develop animal welfare regulations, including the promotion of stunning.

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)

Ongoing restrictions on shipments to the Middle East during the northern summer are shifting market share to other countries and products, such as live sheep from South Africa and chilled carcasses from Australia, Africa, Europe, New Zealand, India and Pakistan.

Qatar recently removed a government subsidy on live sheep and sheep meat imported from Australia, significantly increasing local prices and subduing demand. A reduction in passenger flights due to COVID continues to impact chilled meat supply to the region, so there has been increased reliance on domestic production and supply from neighbouring nations.

A continued focus for the LEP is gathering data on climatic conditions in feedlots, and ensuring market access and competitiveness of Australian livestock.

LIVESTOCK EXPORT IN-MARKET PROGRAM

CORE ACTIVITIES

The 'livestock export animal welfare' product group supports industry to identify and mitigate welfare risks and implement adoption of best practice welfare systems and innovations. One of the initiatives includes the co-funding program, which supports commercial participants in developing and implementing strategic welfare and productivity improvements.

The 'livestock export productivity gains' product group joins the improvement of supply chain productivity and efficiency with business development to improve operator competitiveness and trade sustainability.

KEY PERFORMANCE INDICATORS IN 2021-22

- Produce one livestock export program of work case study per region that has provided insights and impacted government/industry policy.
- Produce one program of work case study per region that showcases livestock export activities that have improved industry's ability to maintain existing market share or have contributed to industry's competitiveness.

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.

Image provided by The Livestock Collective.

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 have formal obligations for the implementation of Red Meat 2030.

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

FOR FURTHER DETAILS SEE PAGE 42.



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 Funding Agreement. Investment will be made, where possible, into areas that align with the Government's Research Priorities.

FOR FURTHER DETAILS SEE PAGE 43.

SECTION 06

LIVECORP'S ALIGNMENT TO RED MEAT 2030 OBJECTIVES		Programs in 2021-22						2021-22 Investment (\$M) LiveCorp exporter levies
		Exporter program	Industry capability program	Services and innovation program	Dairy cattle export program	Communications	Livestock export RD&E program	
Our people				✓		✓	✓	0.511
	People see being part of the Australian red meat and livestock industry as attractive now and into the future.							
Our customers, consumers and communities		✓	✓			✓		0.426
	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		✓	✓	✓	✓	✓	✓	0.963
	We set the standard for world class animal health, welfare, biosecurity and production practices.							
Our environment		✓				✓		0.258
	We demonstrate leadership in sustainability, delivering on community expectations in the areas of land, water, biodiversity, climate variability and biosecurity							
Our markets		✓	✓		✓	✓	✓	0.916
	We improve the economic resilience for our industry by increasing access to, and the performance of existing and new markets.							
Our systems		✓	✓	✓	✓	✓	✓	1.042
	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.							

ALIGNMENT OF OBJECTIVES

LIVECORP'S ALIGNMENT TO AUSTRALIAN GOVERNMENT RESEARCH PRIORITIES	Programs in 2021-22			
	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*		0.374	0.144	0.058

*before matching dollars by the Australian Government

List of Abbreviations

AIA	Agricultural Innovation Australia
ALEC	Australian Livestock Exporters' Council
AMPC	Australian Meat Processor Corporation
AOP	Annual Operational Plan
ASEL	Australian Standards for the Export of Livestock
EAN	Export Advisory Notice
EMENA	Europe, Middle East and North Africa
ESCAS	Exporter Supply Chain Assurance System
FA	Funding Agreement
HSRA	Heat stress risk assessment
IGLAE	Inspector-General of Live Animal Exports
LEA	Livestock Exporter Association
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	Peak Industry Council
R&D	Research and Development
RD&E	Research, Development and Extension
RDC	Research and Development Corporation
RMAC	Red Meat Advisory Council





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