

Annual report 2022–2023
The future face of meat processing





The Australian Meat Processor Corporation (AMPC) is the specialist Research and Development Corporation (RDC) for the red meat processing industry in Australia.

We are the red meat processing industry's trusted partner in innovation and our purpose is to invest in research and development and marketing initiatives that improve the competitiveness, profitability and sustainability of the industry.

Investments are funded by statutory levies, private contributions, and the Australian Government and are designed to deliver a range of benefits for the industry and the broader Australian community.

AMPC engages with leading research organisations and marketing providers and undertake joint activities with our value-chain partners to address the priorities of the red meat processing industry.

The annual report provides an overview of the financial year's activity as outlined in AMPC's Annual Operating Plan (AOP). The AOP is prepared yearly to guide the delivery of AMPC's long-term investment priorities and outcomes. The programs in the R&D portfolio have come from direct engagement with levy payers and the Australian Meat Industry Council.

Acknowledgement of Country

AMPC acknowledges Aboriginal and Torres Strait Islander peoples as the First Australians and pays respect to Elders past and present across all the lands on which we operate.

Contents

Chairman's report	2
CEO's report	4
Our industry	8
Our processors	9
Our vision and strategy	10
2022–2023 Year in review	11
Collaboration	12
Consultation	13
Our performance	14
Extension, engagement and communication	15

Our programs	22
Advanced manufacturing	22
Sustainability	26
People and culture	32
Technical market access and markets	38
Product and process integrity	42
R&D agreements 2022–2023	46
Beef production and livestock slaughter levies	48
Our organisation	49
Corporate governance statement	54

Financial report	57
Financial highlights	58
Directors' report	59
Auditor's independence declaration	62
Statement of profit or loss and other comprehensive income	63
Statement of financial position	64
Statement of changes in equity	65
Statement of cash flows	66
Notes to the financial statements	67
Directors' declaration	78
Independent auditor's report	79

John K Berry
Chairman



Chairman's report

It is my privilege to present AMPC's *Annual Report 2022-23* on behalf of the board and the team.

Operating environment

Over the past year, the operating environment has been challenging for the Australian red meat processing industry. A range of factors have contributed to this such as the spread between domestic livestock prices and the cost of finished product, which was compounded by significant levels of animal protein being available globally. The Australian industry also has significant challenges off the back of COVID in attracting and retaining people in a highly competitive labour market.

The good news is that we are seeing a rebuilding of the local herd in Australia, and we are well placed heading into 2024 to maximise opportunities in the domestic and international markets. On the labour front, the current Federal Government has addressed the significant backlog of visas, combined with the introduction of the Pacific Australia Labour Mobility Program (PALM), which has been used extensively by AMPC members.

Moving forward, AMPC's strong policy in relation to promoting career opportunities in the Australian red meat processing industry combined with the introduction of practical technology and innovation, provides AMPC members with opportunities to address productivity and cost competitiveness issues.

From a trade perspective, the Federal Government has had success in finalising the UK free trade deal and our industry is working with the Department of Agriculture, Forestry and Fisheries on the resolution of a range of technical factors which will support improved opportunities for producers and processors in the high-value UK market.

The Australian red meat industry is also actively working with the Federal Minister for Trade around a positive outcome around a workable and favourable EU free trade deal.

In terms of biosecurity, the Australian red meat industry has worked with both the federal and state governments on responses to support the Indonesian Government in their battle against Foot and Mouth Disease (FMD) and Lumpy Skin Disease (LSD). It is important to note that Australia has strong biosecurity systems and protocols in place to mitigate the risk associated with any incursion of animal disease along with world-leading individual animal identification and industry livestock systems. The industry along with AMPC is committed to continue to support these important initiatives in partnership with the Federal Government.

More to Meat campaign

The *More to Meat* campaign is a significant investment by AMPC in promoting the importance of red meat processing operations in local communities and their significant contribution to the local, state and national economies. The initial phase of the campaign has been extremely successful, and the next stage will be rolled out from late 2023. I encourage all AMPC members to be participate in this major AMPC initiative.

Governance

The AMPC Board has adopted a best practice approach to governance. Board elections are in late 2023 and elected directors can service a maximum of three terms. I look forward to the nomination of a strong list of qualified people to be considered for AMPC board roles and the opportunity to introduce the next generation of board members.

Over the past year, AMPC has continued to refine and adapt its investment portfolio to deliver value for its levy payer members in 2023-24.

The AMPC Board and CEO looks forward to the continued valuable input of members on areas for improvement in the AMPC investment portfolio in order to deliver services and value proposition to levy payers.

Strategy

During the year, we continued to focus on the strategic challenges and opportunities in the sustainability area for the red meat processing industry. This will be a continued focus for AMPC, working with our industry and research and technology providers, to deliver practical and cost-effective solutions to industry carbon emissions, water, energy, animal welfare and people safety issues. This will continue to be an area of focus and priority for AMPC.

As this is my last term as a Director of AMPC, I would like to pass on my appreciation to those I have worked with during my time with the company. AMPC has an important and valuable role in working with its members to address real-world issues through the delivery of practical and innovative solutions.



John K Berry
Chairman



Chris Taylor,
CEO



CEO's report

The past year has seen AMPC building on the success of its R&D portfolios which were brought to life at the 2022 AMPC Innovation Showcase event. We positioned ourselves for enhanced value delivery to levy payers and there was more focus on strategic opportunities.

Our investments are continuing to deliver strong value for levy payers and our latest program evaluation for investments showed a cost-to-benefit ratio of 5.1 which is an outstanding result.

Our 2023 levy payer engagement survey showed 69 per cent of processors are satisfied with AMPC's service delivery.

In October 2022 we hosted our inaugural *AMPC Innovation Showcase* at the Melbourne Showgrounds. It attracted more than 300 attendees over three days and was an opportunity for levy payers and stakeholders to experience over 40 cutting edge, innovative technology displays. There were several panel discussions held on topics such as market access and sustainability together with keynote speakers who pushed the audience to consider the future of red meat processing, and how to be prepared.

One initiative that I am immensely proud of is the industry's first ever regional reputational campaign, *More to Meat*. Underpinned by community sentiment research, we ran an integrated, multi-channel campaign in regional Australia highlighting the economic and employment contributions that Australian red meat processors make in these communities. The campaign was part of a program of work to reposition the red meat processing sector with the Australian public in regional areas. The results of the campaign saw positive shifts in attitudes towards the red meat processing industry. We will be continuing this important campaign in the coming months.

During the year we made changes to future-proof our R&D funding model following an independent review commissioned by the board. The new model increases the transparency of our funding decisions. We replaced the outdated Plant Initiated Projects funding model with a more flexible, transparent approach to funding that delivers better industry-wide outcomes, and it officially began on 1 July 2023.

A highlight of the year was continued strong engagement with our levy payers. I spent time visiting processors in the regions, discussing strategic priorities, and consulting on the changes to the funding model.

We established a newly created role — a General Manager Research, Development and Adoption and refreshed our operational R&D plans, ensuring resource allocation is consistent with levy payer expectations.

One concern often raised by levy payers is the lack of a balanced dialogue around the role of meat in society. And so we acted this year by hosting *The Good Meat Summit*, together with Meat and Livestock Australia, which brought nine scientists from around the world together in March 2023 in Sydney for a day-long summit to discuss the scientific evidence in support of red meat and livestock production in today's society. We look forward to progressing this important work into the future.

Financial performance

Over the year we have been adjusting portfolios to accommodate two years of lower levy income following decreased processing throughput.

There has been new activity in the marketing space through the *More to Meat* campaign and the AMPC Showcase.

We finished the year with a strong balance sheet within the Board's target reserves balance, and appointed an investment management firm to assist with investing our residual cash reserves.



Portfolio highlights

Advanced manufacturing

Our advanced manufacturing program aims to improve human product handling through technology advancement to reduce injury rates, maximise yield and improve processing efficiency.

The focus for the advanced manufacturing program over the year was on progressing foundational developments in carcase cutting, objective measurement, digitisation, and materials handling solutions. These developments embraced advancement in new technologies including artificial intelligence (AI), sensing, and robotics. The program has seen significant progress in automated and remote-operated developments including beef scribing, ovine intramuscular fat measurement, primal packing, and shadow robotics.

Our investment into advanced manufacturing has resulted in a world-first AI-driven automated beef scribing system being installed at Kilcoy Pastoral Company's processing plant.

Sustainability

Our sustainability program ensures Australian processors are recognised as global leaders in environmental stewardship and acknowledged as responsible businesses with positive economic and social impacts on their communities.

The focus for the sustainability program over the year was around the transition to clean energy in two areas. The first being the further development of capability around bioenergy adoption through the multi-fuel biomass boiler trials. The second being increased adoption of energy efficiency.

Our investment in sustainable fuel options has seen a multi-fuel biomass boiler delivered to several red meat processing sites for trials. The trials have been helping processors to reduce emissions by demonstrating multi-fuel biomass alternatives to the use of fossil fuel boilers.



People and culture

Our people and culture program ensures the processing sector is a diverse, safe and attractive industry for employment.

The focus for the people and culture program over the year was on delivering projects related to workforce, development, safety and wellbeing.

Our strategic investment in virtual reality training for red meat processors has resulted in it being made commercially available. Our virtual reality training provider has sold its first modules to a labour hire company for their use in training employees to work in red meat processing plants in Australia.

Technical market access and markets

Our technical market access and markets program ensures Australia is the preferred trading partner for premium red meat products globally.

The focus for the technical market access and markets program for the year has been on enhancing the international competitiveness of our meat exports by reducing regulatory burden on processors and improving market access conditions.

A risk management framework was developed to support the risk-based inspection requirements for *Cysticercus bovis* in the revised Australian standards.

Product and process integrity

Our product and process integrity program ensures the Australian red meat industry maintains and further enhances its international reputation for safe, sustainability-sourced wholesome red meat products.

The product and process integrity program's focus for the year has been on projects aimed at improving the traceability of meat products and providing scientific support for better options to demonstrate product integrity.

We are managing research into remote auditing. Remote auditing allows for various audits to occur remotely through the use of smart glasses technology that can live stream to an auditor or a vet located elsewhere.



Looking to the future

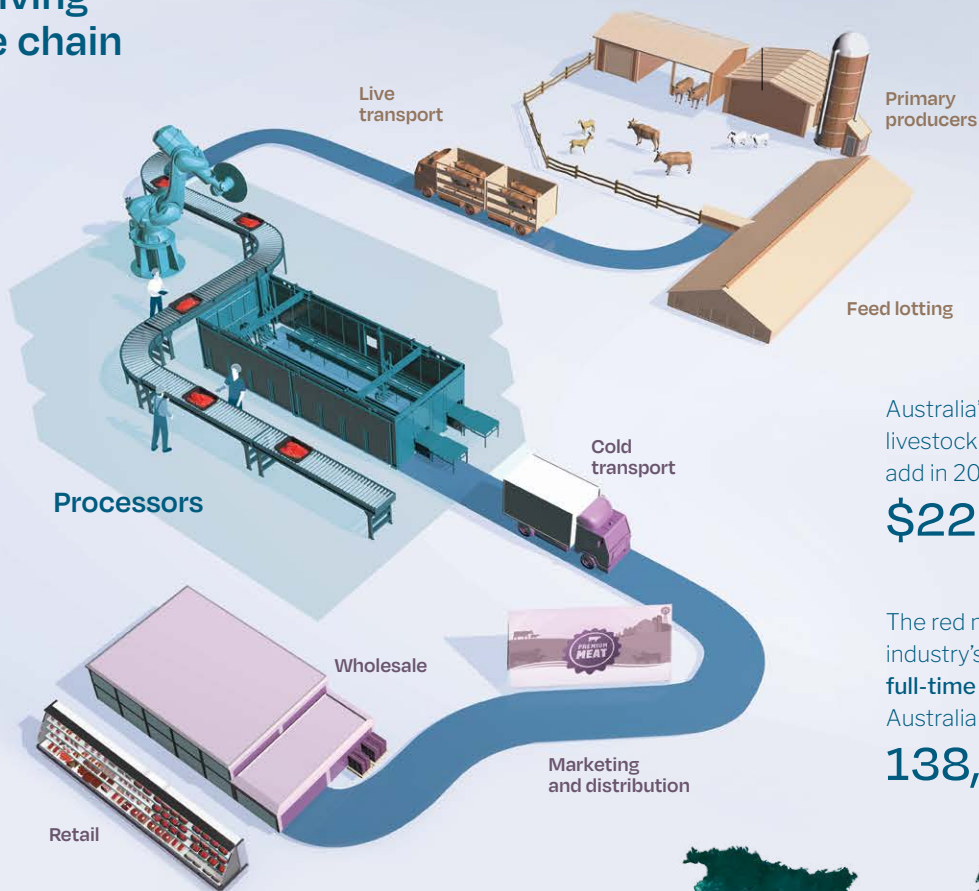
Our focus is on increased engagement with levy payers and to increase their participation in R&D activities. We will delivery value through supporting the adoption of R&D.

I want to thank AMPC employees, board, members, stakeholders, and research partners for the value we have delivered for the processing industry in Australia.

Chris Taylor
CEO

Our industry

A thriving value chain



Australia's red meat and livestock **industry value** add in 2021-22 was
\$22.5 billion

The red meat processing industry's contribution to **full-time employment** in Australia totalled more than
138,000 jobs

Nearly **80%** of red meat processing employment is **located outside of capital cities**

The red meat processing industry is estimated to **generate more than \$21 billion** in industry value added in 2020-21

Processors account for **29%** of total direct employment in the **agriculture, forestry, and fishing sector** in 2020-21

17.6 billion red meat and livestock **export value** in 2021-22

Australia is a **key exporter** in global red meat markets

Australia was the **world's largest** sheep and goat meat exporter in 2022

In 2022, Australia was the **fourth largest** beef exporter after Brazil, India and the USA

The red meat processing industry's total contribution to **household income** is estimated to be more than **\$7.6 billion**

Sources:

- MLA State of the Industry Reports 2022 and 2023
- Evaluating the socio-economic benefit of the red meat processing industry in regional Australia — [Read the full report on the AMPC website >](#)

Our processors

Australian red meat processors



110
processors

140
processing plants



Align with customers to maximise returns

- Processors have built a network of global and domestic customers that guarantees the industry's access to 100+ markets.
- With a view across the value chain, they help align the industry with customers to maximise returns.
- Processors find growth opportunities and diversify into niche areas, then work with producers to guide innovative product value-adds.

Make the supply chain work

- Without processors connecting all the complex moving parts, the supply chain would collapse.
- Processors navigate a web of requirements such as transparent labelling, integrity checks and trade rules.
- They lead on commercial issues, building relationships and taking on risks.
- They connect small businesses into the supply chain from the forklift operator to the freight driver.
- On the international stage, processors are critical in building trust in Australia as a reliable protein supplier.

Advance Aussie manufacturing in our regions

- Meat processors apply new technology and modern ways of manufacturing from their base in regional towns across Australia.
- For generations processors have been at the heart of regional communities, growing investment, employment and vibrant social bonds.



Significant Employers

- AMPC levy payers range in size from two to 2,000 employees
- Half the AMPC membership have more than 200 employees



Varied product focus

- a range of processing sizes and systems
- cattle processing is the most common activity, representing more than 80% of all member sites
- covering beef, sheep and goat



Geographically diverse

- processors are spread throughout Australia, particularly in rural and regional areas
- AMPC processors are primarily located in medium-sized rural areas of between 10,000 to 50,000 people, where they are typically one of the largest employers

Our vision and strategy



Our vision

The red meat processing industry's trusted partner in **innovation**.



Our mission

To drive world-class **innovation, adoption** and strategic **policy** development through genuine partnerships built on trust.



Our purpose

To enable Australia to build the most **competitive, profitable,** and **sustainable** red meat processing industry.

Strategic pillars and aspirations

The Strategic Plan 2020-25 contains five pillars.



Advanced manufacturing

Human product handling is halved through **technology advancement** to reduce injury rates, maximise yield and processing efficiency by 2030.



Sustainability

By 2030, Australian processors are recognised as **global leaders in environmental stewardship** and acknowledged as responsible businesses with positive economic and social impacts on their communities.



People and culture

By 2030, the processing sector is seen as a **diverse, safe,** and **attractive** industry of choice for employment.



Market access and markets

By 2030, Australia is the **preferred trading partner** for premium red meat products globally, with unrivalled access to high value markets.



Product and process integrity

The Australian red meat industry maintains and further enhances its international reputation for **safe, sustainably sourced wholesome** red meat products.

2022–2023 Year in review

AMPC's 2022-23 processor survey

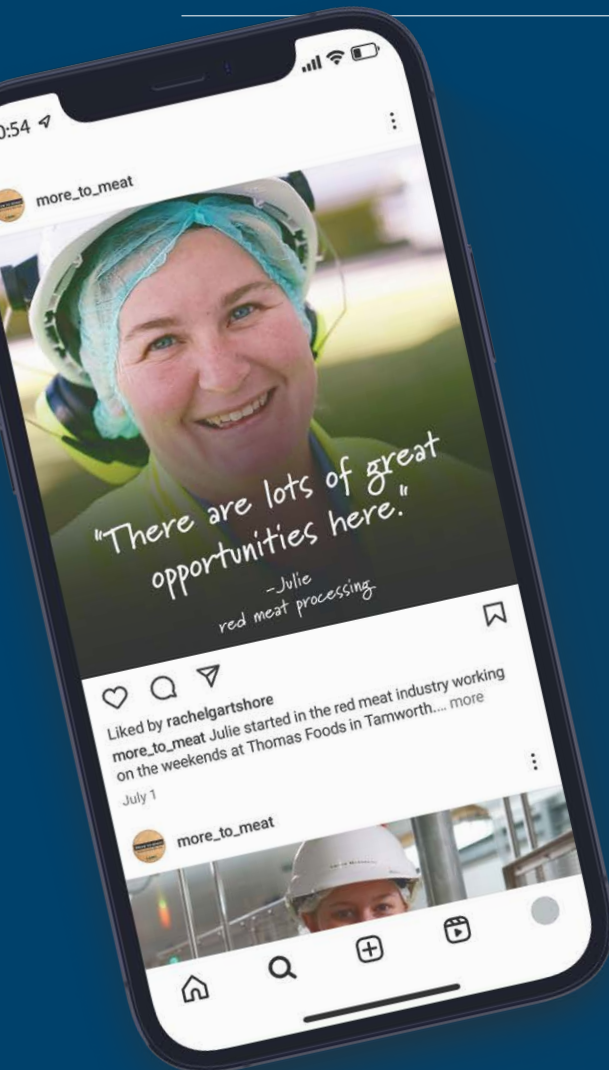
-5 Net Promoter Score
69% Member satisfaction

Active team engagement

124
site visits to processors

266

research, development, marketing, joint and corporate projects completed, in progress or started during 2022–23 year



Delivered inaugural **AMPC Innovation Showcase** event in October 2022 that attracted more than **300 attendees** over three days. The event showcased more than **40 pieces of technology** along with several panel discussions and keynote speakers at the Melbourne Showgrounds. Media coverage reached an audience of more than **7.7 million people** across radio, print, and digital platforms.



Ran the **More to Meat** campaign in regional Australia (over 11 months) highlighting the economic and employment contributions of Australian red meat processors.

The campaign was part of a program of work to reposition the red meat processing sector with the Australian public in regional areas. The results of the campaign saw positive shifts in attitudes towards the red meat processing sector. Support for the red meat processing industry saw a net increase of **5 points** nationally.



Modernised the AMPC funding model

- Replaced outdated Plant Initiated Projects funding model with a more flexible, transparent approach to funding that delivers better industry wide outcomes
- Engaged with all members and other impacted stakeholders
- Funding decisions are guided by transparent criteria applied individually to each project



Hosted **The Good Meat Summit**, together with MLA. The event brought nine scientists from around the world together in March 2021 in Sydney for a day-long summit to discuss the scientific evidence in support of red meat and livestock production today.



Collaboration

AMPC levy payers are red meat manufacturers that play a specialised role in the supply chain.

The focus of our engagement with levy payers is focussed on finding the right opportunities for collaboration with stakeholders where there is a direct benefit on the sustainability of processors and the communities in which they operate.

AMPC continued to be a member of Agricultural Innovation Australia (AIA) in the 2022/2023 financial year. AIA is a company targeting transformational innovation across agriculture which is jointly funded by 15 RDCs. AIA's priorities align with AMPC's R&D portfolios in the areas of trade and export, climate resilience and digital agriculture.

We are also a member of the GrowAg innovation platform — the online gateway to Australia's agrifood innovation system. AMPC uses GrowAg as a vehicle to identify and collaborate with new global partners in research and commercialisation.

AMPC collaborated with all other research and development corporations to have a joint exhibition stand at EvokeAg in February 2022 in Adelaide.

AMPC co-invested \$7.1m or 41 per cent of its levy income, on projects with Meat and Livestock Australia (MLA) to address issues in the red meat supply chain. Those projects are seeking to find solutions for our industry in the areas of product and packaging innovation, international and domestic markets, objective measurement, and integrity systems.



Consultation

with members and stakeholders

AMPC engages with a wide range of stakeholders about its role, the work it performs and the value it adds.

It has a dedicated regionally based team of four co-innovation managers who liaise and work with up to 20 processing companies each. The team, based in NSW, Victoria, Queensland, and Western Australia, manage the levy payer relationship, extend R&D outputs directly with processors, encourage cross-fertilisation across the industry and share insights on challenges with the AMPC R&D team.

AMPC also has an extended network of 34 innovation managers embedded within processing plants across Australia to drive technology investment and adoption of research and development.

We have stakeholder engagement agreements with MLA and the Australian Meat Industry Council (AMIC) which set out shared behaviours, principals of engagement and principals for matched funding and joint activities. AMPC also has an overarching stakeholder engagement framework which sets out principles guiding AMPC's engagement processes.

AMPC conducts a twice per year consultation model where industry input sought from AMIC and industry, and AMPC presents its progress. This model enables AMPC to provide a detailed update to many stakeholders in one session, held twice per year.

AMPC engages with government through regular meetings with the Department of Agriculture, Water and the Environment, and Council of Rural RDC meetings with the minister.

In 2022-23, AMPC's CEO Chris Taylor continued to be a member of the Lumpy Skin Disease Taskforce led by the Red Meat Advisory Council which was focussed on ensuring red meat supply chain preparedness if LSD entered Australia. He is also a member of the National Agriculture Education Strategy Working Group Selection Committee. Our Industry and Government Relations Director, Veneta Chaple, joined the Emerging National Rural Issues Steering Group which provides strategic advice on cross industry investments and partnerships.

Processor survey

AMPC's 2022-23 processor survey showed strong processor satisfaction	-5	Net Promoter Score
	69%	Member satisfaction



Our performance

AMPC conducts independent evaluations of its research projects to demonstrate the benefits and outcomes that have emerged or are likely to emerge from investments.

AMPC evaluated the economic returns from a sample of ten AMPC projects completed in the 2022-2023 financial year. Evaluations were completed in line with the Council of Rural Research and Development Corporations (CRRDC) Impact Assessment Program: Guidelines (2018). They were informed by a review of project outputs, and consultation with researchers, industry representatives and other relevant stakeholders.

The assessments were completed by modelling the marginal costs and benefits from a project over a 30-year period.

All assessed projects demonstrated a positive economic return, with Benefit Cost Ratios ranging between 0.6 to 35.9. Resulting in a weighted average of 5.1.

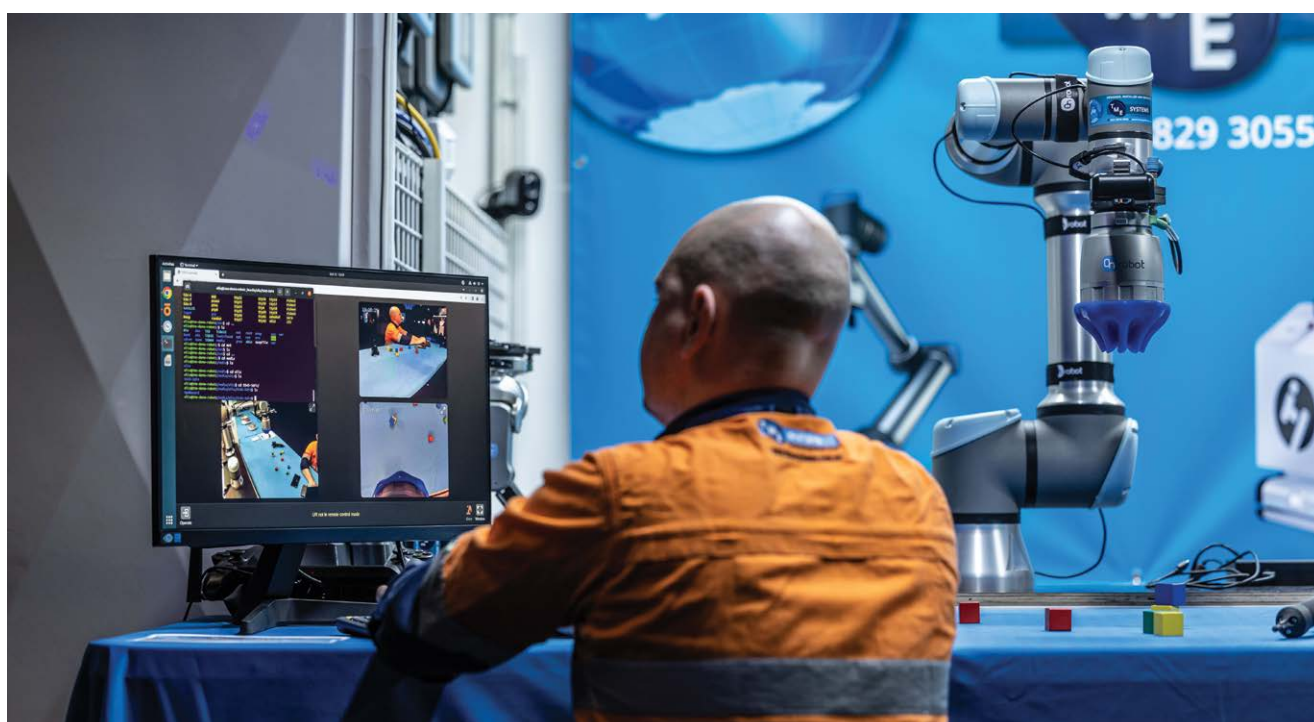
(These results are indicative and rely on a range of assumptions.)

In addition AMPC is also measuring the environmental, social and safety outcomes.

The ten projects that were evaluated are listed below:

1. Food safety: end-of-line ovine carcase inspection/contamination management prototype*
Food safety: end-of-line bovine carcase inspection/contamination management prototype*
2. Ovine IMF measurement production prototype
3. Zero waste to landfill
4. Pinch analysis and heat integration opportunities
5. Bio-solids upgrade stage 1
6. Immersive reality — equipment maintenance training — whizard trimmer*
Immersive reality — training washroom lobby*
7. Wellbeing assessment of the red meat industry phase 1
8. *C. bovis* risk management plan and verification arrangements
9. A cold plasma wash water technology for meat safety and shelf-life extension
10. Real-time identification of red meat provenance and quality attributes

Note: * Project investments clustered together for analysis.





Extension, engagement and communication



New funding model announced

12

processor newsletters delivered to AMPC levy payers

2

industry events hosted



Innovation Showcase 2022
The future of red meat processing

The Good Meat Summit.

52

articles uploaded to the AMPC website



7

webinars hosted



443

webinar registrations



281

webinar attendees

3

appearances on national television

- ABC Landline x 2 segments
- Sky News Breakfast

7,436

people following AMPC's social media channels



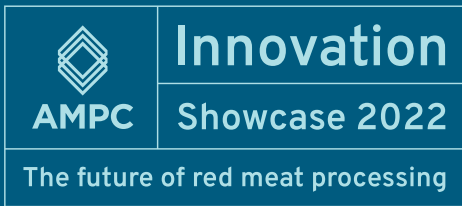
Hosted 2 AMPC embedded innovation manager workshops

34

videos shared on the AMPC YouTube channel

124

site visits to processors



AMPC Innovation Showcase

Melbourne — 11–13 October 2022

AMPC's inaugural Innovation Showcase unveiled the technology that will transform the meat processing industry. The showcase featured robot dogs and virtual reality glasses, as well as several other emerging technologies.




More than 300 red meat processors and industry participants from across Australia were given the chance to see, feel, try and test more than 40 examples of emerging technology at the inaugural event. All the innovation on display was developed and funded through investment and partnerships with AMPC.

The Showcase was more than a highlight reel of cool tech. It looked at some of the key challenges for the industry. This includes the need for new funding resources including global partnerships, and understanding how novel approaches to drive sustainability outcomes may also deliver improved bottom lines for processors.

The event was an immersive and interactive event, allowing red meat processors to see how R&D solutions could be used in their own businesses. It was about equipping Australian red meat processors to continue delivering world-class products and creating jobs in the communities where they operate.

The event featured 12 panel discussions and presentations from innovators and futurists on topics that ranged from artificial intelligence in red meat processing plants to the evolution of the circular economy.

See more online

 [AMPC Innovation Showcase](#)



Key stats





The Good Meat Summit

Sydney — 21 March 2023

The
Good
Meat
Summit.

AMPC together with MLA brought nine scientists from around the world together in March in Sydney for a day-long summit to discuss the scientific evidence in support of red meat and livestock production in today's society.

The Good Meat Summit brought together industry leaders and producers from across the red meat and livestock sector to hear the science from experts who have published a series of research papers in the highly regarded scientific journal, *Animal Frontiers*.

The summit modelled a similar science-based event held in Dublin in October 2022 and was an excellent opportunity to bring industry leaders, producers and scientists together under one roof.



Industry leaders were given an opportunity to hear in person from some of the world's leading scientific brains working in this field.

From Professor Peer Ederer to Professors Candace Croney and Neil Mann — these scientists are leading thinkers in the field of animal agriculture and livestock production around the world. Their work is part of a growing snowball of scientific evidence that is demonstrating the immense value and contribution of the Australian red meat and livestock industry.

Animal Frontiers is the official journal of four professional animal science societies including the American Society of Animal Science, the Canadian Society of Animal Science, the European Federation of Animal Science and the American Meat Science Association.

The *Animal Frontiers* papers consolidate more than 1,000 scientific works in support of a balanced discussion on the future of animal agriculture globally.

Following that event in Dublin, more than 850 scientists from around the world have now signed the Dublin Declaration, which endorses the positive role of red meat in our society.



Key stats

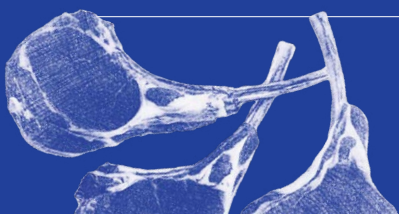
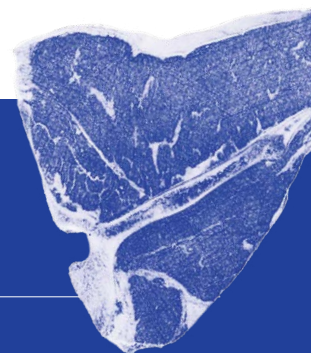
62 red meat industry
CEOs attended

9 internationally recognised
scientists delivered
presentations

100% of attendees rated the event
excellent or very good

90 Net Promoter Score
from attendees

9
scientific research papers
published in *Animal Frontiers*
confirmed the critical role red
meat and livestock play in
society





More to meat

than meets the eye

More to Meat campaign

AMPC ran the *More to Meat* campaign in regional Australia (over 11 months) highlighting the economic and employment contributions of Australian red meat processors. The campaign was part of a program of work to reposition the red meat processing sector with the Australian public in regional areas.



The results of the campaign saw positive shifts in attitudes towards the red meat processing sector:



Support for the red meat processing industry saw a net increase of **5 points** nationally (from 46 to 51 points).

In communities where processors operate, **support for the industry** increased net **6 points** between December 21 and May 23 (from 43 to 49 points).

Improvements in:

Support for red meat processing plants
+12 points

Red meat processors
+8 points

The red meat industry
+11 points

AMPC
+6 points

The trucking industry
+9 points

The agriculture sector
+6 points

At both the **national** and **local community** level, those who have seen the campaign are **more supportive** of the industry compared to those who have not (+9 points to +10 points).



The campaign also weakened the intensity of disagreement that:

Red meat processing plants make the surrounding communities less attractive to live in by **12 points** (from 21 net agreement to 9 points).

The industry lacked career development opportunities by **9 points** (from 19 to 10 points).

Increased likelihood to consider working in the industry by **3 points** (from 15 to 18 points).



See more online

- [More To Meat](#)
- [More_To_Meat](#)
- moretomeat.com.au

Advanced manufacturing

The focus for the advanced manufacturing program over the year was on progressing foundational developments in carcase cutting, objective measurement, digitisation, and materials handling solutions. These developments embraced advancement in new technologies including artificial intelligence (AI), sensing, and robotics.

31
Active

28
Completed



59
Advanced
manufacturing
projects

Excludes MLA
managed projects

The program has seen significant progress in automated, semi-automated and remote-operated developments including beef scribing, ovine IMF measurement, primal packing, and shadow robotics with multiple systems progressing beyond proof-of-concept phase to on-plant trials and full production implementation.

AMPC has continued to engage a global provider network of research providers including universities, research, and commercial organisations working to achieve overall strategies ensuring the latest technology is accessed and applied.

In the past year AMPC has progressed its R&D journey to develop and commercialise new fit-for-purpose processing technologies of the future, working together with research partners and industry, to plan, develop, test, and prove in production.

Completed projects

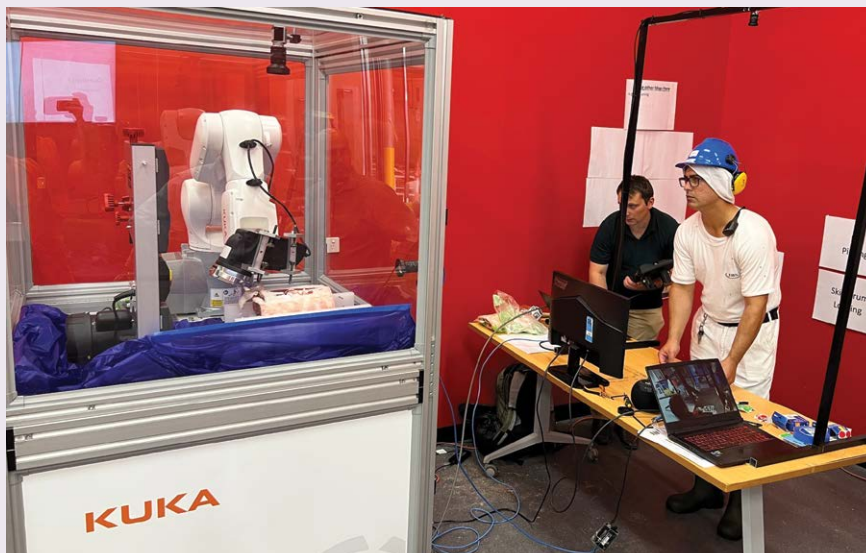
AMPC partners with industry to establish first red meat processing innovation culture centre

AMPC partnered with JBS Australia to establish the JBS Innovation Culture Centre, the first of its kind for the Australian red meat processing industry.

The innovation culture centre officially opened in February 2023 and has been used to host several AMPC immersive reality headsets, a shadow robotic station, and demonstrate exoskeleton solutions for staff to trial.

In the centre AMPC can gather feedback on its technology solutions directly from industry.

Industry can interact with AMPC's innovation and better understand how research and development solutions can be used in different areas of the processing plant.



JBS and AMPC will continue to evaluate technologies such as 3D printing, and conduct R&D workshops in the facility.



Read more in News and Events on the AMPC website >

New easi-load tru-dock container handling system

AMPC worked with V&V Walsh to trial a container handling system to increase efficiency by eliminating the need for products to be transported daily to cold storage facilities and to reduce storage costs.

The Easi-Load TRU-DOCK system creates a seal around the container that allows it to remain cold. Carcasses can then be moved into the container under active refrigeration in comparison to the previous process where carcasses are moved through a non-refrigerated area to get into the container.

If a processor uses offsite freezing there can be considerable resources involved in transporting product offsite and constraints in production levels and timeframes for containers to be full enough to ship.

This trial focused on delivering a system that would transfer smallstock carcasses directly into active freezer container storage, ready for loadout and export. In the previous process, product was handled several times, which increases the risk of compromising product quality and interrupting cold chain integrity and efficiency. This container loading solution reduced handling by up to 200 per cent.

The new system helped the processing plant to expand export capability with a 150 per cent increase of refrigerated containers delivered directly to port over 12 months.



Read more in News and Events on the AMPC website >

Active projects

New sensor tool helps to measure eating quality in sheep meat

This research is looking at a non-invasive, automated sensor tool to accurately measure intramuscular fat (IMF) in lamb carcasses.

The new sensor tool can determine the IMF percentage, a key trait of the Meat Standards Australian eating quality grading system for lamb.

Developed by inMR Measure, the Marbl™ technology tool uses a single-sided nuclear magnetic resonance sensor alongside the longissimus muscle to capture IMF measurements. The sensor tool can be installed into existing carcase handling equipment to measure hot carcasses.

Before AMPC and industry investment into measurement technologies and tools, there was a lack of some information when trading information across the livestock value chain.

It also limited processors' ability to realise significant productivity and profitability improvements.

Working with the Australian red meat industry and research partners, AMPC prioritised the development of new technologies capable of accurately measuring eating quality traits that can be deployed pre and post chillers and capable of operating at production speeds.

Automating and accurately measuring IMF on hot carcasses can help processors respond to market demands and improve production efficiencies.

Measuring hot lamb carcasses, at the end of the harvest floor will provide processors the opportunity to sort carcasses into chillers followed by batch manufacture of similarly graded product using IMF percentage measurements.



[Read more in News and Events on the AMPC website >](#)

New trial explores bone belt monitoring to improve profitability



AMPC is managing research into red meat bone belt monitoring to help increase profitability.

The research is looking at advanced vision technology that uses AI to monitor the product stream of a bone belt and developing a monitoring tool to understand how much meat is discharged along the bone belt.

The bone belt in a red meat processing facility is where the bones removed from the carcass are placed to be transported for further processing or rendering.

As part of this project, AMPC worked with the Danish Meat Research Institute (DMRI) to trial a vision platform that uses a multispectral camera and AI machine learning to analyse image data and continuously measure bones along the bone belt of red meat processing plants.

Currently the red meat processing industry does not have an efficient solution to quantify the amount of meat that is discharged along the bone belt. This tool will help to understand how much meat is being left on the bone and estimate the potential loss of red meat sales because of these bones being discharged.

The bone belt monitoring tool being trialled can be used to identify areas of improvement including training needs and adjustments required for machinery.



[Read more in News and Events on the AMPC website >](#)

World first AI-driven automated beef scribing system

AMPC's investment in advanced manufacturing has resulted in an AI-driven automated beef scribing system being installed at Kilcoy Pastoral Company's processing plant in Kilcoy, Queensland.

The system has a small footprint, operates on artificial intelligence, and was installed in March 2023. The system works by first stabilising the carcass. An artificial intelligence system then analyses an image of the carcass and instructs a robotic cutting saw on where to make the appropriate cuts.

It's the first AI-driven automated beef scribing systems in Australia, and AMPC understands it could be a world first. The benefits include improving yields, greater consistency in scribing operations and most importantly assisting worker safety.

It will be trialled over a 12-month period to determine whether the technology can achieve the necessary performance benchmarks. We are upbeat about this investment which could deliver significant returns to the processing industry and look forward to seeing the results.

The investment involves the design and manufacture of the system which can perform the four scribing cuts required for their operations. As of June 2023, installation was near complete with production ramp and operator training underway.

The system is heavily focused on the principles of artificial intelligence. This technology relies on building data to improve the accuracy and efficiency of the operation of the equipment. Accurate scribing cuts are extremely important due to the high value primals located within the rib structure.



Read more in News and Events
on the AMPC website >



Sustainability

The focus for the sustainability program over the year was around the transition to clean energy in two areas. The first being the further development of confidence and capability around bioenergy adoption through the multi-fuel biomass boiler trials. The second being increased adoption of energy efficiency through sharing resources around RaaS (Refrigeration as a Service). Increasing renewable electricity adoption through providing assessment for solar PV was also a focus.



60
Sustainability
projects

For the first time, bioenergy has overtaken on-site coal use as the industry's third largest source of energy.

Refrigeration energy efficiency resources were published to a dedicated LinkedIn page with now more than 400 followers. Phase 2 of this project is being planned.

Fifty solar PV assessments were completed and the industry's solar PV adoption pipeline has increased by 150% compared to the 2021 baseline.

New host sites trialled the multi-fuel biomass boiler and developed and tested an industry first HACCP process for Class-A water recycling. They also tested waterless spray and ultraviolet (UV) sterilizers.

The program also reviewed the national packaging targets and associated co-regulatory framework, together with implications for the processing industry. It is currently assessing new scenarios to divert facility level plastic from landfill.

46
Active

14
Completed

Excludes MLA
managed projects

Completed projects

Solar PV adoption for red meat processors increases by 150 per cent

AMPC offered a free service that helped processors with the initial assessment and design of new solar PV systems, or to check the performance of their existing systems. The service was proven to be successful with the national processor solar PV pipeline for adoption increasing by 150 per cent (from the 2021 baseline).

When this project started in July 2021 there was 9.8 MW of solar installed at AMPC levy payer processor sites throughout Australia. Since then, the project provider, Beam Solar, has assisted red meat processors to install, contract, or approve a further 14.9 MW of solar PV. This represents a 152 per cent increase in the red meat processor solar PV pipeline for adoption, in just 18 months.



Read more in News and Events
on the AMPC website >

Integrated wastewater treatment and resource recovery — digital tool



AMPC engaged water management provider Tessele Consultants to develop an online tool to help processors with the design of integrated wastewater treatment and bio-resource recovery.

The integrated design will assist processors by supporting increased environmental compliance, smaller carbon footprints, treated water recycling, diversion of wastes from landfill, and recovery of nutrients, bioenergy, and fertiliser by-products.

The 3D illustrated software model helps assess, design, and estimate the cost and transition towards modularised wastewater treatment while realising the benefits of a smaller footprint, zero waste and optimised bio-resource recovery.

This project has already received significant attention outside of the red meat processing industry, having been selected for a full presentation at Australia's premier water conference, Oz Water in May 2022.



Read more in News and Events
on the AMPC website >

AMPC energy and environment grants helpline

AMPC's energy and environment grants helpline has proven successful with 76 processors registering to use the service since July 2021.

Results included:

- \$1.3 million in approved external grants
- Advice for members ranging from Emission Reduction Fund eligibility and registration to individual state and federal grant applications
- Complimentary advice given across energy monitoring, efficiency, and emissions reduction strategies



Case study

An Emissions Reduction Fund project is supporting a red meat processor in Queensland to transition to clean energy. They are installing one of the red meat processing industry's largest ever dual-fuel biomass boiler.

A biomass boiler generates heat from biomass such as woodchip or sawdust with significantly less effect on the environment than fossil fuels.

AMPC's Energy and Environment Grants Helpline supported the processor to participate in the Australian Government Emissions Reduction Fund process and earn carbon credits.

2022 Environmental Performance Review results

AMPC runs the Environmental Performance Review for the red meat processing industry every two years.

The 2022 results of the review for the red meat processor sector demonstrated the industry's increasing level of engagement with sustainability.

The most significant result is that since the 2020 review, bioenergy has overtaken on-site coal use as the industry's third largest source of energy, and the industry's solar PV adoption pipeline has increased by 150%.

31 processing plants of different sizes took part in the 2022 review, representing 60 per cent of total Australian red meat processor throughput.

2022 review had the largest ever participation rate since these reviews commenced in 1998.

The review helps processors build trust with their communities and stakeholders through transparency concerning the environment. It also allows processors to compare themselves against industry environmental performance.

The review tracks the industry's environmental performance across key environmental indicators such as water, wastewater, energy, greenhouse gas emissions, and solid waste to landfill.



[Read more in News and Events on the AMPC website >](#)

Active projects

Multi-fuel biomass boiler trials across Australia — sustainable fuel options

AMPC's investment into sustainable fuel options has seen a multi-fuel biomass boiler delivered to several red meat processing sites for trials.

The trials have been helping processors to reduce emissions by demonstrating multi-fuel biomass alternatives to the use of fossil fuel boilers.

The trials have seen new processes around emissions reduction at participating red meat processing facilities by sourcing and developing multi-fuel biomass alternatives in different regions.

The trials have been testing biomass combinations in a portable multi-fuel biomass boiler. The objective is to build confidence and capability when members consider renewable solid fuels for thermal energy and help processors to make more informed decisions around the costs and benefits of adopting biomass boilers.

One of the opportunities for processors will be to consider the sustainable disposal of paunch, as well as the more economic use of adjacent agricultural wastes for use as a renewable fuel.

Each plant will conduct investigations in their own plant around sustainable sources of renewable fuel. Currently biomass boilers use standard woodchip as a fuel source.

The participating plants will be trialling other renewable solid fuels and fuel combinations to test their suitability. They might start with woodchip and then mix paunch with the woodchip. They might try construction waste or dry plant materials with woodchip next and so on.

The biomass boiler has spent time at a processing plant in New South Wales and South Australia.



[Read more in News and Events on the AMPC website >](#)



Advanced water recycling trials continue

AMPC's trials into advanced water recycling continue this year.

Three water recycling containers are currently being shared among several different processing plants.

Over the past 12 months the containers were progressively built and sent to five processing plants in QLD, NSW, WA and Victoria.

There are different results coming in from different plants who have trialled the unit. Different sources of water have been used, and also different applications of the recycled water.

One processing plant said the trials have been testing a treatment train on wastewater from a plant biological nutrient removal system. The intention is to achieve a suitable Class A treated water for use in boiler make-up, cooling towers and other potential areas once an ideal treatment train is verified through a HACCP process. This will help them further reduce potable water use on-plant.

Another processing plant said the initial trial has provided results indicating that the quality of water produced by the MMF/UF treatment train option was well under the limits prescribed for stock drinking water.

As a result of the AMPC trials, they will further investigate the potential for using a similar water recycling unit at their facility to recycle water that could be used for cattle drinking water. This initiative could also help offset their use of potable water on-site at up to 150kL per day on large processing days.

The trials involve the operation and testing of a containerized water recycling unit with micro and ultrafiltration, and reverse osmosis wastewater recycling options.

The project is about building confidence and capability on being more efficient with the recycling of different wastewater streams for use in various on-plant processing tasks. AMPC is conducting these trials to help processors investigate the most suitable options for their plant.

Sourcing, treating and testing multiple in-plant water streams with varying filtration combinations will ensure a thorough comparison of efficacy and cost. Results will guide various applications for use of Class A recycled water.

The trials will establish and help progress a sustainable pathway to advanced water recycling in the meat processing industry. The results of the pilot study will include preliminary design, feasibility and business cases that outline suitable uses for such recycled water within processing plants".

The red meat processing industry will be provided with a Class A water recycling handbook that will include tools such as a decision-making matrix to help operators determine when and where to use recycled water within their plants, including how much energy and water savings are likely to be provided.



[Read more in News and Events on the AMPC website >](#)





AMPC investment in digital technologies helping to reduce heavy vehicle transport emissions

AMPC is investing in research with Swinburne University of Technology and iMOVE Australia to assess options in the transition to cleaner fuels, and more efficient processes, for heavy transport vehicles used in the red meat processing industry.

To achieve carbon neutrality by 2030, the emissions associated with supply chain logistics need to be monitored, managed and reduced. The first step in this process is to determine a baseline environmental footprint for red meat industry heavy vehicle transport tasks.

This project is a first for the red meat processing industry and will help track emissions for heavy vehicles outside the processing facility. It will use artificial intelligence (AI) and Internet of Things technologies to obtain and analyse data.

Using this data, options for more efficient and low emissions methods of transport, driving and route characteristics, vehicle modifications, alternative fuels, and new technologies will be determined.

Currently, the assumptions used for fuel efficiency, transport emissions, and clean-tech investment in heavy trucks, are largely unverified in Australia. Limited domestic studies have captured and analysed real-world data.

We have partnered with Swinburne University of Technology, who work with iMOVE Australia Cooperative Research Centre, to develop and trial a Data-integrated Visualization and Analytics (DiVA) platform that will work alongside an onboard diagnosis system. It will also integrate with a separately installed real-time exhaust emissions monitoring device.



[Read more in News and Events on the AMPC website >](#)

People and culture

The focus for the people and culture program over the year was on delivering projects related to workforce, development, safety and wellbeing.



82

People and culture projects

60

Active

22

Completed

Excludes MLA managed projects

The draft voluntary code of conduct for migrant workers was completed with collaboration from industry. This is a first for the red meat processing industry and it is at the forefront of having a certified and auditable set of guidelines which will help industry exhibit consistent best practice management systems.

AMPC continued to support safety education across red meat processing and conducted three state-based workshops throughout the year to help processors to better understand and manage worker's compensation, worker safety, and navigate employment law. A forklift safety webinar and other induction resources were also created.

Over the year, AMPC conducted its first wellbeing research project and it identified three wellbeing recommendations: reduce smoking rates; improve healthy eating and drinking; and to enhance and protect mental wellbeing.

Virtual reality (VR) resources continue to be developed including a virtual reality tour of a beef and sheep processing plant designed for veterinarian students. Other VR resources created include five maintenance modules, washroom training, resources on beef and sheep cut and offal identification, and an equipment maintenance wizard trimmer training module.

AMPC supported a project to review co-biotic and exo-skeleton devices to understand how they may be integrated into the red meat processing industry. This research has resulted in a practical guide to help members evaluate the use of these devices in their businesses.

AMPC supported a machine learning project with the objectives to understand:

- if machine learning can help in predicting the likelihood of an employee leaving (which means the tool can be used to reduce turnover)
- if it can identify vulnerable employees before they leave an organisations

Outcomes showed that the machine learning model could be used as a tool for reducing turnover in red meat processing plants and is viable and transferable, with minor adjustments for best-fit across businesses.

AMPC supported the updating of the meat processing training package for Halal resources for RTOs. The project aimed to protect and maintain halal meat export market access and ensured a high and consistent standard of national training delivery by RTOs.

Completed projects

Australian Rural Leadership Program

AMPC supports the Australian Rural Leadership Program each year by sponsoring red meat processing participants to complete the course.

The ARLP course is an in-depth, cross-sectoral, national leadership program for rural, regional, and remote Australians. It produces leaders who can influence, advocate and lead in authentic and ethical ways.

Over 15 months, 30-35 leaders from diverse backgrounds, industries and communities embark on a unique learning experience involving multiple sessions across the country and internationally.

By investing in our valued members, AMPC is building a cohort of leaders who act beyond themselves, work effectively with others, facilitate change and drive innovation in our industry and local communities.



[Read more in News and Events on the AMPC website >](#)



Virtual reality training for red meat processing — from research and development to commercial adoption



Virtual reality training is being commercialised for red meat processors.

AMPC's strategic investment into virtual reality training for red meat processors has resulted in it being made commercially available. Virtual reality training provider, Virtually There, has sold its first modules to Task Labour for their use in training employees to work in red meat processing plants in Australia.

The training works by putting on a headset which gives you the real-life view of a carcass or packing line. If using the scribing module you then take a virtual saw in your hand and you cut what you see. The immersive simulations integrate highly realistic environments with sound and real-life objects to create relevant experiential learning experiences.



[Read more in News and Events on the AMPC website >](#)



First for the red meat industry — voluntary code of conduct for the employment of migrant workers

AMPC worked with industry on the development of a voluntary code of conduct for the employment of migrant workers to support processors by underpinning its zero-tolerance view on the exploitation of workers, particularly migrants.

This is the first time the red meat processing industry has developed something like this, and it has come about because of a desire from processors to introduce consistent best practice management standards across all workplaces.

The code has been developed to support the red meat processing industry through a certified and auditable set of guidelines which will help them in the management, recruitment and employment of migrants which is complex for employers to navigate on their own. The guidelines will provide consistent best practice for the onboarding of migrants across all processing plants and ensure migrants have a positive experience in our workplace.

AMPC developed the code through an industry working group consisting of about 20 processors from across Australia. The working group also included the Australian Meat Industry Council (AMIC), AUSMEAT and the Grocery Council of Australia.

The code was developed in consultation with the working group. The working group validated the draft code and its compliance guide prior to it being trialled at five pilot sites.

The code will also be instrumental in helping companies bringing in foreign employees. It will provide them with a checklist of things they need to consider.

The next steps are for industry to adopt the voluntary code and AMPC is in the process of determining a code administrator to help industry do this.



[Read more in News and Events on the AMPC website >](#)

Active projects

Iron hand leads the way in exoskeletal trials for the red meat processing industry

AMPC is investing in a project exploring uses of cobotic and exoskeletal devices. The research is looking at various technologies available to support Australian red meat processor workers complete manual tasks and determining their suitability for the industry.

So far, the project has focused on trialling 20 active (requires a power supply) and passive (use own body weight, springs or simple levers) devices in different working environments, using a range of motions. These devices include the PAXEO Back, BionicBack, Evo Vest, Leg X, PAXEO Thumb, and Bioservo Iron Hand.

AMPC has a strategic objective of improving safety for red meat processing workers. Manual handling related injuries are one of the biggest safety concerns for the red meat processing industry.

AMPC is working with industry to determine which manual jobs will benefit from cobotic and exoskeletal devices and trialling these devices in-plant.

These technologies are showing promising signs. The Bioservo Iron Hand which assists with grip, is supporting workers to use 15 to 18 per cent less force when performing tasks that require high grip including consistent knife use for skinning, trimming, and vertical and table boning.



Read more in News and Events on the AMPC website >





AMPC wins grant to support women in maintenance trade roles

AMPC won an NSW Department of Education grant to encourage women in trade roles. The application outlined the development of a program that encourages women to trade roles in the red meat processing industry in rural NSW.

The program is being developed by AMPC and involves an immersive experience and the development of an interactive attraction tool to encourage women to consider trades in the meat processing industry.

The program will run across three different regional areas of NSW.

AMPC will run three programs over the next 14 months that will allow women to learn about and experience maintenance trade roles in red meat processing. Roles such as fitter and turners, electricians and plumbers.

Each program will run for three-days and participants will get their hands on the tools whilst learning about the trades. They will be given the support to develop human skills and use positive psychology principles to support a thriving career.

The immersive experience will involve a day at a meat processing plant in NSW together with a day at TAFE to experience the education side to undertaking a trade. This will give participants a full 360-degree profile of an apprenticeship, experience what it could look like and get hands on in the practical and training elements of the role to be able to make an informed career choice.

The third day of the program will be an employer engagement event which will support stronger networks between red meat processing industry employers, education providers and program participants.

Separate to the three-day program, AMPC will develop an interactive tool to promote the career options for women to work in trade-related disciplines in the red meat processing industry.

This tool will be able to be used by career advisors and red meat processors at career days, field days and other industry events.



Read more in News and Events on the AMPC website >

Technical market access and markets

The focus for the technical market access and markets program for the year has been on enhancing the international competitiveness of our meat exports by reducing regulatory burden on processors and improving market access conditions.



22

Technical market access and markets projects

14


Active

8

Completed

Excludes MLA managed projects

AMPC is undertaking research to assess and review regulatory costs associated with export market access. This work continues previous research on non-tariff measures and barriers to trade. The research is estimating the cost of certain common regulatory activities implemented by importing countries, across four key trading partners for Australian exports of beef and sheepmeat. Data is being gathered from a sample of key exporters. The potential cost reductions generated by the identification of alternative regulatory practices that achieve the outcomes sought by trading partners will be included in the project.



Work is also being progressed by AMPC to assess whether the Raman probe can be calibrated to determine the presence of cadmium residues in beef livers. Current requirements for detecting the presence of cadmium in cattle and sheep from high-risk areas are through a random laboratory testing program, which may be associated with a level of risk for some processors. If it can be calibrated to detect cadmium residues, the Raman probe will provide a safe, non-invasive method of testing that can be used quickly and effectively on plant. Processors will be able to confidently provide offal for sale from animals determined not to have cadmium residues. The estimated savings in offal for human consumption are estimated at around \$1.2 million annually for larger processors.

AMPC has undertaken several projects to reduce regulatory burden. Projects to demonstrate the effectiveness of remote audits and inspection are becoming important as regulators throughout the world begin to embrace the benefits of this technology.

AMPC has also supported proposed changes to meat inspection requirements, that will reduce the regulatory burden on the processing sector.

A project was completed to develop a risk management framework to support changes for *Cysticercus bovis* (*C. bovis*) inspection. The changes to inspection for *C. bovis* are expected to result in returns of around \$30 million for processors through the sale of beef cheeks.

Over the past 12 months, AMPC continued to work with processors to identify and deliver projects that are likely to produce real benefits in improving market access. Providing scientific evidence to support the government's technical market access negotiations will continue to be important for this program.

Completed projects

New *C. bovis* framework supports an increase in red meat profits by \$30m per year

A risk management framework was developed to support the risk-based inspection requirements for *Cysticercus bovis* in the revised Australian Standard for the Hygienic Production and Transportation of Meat and Meat Products for Human Consumption (AS 4696: 2023).

C. bovis causes small cysts in the muscles and offal of cattle. The presence of cysts can lead to all, or part of the carcass being condemned. Cattle get *C. bovis* from ingesting crops and water contaminated by human wastewater that has not been effectively treated.

Current standards for *C. bovis* inspection require all cattle to be checked for cysts in the heart, diaphragm, and cheek even if there is a low risk of the animal being exposed to untreated human wastewater. Once beef cheeks are incised, they are not suitable for sale for human consumption.

The new risk management framework will allow red meat processors to identify low-risk animals and avoid cutting cheek muscle, while still addressing *C. bovis* risks to human health.

By identifying low-risk animals processors will be able to sell and export this product to international markets.

The revised standard includes updates for some meat inspection requirements, based on current science, and continues to ensure that the meat we produce is wholesome and fit to eat, while providing benefits for red meat processors.

The move to a risk-management approach to inspection for 'beef measles (*Cysticercus bovis*)' is the main change in the standards.

The framework was developed as part of AMPC's strategy of addressing opportunities for regulatory efficiency and providing cost savings to red meat processors.

The changes could potentially lead to increased earnings of up to \$30 million for Aussie red meat processors through additional sales of beef cheek.

A risk management framework was required to support the move to the risk-based inspection for *C. bovis*. While the science was there to support the move, operational arrangements to identify and manage the risk, and to provide details of how the system would work, were needed for stakeholders.

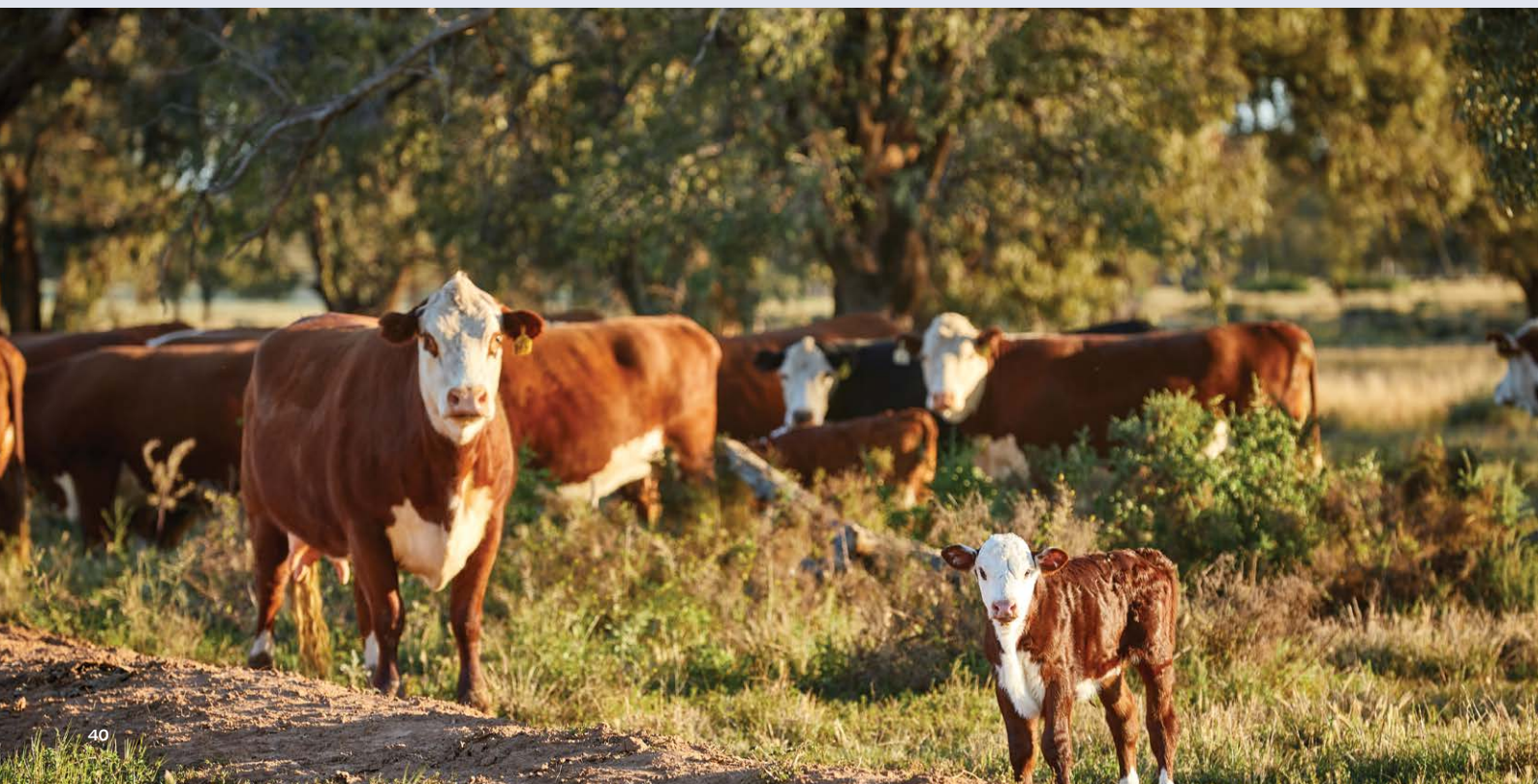
The framework provides the detail required by regulators, processors, producers and other stakeholders along the supply chain about the actions and requirements to ensure the *C. bovis* risk associated with cattle exposed to recycled human sewage water is identified and managed appropriately.

The Department of Agriculture, Fisheries and Forestry are working on rolling out the changes to export processing plants.

AMPC worked together with government, industry, and technical experts on leading a steering group to develop the risk management framework.



[Read more in News and Events on the AMPC website >](#)





Active projects

Red meat industry first — sensor technology to determine cadmium contamination in beef livers

AMPC is investing in research looking at sensor technology that validates the Raman probe to screen beef livers for contamination with cadmium.

Cadmium is present in the environment in many parts of Australia, and its presence in carcasses and offal represents a potential market access risk. Current testing consists of a random laboratory testing program of carcasses and can be slow and expensive.

Cadmium residues accumulate in offal and, rather than take the risk that offal from high-risk animals only may exceed acceptable limits, many processors remove the offal from the human food supply chain altogether. This represents a lost opportunity to processors — estimated at around \$1.2 million every year for larger processors.

Given its chemical fingerprint and sensitivity, Raman spectroscopy is being assessed for its suitability to rapidly screen beef livers for the presence or absence of cadmium residues. The successful calibration of the probe is expected to enable processors to safeguard their market interests with robust and widespread assessment for cadmium contamination in offal.

Raman spectroscopy is a non-destructive rapid spectroscopic technique which uses the interaction between light and the chemical bonds of matter, to provide information on the structure, composition, and molecular interactions of matter, effectively providing a chemical fingerprint.

Livers from cattle sourced from high-risk and low-risk areas for cadmium are being targeted to measure sufficient numbers of livers with heavy metals present.

MLA Joint Investment Marketing and market access

AMPC provides funding to MLA as part of joint industry investment program to fund important industry and product marketing, promotion, and market access activities.

In 2022-23, \$4.2 million was invested with MLA for marketing activities that encompass domestic and international market research and promotion, technical market access matters and business development activities both domestically and abroad.

Product and process integrity

The product and process integrity program's focus for the year has been on projects aimed at improving the traceability of meat products and providing scientific support for better options to demonstrate product integrity.

23
Active

15
Completed



38
Product and
process integrity
projects

Excludes MLA
managed projects

AMPC is working with processors to assess the effectiveness of various radio frequency identification device (RFID) readers for small stock. This work is important following the recent agreement of Australian agriculture ministers to mandate electronic identification devices for small stock by 1 January 2025. Information sessions were hosted and a factsheet has been developed.

The offal sensing project, which has been underway for some time, concluded at the end of June 2023. The technology has been demonstrated to effectively detect surface and internal defects and diseases in offal. The use of this technology is expected to complement the work of offal inspectors. It reduces the human handling required and therefore the potential for contamination. It may also reduce the need for incising offal and increase the amount of offal that can be provided for human consumption. The next step for this technology is to move towards commercialisation and adoption. Regulatory support is critical to maximise the benefits that may be achieved.

Over the past year, this program has focussed on projects that use technology and science to improve traceability and process integrity. Selecting projects that are likely to be of interest for commercialisations will be a focus for the future.



Completed projects

Remote auditing using smart glasses

AMPC is managing research into remote auditing. Remote auditing allows for various audits to occur remotely through the use of smart glasses technology that can live stream to an auditor or a vet located elsewhere.


It builds on previous research on smart verification technologies that resulted in a 'smart glasses' software application. This research is supporting more red meat processors to adopt remote auditing technology through trials and developing additional remote auditing smart glasses product features.

The Codex Committee on Food Import and Export Certification and Inspection Systems agreed to a guidance document for remote auditing that has gone to the Codex Alimentarius Commission for adoption. This guidance document was developed by Australia and the Department of Agriculture, Forestry and Fisheries has been discussing the use of remote audits to complement or replace on-site audits with trading partners.

AMPC's research is looking into advantages and challenges with this technology and how challenges may be overcome. In areas that have low connectivity, the technology can store video footage and it can be downloaded when connectivity is restored.

There is potential for smart glasses technology to have further applications across red meat processing and already they are being used for maintenance tasks. If a machine requires maintenance, the smart glasses can be worn and live streamed to a specialist who helps to fix the problem.

Another AMPC project looked at smart glasses technology for vet inspections at red meat processing plants. Animal health and welfare assessments, which are conducted by on-site vets, can now be done remotely.

 [Read more in News and Events on the AMPC website >](#)

Tech trial inspects offal

An investment into offal sensing technology has the potential to improve food safety outcomes and increase returns for meat processors.

The trial, which AMPC ran over the past few years, involved developing a multi-sensory inspection tunnel that uses x-ray for internal offal inspection and an RGB camera (that uses white and UV light) for surface inspection of offal.

The inspection of offal is required as part of Australian food safety standards.

Currently, offal inspection is carried out by a person who performs the required checks by looking outside of the offal, and if required, cutting the offal to look inside.

This technology works alongside human offal inspectors. Images from the x-ray and camera are immediately available on the processing plant's intranet site so the inspector can review.

It potentially reduces the time taken to inspect offal and reduces the need for human handling therefore minimising the potential for cross-contamination.

The other benefit is being able to see inside the offal without having to cut it, which may result in more offal for sale and greater returns for red meat processors.

The trial was conducted at a meat processing plant in Christchurch, New Zealand. Covid restrictions at the time meant that the equipment couldn't be trialled in Australia.

The project finished and the final research report provides recommendations for commercialisation of the technology.

If the technology was to be adopted, it would require regulatory approval.



[Read more in News and Events on the AMPC website >](#)





Active projects

Stunning box trial begins

AMPC is funding a study on the improvements in animal welfare outcomes associated with the implementation of advanced stunning box units following a preliminary trial at a New South Wales processing plant.

Developed by Jarvis Products Corporation in conjunction with fabricators MPF Engineering, the new dual-purpose stunning box units were built following the preliminary trial of the box that explored speed, durability, and electrical and pneumatic capability in line with animal welfare and safety requirements.

AMPC is now working with CSIRO to validate the animal welfare and meat quality benefits of using the new stunning box units, looking at animal behaviour, vocalisation, and meat quality measures.

The program is funding the installation of 10 boxes in processing plants across Australia that process different breeds, ages, weights and sex of cattle. As of June 2023, eight boxes have been installed and are in operation. Whilst the boxes can do percussive and electrical stunning, most plants are also trialling electrical stunning.

AMPC conducts regular meetings with the 10 processors, CSIRO and Jarvis to discuss progress, concerns and results so far. Testing will continue.

So far results have shown positive outcomes using electrical stunning. Red meat processors who have previously not trialled electrical stunning may now explore this option to access global markets.



[Read more in News and Events on the AMPC website >](#)

MLA Joint Investment Integrity systems

AMPC provides funding to MLA as part of joint industry investment program to fund important industry integrity functions that include product assurance and traceability systems.

In 2022-23, \$2.7 million was provided towards integrity functions including MLA's wholly-owned subsidiary Integrity Systems Company, and SAFEMEAT. SAFEMEAT is dedicated to promoting Australia's best practice management systems that ensure when customers purchase red meat or livestock from Australia, they can be confident in the quality and safety of their choice.

R&D agreements 2022–2023

Investments paid to providers in 2022-23 financial year. These include all new contracts signed in the 2022-23 financial year only.

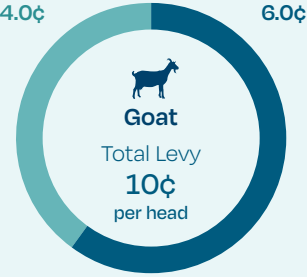
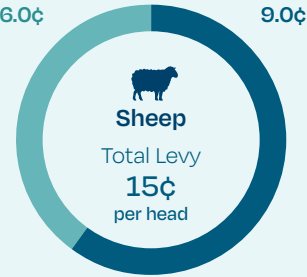
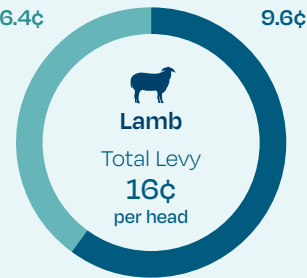
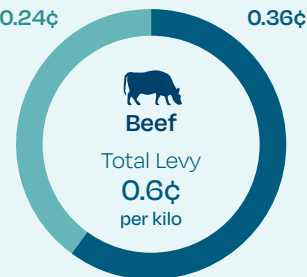
Project code	Project title	Research organisation	Cost paid \$
Advanced manufacturing			
Hands-off processing			
2023-1030	Waterless lamb frenching concept trials — Curious Creations	Curious Creations LTD	17,645.41
2023-1039	Remote Operations — Mimeo Shadow Robots (Stage 3+)	Mimeo Industry Ltd	250,279.78
2023-1056	IP Protection Support — Mimeo Industrial & inMR Measure (Filing)	Mimeo Industry Ltd	27,500.00
Technology adoption			
2022-1052	Brownfield Co-product recovery and overall efficiency gain to meet output capacities. (Stage1)	Wodonga Rendering Pty Ltd	60,000.00
2023-1035	Early adoption and beef supply chain integration of hot carcass marble measurement	JBS Australia Pty Limited	181,250.00
Carcass optimisation			
2023-1038	Beef striploin fat removal — Stage 2B: Controlled variable thickness robotic fat trimming	Business and Manufacturing Consultancy UK	189,500.00
2023-1045	Automated Robotic AI Chilled 3-cut Beef Scribing System — Pre-Engineering	Australian Meat Group Pty Ltd	210,600.00
2023-1050	Ovine Carcass Inspection/Contamination Management — On-site Validation & Process Integration	Veritide Limited	22,800.00
2023-1051	Bovine Carcass Inspection/Contamination Management — On-site Validation & Process Integration	Veritide Limited	22,800.00
Sustainability			
Communities			
2022-1211	Red Meat Processing National Campaign	CT Group	2,823,498.03
2023-1017	Carbon Neutral Certification — Climate Active demonstration	Ndevr Environmental Pty Ltd	31,985.00
2023-1037	International Carbon Management Project	Thomas Foods International Pty Limited	265,125.00
2023-1040	Know and show (K&S) your carbon footprint — discovery phase	Agricultural Innovation Australia	50,000.00
2023-1049	ERF Registration, Development, creation of Carbon Credits, and Management — demonstration	Ndevr Environmental Pty Ltd	26,862.00
Energy			
2023-1033	How to establish an ISO 50001 ready program for a medium red meat processing plant	Wodonga Rendering Pty Ltd	75,300.00
Water			
2023-1028	Front End Engineering (FEED) — Integrated Bio-resource recovery facility stage 1	Bindaree Beef	179,000.00

Project code	Project title	Research organisation	Cost paid \$
Sustainability (continued)			
Waste			
2023-1042	Commission and validate a novel wastewater treatment plant at a red meat protein recovery facility	L. & G. Meats Pty. Ltd. T/A Westside Meats Pty. Ltd	284,700.00
2023-1060	Ceramic Membrane Technology to remove persistent solids from wastewater	Dardanup Butchering Company	770,974.00
People & culture			
Attraction			
2023-1018	Voluntary Code of Conduct Migrant Worker Management (Stage 2)	KPMG Australia	249,854.00
2023-1029	Red meat processing workforce strategy	Deloitte Touche Tohmatsu	136,500.00
2023-1064	Meat Processing Industry Immersive Careers Experience Tool (Stage 1 and 2)	Think Digital Studios Pty Ltd	67,480.00
Retention			
2023-1046	Decision Intelligence using data to drive business decisions and R&D	Tasmanian Quality Meats Pty Ltd	95,161.00
Development			
2023-1059	Red Meat Industry Knowledge Hub — Sub Project A Optivly Stage 1	Optivly	150,000.00
2023-1061	Empowering Women in Maintenance Trades (EWIT)	Empowered Women In Trades	46,240.00
Safety & wellbeing			
2023-1020	Management of the Q Fever Register — Stage 3 (Hosting, Maintenance and Support) 2022-23	AUS-MEAT Limited	190,837.08
2023-1034	Development of a Rise and Fall Platform Recirculating Harness Attachment	H W Greenham & Sons Pty Ltd	46,497.38
Markets & market access			
Market access			
2023-1052	Integrated Goat Polisher to Skin-on goat slaughter line	Western Meat Exporters Pty Ltd	104,267.20
Global competitiveness			
2023-1047	Beyond Border Analysis of Regulatory and Related Costs	SG Heilbron Pty Ltd	118,053.48
General			
Corporate Costs			
2022-1204	Implementing Governance Best Practice for AMPC Investments	ACIL Allen Consulting Pty Ltd	60,000.00
2023-1027	Review of AMPC levy-funded R&D investments: Alignment with strategy and future opportunities	The Growth Drivers	121,980.00
2023-1031	Strategy Coaching Program	The Growth Drivers	40,975.00

The list only includes new agreements entered into. If a project was originally entered into in a previous financial year and a variation was signed in FY22, it will not appear on the list since it was originally executed in another year. If the project was originally executed in FY22 and subsequently varied it will appear on the list.

Beef production and livestock slaughter levies

■ Marketing
■ Research & development



Funding sources and approach to RD&A

During the year we made changes to future-proof our R&D funding model following an independent review commissioned by the board. The new model increases the transparency of our funding decisions. We replaced the outdated Plant Initiated Projects funding model with a more flexible, transparent approach to funding that delivers better industry-wide outcomes, and it officially began on 1 July 2023.

Funding sources up until 30 June 2023	Funding sources as of 1 July 2023
<p>Core projects</p> <p>Core projects provide benefit to the meat processing industry. They address industry-wide issues covering productivity, profitability, sustainability, integrity, and capability. Core projects go through a robust industry-wide consultation process. Funding comes from processor levies and matched government funding (where applicable).</p> <p>50% levy 50% matched government funding</p>	<p>Open funding model</p> <p>AMPC works collaboratively with our levy payers and research partners through trusted partnerships. Levy payers and research partners co-fund investments in many cases, delivering increased value for the industry.</p> <p>The new model focuses on strategically relevant investments and is supported by a robust program governance framework endorsed by the board.</p> <p>Maximising processor participation in investments remains a critical element of our approach, and provides an opportunity for broader collaboration and a community of practice.</p>
<p>Plant Initiated Projects (PIP)</p> <p>PIP projects enable meat processing plants to identify and undertake R&D projects in their plant that generate whole-of-industry benefits. This is by trialling and adopting new technologies at their plant. They are funded by the plant, levies, and matched government funding.</p> <p>25% levy 25% processor co-funding 50% matched government funding</p>	<p>Joint projects</p> <p>Joint projects deliver supply chain improvements. Projects are completed in the areas of food safety, data integrity, eating quality, and support increased demand for red meat domestically and internationally. These projects are funded by AMPC and Meat and Livestock Australia, using both processor and producer levies, as well as matching government funds for eligible activities.</p>

Cap — government matched funding

The matched funding mentioned above is provided by the government to research and development corporations each year and is capped based on total industry turnover. For red meat industry participants, the 2022–2023 matched funding cap was \$27.4m (total available between AMPC, MLA and Livecorp).

Eligible R&D initiatives attracted matched funding equal to 50% of project expenditure.

The processing sector accesses matched funding through our supply chain innovation partner, Meat and Livestock Australia.

AMPC invested \$16.1 million of cap in 2022-23.

Our organisation

Who we are

Our board As of 30 June 2023



John Berry
Chairman

John K Berry is the Head of Corporate and Regulatory at JBS Australia Pty Limited and also a Director of JBS Australia.

JBS is the largest meat, protein and food processing company in Australia and New Zealand.

John has over 20 years of senior management experience in the Australian Meat and Food Processing Industry.

John has lead responsibility for corporate and government relations, industrial relations, sustainability and environmental within the JBS Australia business.

He also has extensive operational and business strategy experience including merger and acquisitions and business integration.

John possesses an MBA from the University of Queensland, business management degree from the Queensland Institute of Technology and is also a Graduate and Fellow of the Australian Institute of Company Directors.

John was elected to the AMPC Board for an eighth term in November 2020.



Melissa Fletcher
Deputy Chairman

Melissa Fletcher is the Chief Executive Officer of Fletcher International Exports, one of Australia's largest processors and exporters of lamb and sheep meat products.

As an Australian of proud indigenous descent with over 30 years of industry experience, she represents a new generation of red meat industry leaders and brings a unique and valuable perspective to the AMPC Board.

Melissa was elected to the AMPC Board for her second term in November 2020.



Saranne Cooke
Independent Director

Saranne is Deputy Chancellor of Charles Sturt University, Chair of the Australasian College of Sport and Exercise Physicians, Deputy Chair of Racing NSW, Chair of the Royal Flying Doctor Service (South Eastern), a director of Fisheries Research and Development Corporation (RDC), HESTA Superannuation and Aged and Community Care Providers Association.

Dr Cooke Chairs the Fisheries RDC Finance, Audit and Risk Committee and is the Independent Chair of the Sugar Research Australia Director Selection Committee (for 2022 and 2023).

Dr Cooke previously held a number of executive roles within the energy, financial, education and manufacturing sectors. Dr Cooke completed her doctorate by researching board governance across the ASX 200 companies. Dr Cooke also holds a Bachelor of Commerce, Master of Business (Marketing), and a Master of Commercial Law. Dr Cooke is a Fellow of the Australian Institute of Company Directors, a Fellow Certified Practising Accountant, a Fellow of the Australian Marketing Institute, and a Certified Practising Marketer.

Dr Cook was elected to the AMPC Board in September 2022.



Allira Hudson-Gofers
Independent Director

Allira Hudson-Gofers is a non-executive director and chair with board experience across sport, innovation, legal services, and not-for-profit sectors.

In her executive role, Allira is a registered Trans Tasman Patent Attorney and Managing Partner — Australia, of a patent attorney practice.

She holds a Bachelor of Mechatronics Engineering, a Master of Biomedical Engineering, a Master of Intellectual Property, an MBA, and a Master of Legal Business. She is currently completing a Graduate Diploma of Applied Corporate Governance and Risk Management.

Allira was elected to the AMPC board in April 2022.



Dean Goode
Processor Director

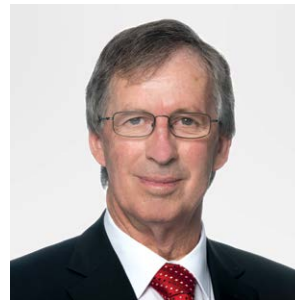
Dean was appointed Chief Executive Officer of Kilcoy Pastoral Company Limited (KPC) on 1 July 2012. He has worked for KPC for over 15 years, including as General Manager of Operations.

He has extensive experience in the export beef processing industry, having previously worked for over 20 years with AMH at both their Dinmore and Townsville facilities in various management roles.

In January 2017, he was appointed Group Chief Executive Officer of the rebranded group of companies, Kilcoy Global Foods, with responsibilities in Australia, USA and China.

Dean holds a Master of Business Administration (MBA) from James Cook University.

Dean was elected to the AMPC Board for his third term in November 2020.



Noel Kelson
Processor Director

Noel Kelson has been involved within the Australian meat processing sector since 1971 working in government inspection and compliance. During this period, he had participated within the significant changes executed by the Victorian meat industry including the transition from direct regulatory control to a quality assured outcome.

In 1995 Noel left the government service to become the quality assurance manager for the Warrnambool based Midfield Meat International Pty Ltd, a position held for 23 years.

Noel has maintained a strong interest in industry matters and in 2015 became a serving Board member of the Australian Meat Industry Council and in 2017 a Trustee Director of the Australian Meat Industry Superannuation Trust. In 2017 Noel was appointed to the Board of the Victorian meat authority, PrimeSafe, and in April of 2020 filled a vacancy upon the AMPC Board.

Noel was elected to the AMPC Board in November 2020.



Tom Maguire
Processor Director

Tom has a postgraduate in Economics, Industrial Relations and Human Resources Management and completed a Master of Business Administration (MBA) from University of Queensland.

Tom Maguire currently holds the position of Group General Manager with HW Greenham and Sons, and was previously General Manager Corporate Services with Teys Australia Pty Limited. Tom has been involved in the Australian meat industry since 1997 and has held senior positions in the National Meat Association of Australia.

Tom was elected to the AMPC Board for an eighth term in November 2020.



Brad Teys
Processor Director

Brad Teys has worked in the beef processing industry for 42 years, working throughout the business in various areas including livestock procurement, plant operations and sales. Brad has been CEO of Teys since 2002 and has been Chairman and CEO since 2019.

Teys Australia is the second largest beef processing company in Australia with six processing sites, three feedlots and value added and wholesaling businesses throughout the Country's eastern seaboard. Teys Australia employees 4700 people across three states.

Brad has a Dip. Meat Tech. with Distinction from Massey University, New Zealand and an MBA with Distinction from Bond.

Brad was elected to the AMPC Board in November 2020.



Mark Langan
Company Secretary

Mark Langan was appointed as Company Secretary on 28 February 2022. Mark has over three decades' accounting and company secretarial experience in various listed and private companies as well as in private practice. He joined Company Matters in 2014. Previously, Mark served as Chief Financial Officer of Clarius Group Limited for over a decade and before that was company secretary of ASX listed Dapoli Corporation Limited. Mark is a member of the Institute of Chartered Accountants in Australia.

Our leadership team As of 30 June 2023



Chris Taylor
Chief Executive Officer

As CEO of AMPC since 2019, Chris Taylor has led the industry-owned research and development corporation through a strategic and operational reset in the face of significant threats and opportunities to the red meat processing sector.

Chris has led the development of a customer-focused strategy, built a fit-for-purpose team and grown the business from a \$20m to \$40m annual investment.

Chris has a finance and corporate services background in agrifood and natural resources sectors and was AMPC's chief financial officer from 2016 to 2019.

Chris is a graduate of the Australian Industry of Company Directors (AICD) course, and holds a Bachelor of Business (Management), a Bachelor of Commerce (Accounting, Finance), and is a qualified chartered accountant.



Edwina Toohey
Research, Development and Adoption

Edwina has more than 20 years' experience in research, development and adoption in the agriculture and meat processing sector. She has authored over 55 scientific papers/reports relating to cattle, sheep and goat meat science and technology research. Edwina has managed diverse teams to deliver excellence through the value chain. Edwina is an Australian Intercollegiate Meat Judging alumni and holds a Bachelor of Applied Science (Agriculture)(Hons) at Charles Sturt University and Master Rural Sci Degree at University of New England.

Edwina began working for AMPC in June 2023 and leads the Research Development and Adoption team.



Veneta Chapple
Industry and Government Relations

Veneta Chapple was appointed to Director of Government and Industry Affairs in July 2019. She manages AMPC's stakeholder relations, government affairs, and strategic policy research and development. Veneta joined AMPC in December 2018 as Senior Manager — Key Stakeholder Engagement after spending nearly 3 years with Inghams Ltd as Head of Corporate Communication.

Veneta began her career as a finance journalist in Australia and the UK before moving into consulting in communications and corporate affairs.



Maria Stathis
Communications and Media

Maria is a highly experienced communications professional with 24 years' experience in Australia and the UK. Her experience includes working in the telecommunications, finance and agricultural industries.

Maria is a highly capable leader having managed a wide variety of teams and her strengths include external communications, internal communications, media management, communication strategy, digital communications, issues management, event management, and social media.

Maria holds a Bachelor of Communication.

Maria began working for AMPC in June 2021 and leads the communications and media function.



Mabel Liang
Corporate Services

Mabel has more than 20 years' experience working in executive roles in multinational, listed, and private companies working on leading international operations, start-ups, joint ventures and business restructures.

She has advanced financial management capabilities in planning, analysis, budgeting, forecasting, cash flow and working capital maximisation with an in-depth knowledge of financial compliance and governance.

She joined AMPC in October 2021.

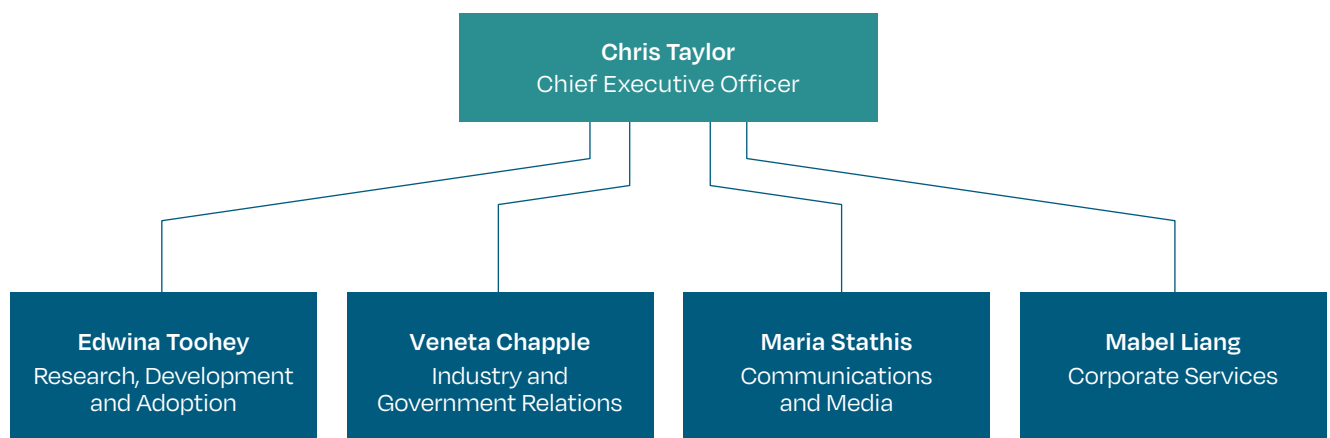
Our people

As of 30 June 2023 AMPC had 17 employees comprising of 14 females and 3 males.

We have a hybrid model with employees doing a mix of working from home and office.

The head office is in North Sydney with six employees working remotely permanently to better service our levy payers.

AMPC organisational chart



Corporate governance statement

The Board of AMPC is responsible, with management, for the corporate governance practices of the Company and constantly updates its practices based on both its advice and its own investigations. This statement sets out the main corporate governance practices that were in operation throughout the financial year, except where otherwise indicated.

Corporate Governance Policy

The Board of AMPC has maintained a Corporate Governance Policy during the year ended 30 June 2023.

The Corporate Governance Policy states that the Board of AMPC is committed to ensuring effective corporate governance in accordance with government expectations and drawing on the ASX Corporate Governance Council's *Corporate Governance Principles and Recommendations*.

In accordance with the Corporate Governance Policy, the Board of AMPC maintains a framework of good corporate governance. The framework comprises of the Corporate Governance Policy and other documents, including:

- Board Charter
- Audit & Risk Committee Charter
- Nomination & Remuneration Committee Charter
- Delegation of Authority
- Diversity Policy
- Code of Conduct
- Privacy Policy
- Whistle-blower Policy
- Conflicts of Interest and Chinese Walls Policy
- Risk Management Plan
- Any other policies deemed appropriate in pursuit of this Corporate Governance Policy

The Board of Directors

The board carries out its responsibilities according to the following mandate:

- the members elect the processor directors every three years
- the independent directors are elected by the processor members of the board
- the chairman and deputy chairman are elected by the board
- the directors should possess a broad range of skills, qualifications and experience
- the directors are expected to act independently of any associate activities that may cause a conflict
- the board should meet on a regular basis

- all available information in connection with items to be discussed at a meeting of the board is provided to each director prior to that meeting

As at the date of this directors' report, the board consisted of six processor directors and two independent directors. Details of the directors are set out in the directors' report.

The primary responsibilities of the board include:

- the approval of the Annual Operating Plan and the annual financial report
- the establishment of the long-term goals of the company and strategic plan to achieve those goals
- the review and adoption of annual budgets for the financial performance of the company and monitoring the results on a regular basis
- ensuring that the company has implemented adequate systems of internal controls together with appropriate monitoring of compliance activities, including compliance with the company's obligations under the Red Meat Industry Memorandum of Understanding and the Statutory Funding Agreement
- reporting to government and members

The board assesses its performance as a whole relative to its objectives, including the performance of individual directors, at least every two years.

The board acknowledges the need to balance continuity and expertise among directors, with independence and renewal as part of annual board performance assessment and evaluation.

The board recognises that gender targets are an essential part of managing and improving business performance, similar to financial and operational targets. This principle is enshrined in the requirements of the Diversity Policy.

Independent professional advice

With the prior approval of the Chairman, each director has the right to seek independent legal and other professional advice at the Company's expense concerning any aspect of the company's operations or undertakings in order to fulfil their duties and responsibilities as directors

Audit and Risk Committee

- Saranne Cooke (Chair)
- Allira Hudson-Gofers
- Noel Kelson

The Audit & Risk Committee met four times in the financial year ended 30 June 2023.

The Audit and Risk Committee oversight responsibilities include:

- the preparation and integrity of AMPC's financial accounts and statements
- the internal controls, policies and procedures that AMPC uses to identify and manage business risks
- the qualifications, independence, engagement, fees and performance of AMPC's external auditor
- the external auditor's annual audit of AMPC's financial statements
- the resources, performance and scope of AMPC's internal audit function
- AMPC's compliance with legal and regulatory requirements and compliance policies
- reviewing and recommending the annual budget to the board

The Audit and Risk Committee invites the Chief Executive Officer and the Corporate Services Manager and may request the external and internal auditors or the company's legal representatives to attend meetings for the purpose of considering pertinent matters that may arise.

Risk management

The board is responsible for the company's system of internal controls. The board constantly monitors the operational and financial aspects of the company's activities and, through the Audit and Risk Committee, the board considers the recommendations and advice of external and internal auditors and other external advisers on the operational and financial risks that arise or may arise.

The board ensures that recommendations, and any concerns identified by the external and internal auditors and other external advisers are investigated and, where considered necessary, appropriate action is taken.

In addition, the board investigates ways of enhancing existing risk management strategies, including appropriate segregation of duties, the employment and training of suitably qualified and experienced personnel and in conjunction with the recommendations of the Audit and Risk Committee, the scope and work program of internal auditors.

Nomination and Remuneration Committee

- Allira Hudson-Gofers (Chair)
- Saranne Cooke
- Tom Maguire

A Nomination and Remuneration Committee has been established to assist the board to:

- develop and implement an independent process to ensure people with the collective expertise required are identified for selection to the board to facilitate compliance with the new skills-based board as set out in the Statutory Funding Agreement with the Commonwealth
- develop remuneration policies and practices applicable to all officers on an annual basis to ensure that these policies and practices fairly and responsibly reward individuals

The Nomination and Remuneration Committee met three times in the financial year ending 30 June 2023.

To retain and attract executives of sufficient calibre to facilitate the efficient and effective management of the company's operations, the board may seek the advice of external advisers in connection with the structure of remuneration packages.

Code of conduct

As part of the board's commitment to the highest standard of conduct, the company has a Code of Conduct to guide executives, management and employees in carrying out their duties and responsibilities. The Code of Conduct includes such matters as:

- integrity of staff and Directors
- information and operational transparency
- responsibilities to members
- compliance with laws and regulations
- relations with customers and suppliers
- ethical responsibilities
- employment practices
- responsibilities to the environment and the community

All directors are required to declare any conflict of interest, perceived or otherwise, they may have in matters before the board, not to vote or participate in the debate on matters in which they have a conflict and, where appropriate, to absent themselves from the meeting during the discussion and vote on that issue.



Financial report

For the year ended 30 June 2023

Australian Meat Processor Corporation Ltd
ABN 67 082 373 448

Directors' report	59
Auditor's independence declaration	62
Statement of profit or loss and other comprehensive income	63
Statement of financial position	64
Statement of changes in equity	65
Statement of cash flows	66
Notes to the financial statements	67
Directors' declaration	78
Independent auditor's report	79

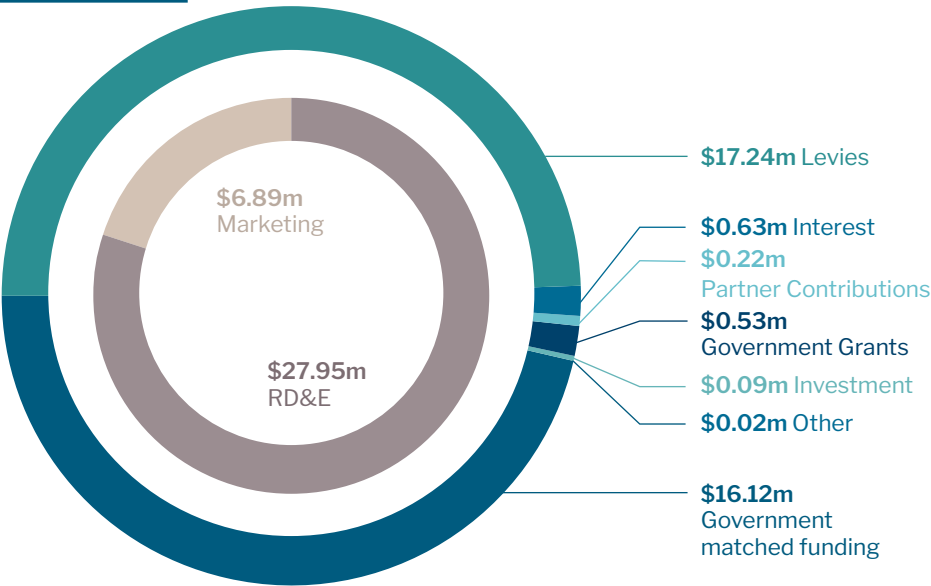
Australian Meat Processor Corporation Ltd is a not-for-profit unlisted public company limited by guarantee, incorporated and domiciled in Australia. Its registered office and principal place of business is:

Australian Meat Processor Corporation Ltd
Suite 2, Level 6
99 Walker Street
North Sydney NSW 2060

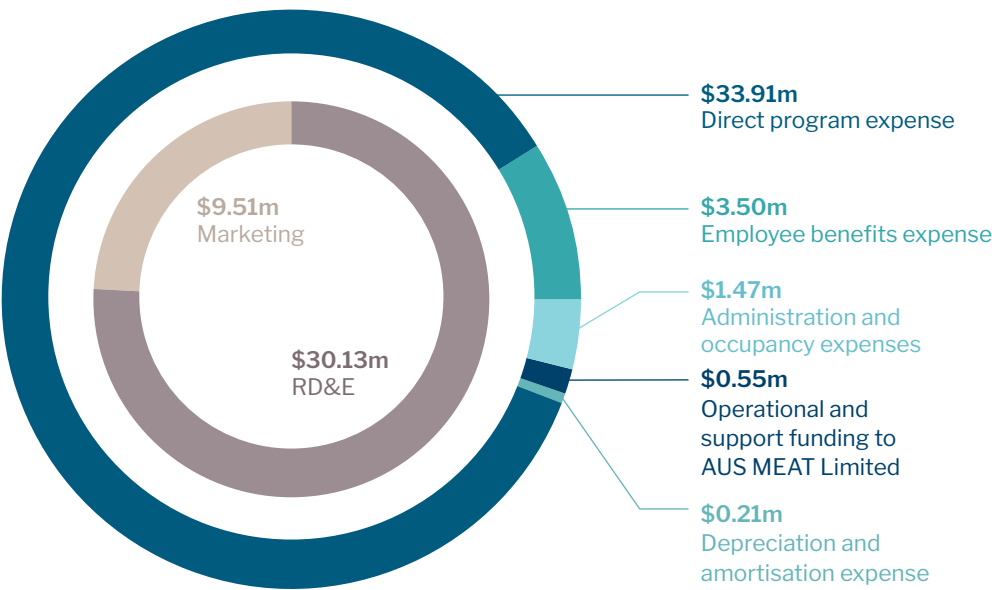
A description of the nature of the Company's operations and its principal activities are included in the directors' report, which is not part of the financial statements.

Financial highlights

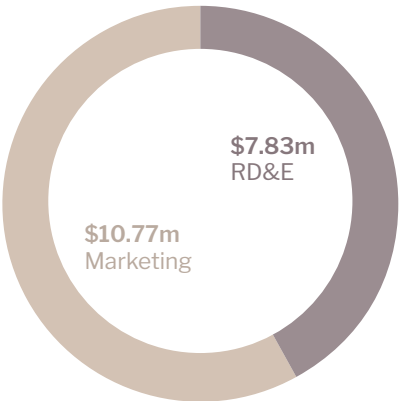
Total income
\$34.85m



Total expenditure
\$39.64m



Closing reserves
\$18.60m



Director's report

The directors present their report together with the financial report of the Australian Meat Processor Corporation Ltd (AMPC or the Company) for the financial year ended 30 June 2023 and auditor's report thereon.

Principal activities

AMPC is responsible for promoting:

- freedom of trade in the interests of the members
- marketing and sales of Australian meat on the Australian market and to overseas countries
- meat processing industry research and development
- improvement of the quality of Australian meat
- the classification of Australian meat
- the economic, environmental, health, safety and social wellbeing of the meat processing industry and the wider community
- the mutual interests of members by holding conferences, symposiums and seminars for any or all of the members and presenting the views of the Company on behalf of the members at any conference, symposium or other forum
- the interests of and do all relevant acts and things for the advancement, protection and promotion of the interests of, the members.

AMPC is the rural research and development corporation for the red meat processing industry in Australia. As the research, development and marketing service provider for Australian processors, AMPC runs programs of activity that are funded by processor levy payers, private contributions and the Australian Government. These programs deliver outcomes and benefits for the Australian red meat processing industry and the broader Australian community.

AMPC's goals are to provide research, development, extension (RD&E) and Marketing services that:

- improve long-term efficiency and industry competitiveness
- protect, secure and maintain market access
- enhance industry sustainability
- develop capability, translation and extension, and
- increase productivity and value capture.

AMPC manages activities across key programs that include advanced manufacturing; sustainability; people and culture; technical market access and markets; and product and process integrity.

AMPC is committed to working with its stakeholders to achieve an efficient application of levy funds through its RD&E and marketing activities to address industry priorities. That impact is enhanced by leveraging AMPC's investment through co-investment and collaboration.

AMPC engages with the Australian Government, its meat processor membership base, Meat & Livestock Australia (MLA) and other bodies in the red meat industry including the Red Meat Advisory Council (RMAC) and the Australian Meat Industry Council (AMIC). These collaborations ensure that processor levy funds are appropriately and effectively invested to deliver maximum benefits.

AMPC will continue to develop strategic partnerships and alliances with other organisations that have complementary capabilities and service delivery assets. These organisations include the National Meat Industry Training Advisory Council (MINTRAC), Universities, government agencies, Research & Development Corporations (RDCs), research institutes, CSIRO, Co-Operative Research Centres (CRCs) and other industry providers, both in Australia and internationally.

No significant changes in the nature of the Company's activity occurred during the financial year.

Short-term and long-term objectives

The objectives for which the Company is established are:

- to promote, protect and further the interests of the Company and its members in any lawful manner
- to act as a meat processor body, including by providing services, and procuring and providing leadership in the provision of services, relating to research, development and marketing in the meat processing industry for the benefit of its members and meat processors and the community in general
- where a Statutory Levy Regime applies, enter into a funding agreement or similar arrangement with the Commonwealth of Australia relating to the payment to, and application of statutory funds, by the Company
- where no Statutory Levy Regime applies or statutory levies are set at zero, enter into contribution contracts with members for the payment of Company contributions
- to collect payments or Company contributions from meat processors for the purpose of investing in and financing projects, undertakings or enterprises of any kind either severally or jointly with any meat industry corporation, body or entity; research and development corporation, body or entity; marketing corporation, body or entity; or other person, body or entity; in each case in the interests of and for the benefit of meat processors and/or the meat processing industry
- to receive statutory funds and apply those funds in accordance with the Statutory Funding Agreement (SFA), the Red Meat Memorandum of Understanding (MOU) and the Australian Meat and Live-stock Industry Act 1997 (Cth);

- to enter into contracts with, and employ and engage, individuals, organisations, companies, bodies or entities to manage, research and development and marketing projects and/or other projects on behalf of the members and in the interests of and for the benefit of meat processors and/or the meat processing industry
- to perform such acts and do any other thing deemed necessary or desirable for the preservation, protection and promotion of the rights and interests of the members as meat processors
- to carry out any and all such acts and do all such things that may be in the interests of the members and to carry out any or all such acts and or all such other things that are an incidental or conducive to the attainment of the aforementioned objects.

Incorporation

The Company was incorporated as a national member funded public company on 22 April 1998 pursuant to reforms announced by the Minister for the Department of Agriculture, Forestry and Fisheries on 18 March 1997.

These reforms required red meat processors and livestock exporters to establish separate self-funded companies to interact with a producer company through willing partnership arrangements.

In 2007 AMPPC, through its processor Peak Industry Council, requested the Commonwealth Government to re-introduce a statutory levy and that such funds be directed to AMPPC to enable it to continue to carry on its normal business activities including its contractual arrangements pursuant to the Memorandum of Understanding referred to below. On 1 September 2007, the Government introduced a Statutory Levy Scheme to collect funds from red meat processors in turn forwarded these funds on to AMPPC to manage and fund industry programs.

Memorandum of Understanding

The Company became a party to the Memorandum of Understanding ("MoU") on 27 April 1998 and to subsequent revisions to the original document.

The MOU links the Company with Meat and Livestock Australia Limited (a separate producer corporation) and LiveCorp (a separate livestock exporter's corporation) together with the Commonwealth of Australia, Peak Industry Councils and the Red Meat Advisory Council (RMAC).

The roles and responsibilities of the Company under the MOU are:

- (a) to provide management, funding and administrative arrangements for red meat processing industry activities to be undertaken by or through MLA including 'joint functions', 'core functions' and any unforeseen event which has significant impact upon the industry;

- (b) in consultation with the Australian Meat Industry Council (AMIC) to undertake activities and provide services on behalf of the processing sector of the industry, which are not inconsistent with the provisions and principles of the MOU;
- (c) where services are provided by or through MLA, to develop jointly with MLA and/or AMIC goals for achieving the vision and strategic imperatives for the industry sector it represents;
- (d) each year to prepare in consultation with AMIC:
 - i) a strategic plan including financial projections for the period of 3 years beginning on 1 July in that year for the performance of functions necessary to achieve the objects of the Company and consistent with the Meat Industry Strategic Plan (MISP); and
 - ii) an operating plan including financial projections setting out the activities the Company proposes to undertake in the immediately following financial year consistent with its business plan;
- (e) to pursue the achievement of industry goals identified in the MISP in a manner consistent with policies and strategic imperatives developed pursuant to the MOU and to perform its functions and exercise its powers in a manner consistent therewith; and
- (f) to negotiate and enter into contracts with MLA, and with both MLA and LiveCorp, under which MLA will perform, or arrange for other persons to perform, Joint Functions and services on behalf of the industry sectors they represent for achieving the goals identified in the MISP.

Wind-up costs

Every member undertakes to contribute to the property of the Company in the event of the Company being wound up while a member, or within 12 months after ceasing to be a member, for:

- (a) the payment of the debts and liabilities of the Company which were contracted by the Company before the Member ceased to be a member; and
- (b) the costs, charges and expenses of winding up, and for the adjustment of the rights of the contributors among themselves, such amount, as may be required, not exceeding one hundred dollars (\$100).

Operating results

The deficit of the Company amounted to \$4,791,153 (2022: deficit of \$9,505,288).

Funding agreement

AMPC and the Department of Water and the Environment (now the Department of Agriculture, Forestry and Fisheries) entered into a ten-year Funding Agreement 2020-2030.

The company is administering the statutory levies on behalf of the industry as detailed in the new funding agreement.

Meetings of directors

During the financial year, 12 meetings of directors (including committees of directors) were held. Attendances by each director during the year were as follows.

	Directors' Meetings		Nomination & Remuneration Committee		Audit & Risk Committee	
	Eligible to attend	Attended	Eligible to attend	Attended	Eligible to attend	Attended
John Berry	5	5	—	—	—	—
Melissa Fletcher	5	5	—	—	—	—
Dean Goode	5	5	—	—	—	—
Tom Maguire	5	5	3	2	—	—
Noel Kelson	5	4	—	—	4	4
Brad Teys	5	5	—	—	—	—
Saranne Cooke	5	5	3	3	4	4
Allira Hudson-Gofers	5	4	3	3	4	4

Auditor's independence declaration

A copy of the auditor's independence declaration as required under section 307C of the Corporations Act 2001 is set out immediately after this directors' report.

This report is made in accordance with a resolution of directors, pursuant to section 298(2)(a) of the Corporations Act 2001.

On behalf of the directors



John Berry
Chairman
28 September 2023

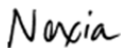
To the Board of Directors of Australian Meat Processor Corporation Limited

Auditor's Independence Declaration under section 307C of the *Corporations Act 2001*

As lead auditor for the audit of the financial statements of Australian Meat Processor Corporation Limited for the financial year ended 30 June 2023, I declare that to the best of my knowledge and belief, there have been no contraventions of:

- (a) the auditor independence requirements of the *Corporations Act 2001* in relation to the audit; and
- (b) any applicable code of professional conduct in relation to the audit.

Yours sincerely



Nexia Sydney Audit Pty Limited



Erin Tanyag

Director

Date: 28 September 2023

Sydney

Statement of profit or loss and other comprehensive income

For the year ended 30 June 2023

	Note	2023 (\$)	2022(\$)
Revenue	3	34,128,242	37,141,593
Interest revenue		627,019	106,990
Dividend and distribution investment revenue		88,768	—
Gain on the revaluation of financial assets at fair value		2,352	—
Total revenue		34,846,381	37,248,583
Expenses			
Direct program expense		(33,908,959)	(41,054,425)
Employee benefits expense		(3,499,300)	(3,699,432)
Administration and occupancy expenses		(1,466,280)	(1,236,329)
Operational and support funding to AUS MEAT Limited		(550,000)	(550,000)
Depreciation and amortisation expense	4	(212,995)	(213,685)
Total expenses		(39,637,534)	(46,753,871)
Deficit for the year		(4,791,153)	(9,505,288)
Other comprehensive loss for the year		—	—
Total comprehensive loss for the year		(4,791,153)	(9,505,288)

The above statement of profit or loss and other comprehensive income should be read in conjunction with the accompanying notes.

Statement of financial position

As at 30 June 2023

	Note	2023 (\$)	2022(\$)
Assets			
Current assets			
Cash and cash equivalents	7	12,092,213	26,822,957
Trade and other receivables	8	16,145,194	21,450,162
Contract assets	9	2,724,605	522,300
Financial assets	10	8,058,455	—
Other assets	11	118,629	98,111
Total current assets		39,139,096	48,893,530
Non-current assets			
Contract assets	9	—	1,212,648
Property, plant and equipment	12	71,798	284,793
Total non-current assets		71,798	1,497,441
Total assets		39,210,894	50,390,971
Liabilities			
Current liabilities			
Trade and other payables	13	16,681,287	21,597,370
Contract liabilities	14	3,348,862	4,727,427
Lease liabilities	15	63,603	192,320
Provisions	16	371,489	284,176
Total current liabilities		20,465,241	26,801,293
Non-current liabilities			
Lease liabilities	15	—	63,602
Provisions	16	148,270	137,540
Total non-current liabilities		148,270	201,142
Total liabilities		20,613,511	27,002,435
Net assets		18,597,383	23,388,536
Equity			
Accumulated funds		18,597,383	23,388,536
Total equity		18,597,383	23,388,536

The above statement of financial position should be read in conjunction with the accompanying notes.

Statement of changes in equity

For the year ended 30 June 2023

	Accumulated funds (\$)	Total equity (\$)
Balance at 1 July 2021	32,893,824	32,893,824
Deficit for the year	(9,505,288)	(9,505,288)
Other comprehensive loss for the year	—	—
Total comprehensive loss for the year	(9,505,288)	(9,505,288)
Balance at 30 June 2022	23,388,536	23,388,536
Balance at 1 July 2022	23,388,536	23,388,536
Deficit for the year	(4,791,153)	(4,791,153)
Other comprehensive loss for the year	—	—
Total comprehensive loss for the year	(4,791,153)	(4,791,153)
Balance at 30 June 2023	18,597,383	18,597,383

The above statement of changes in equity should be read in conjunction with the accompanying notes.

Statement of cash flows

For the year ended 30 June 2023

	Note	2023 (\$)	2022(\$)
Cash flows from operating activities			
Receipts from statutory levies		18,611,364	17,827,132
Other receipts and recoveries		22,250,096	30,623,477
Payments to suppliers and employees		(48,049,746)	(63,525,527)
		(7,188,286)	(15,074,918)
Receipts of dividends and distributions		88,768	—
Interest received		627,019	283,185
Interest and other finance costs paid		(9,822)	(15,104)
Net cash used in operating activities		(6,482,321)	(14,806,837)
Cash flows from investing activities			
Payments for Financial Assets		(8,056,103)	—
Net cash used in investing activities		(8,056,103)	—
Cash flows from financing activities			
Repayment of lease liabilities		(192,320)	(175,603)
Net cash used in financing activities		(192,320)	(175,603)
Net decrease in cash and cash equivalents		(14,730,744)	(14,982,440)
Cash and cash equivalents at the beginning of the financial year		26,822,957	41,805,397
Cash and cash equivalents at the end of the financial year	7	12,092,213	26,822,957

The above statement of cash flows should be read in conjunction with the accompanying notes.

Notes to the financial statements

For the year ended 30 June 2023

Note 1. Significant accounting policies

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

New or amended Accounting Standards and Interpretations adopted

The Company has adopted all of the new or amended Accounting Standards and Interpretations issued by the Australian Accounting Standards Board ('AASB') that are mandatory for the current reporting period.

Any new or amended Accounting Standards or Interpretations that are not yet mandatory have not been early adopted.

Basis of preparation

These general purpose financial statements have been prepared in accordance with the Australian Accounting Standards — Simplified Disclosures issued by the Australian Accounting Standards Board ('AASB'), and the Corporations Act 2001, as appropriate for not-for profit oriented entities.

Historical cost convention

The financial statements have been prepared under the historical cost convention, except for, where applicable, the revaluation of financial assets and liabilities at fair value through profit or loss, financial assets at fair value through other comprehensive income, investment properties, certain classes of property, plant and equipment and derivative financial instruments.

Critical accounting estimates

The preparation of the financial statements requires the use of certain critical accounting estimates. It also requires management to exercise its judgement in the process of applying the Company's accounting policies. The areas involving a higher degree of judgement or complexity, or areas where assumptions and estimates are significant to the financial statements, are disclosed in note 2.

Revenue recognition

The Company recognises revenue as follows:

Revenue from contracts with customers

Revenue is recognised at an amount that reflects the consideration to which the Company is expected to be entitled in exchange for transferring goods or services to a customer. For each contract with a customer, the Company: identifies the contract with a customer; identifies the performance obligations in the contract; determines the transaction price which takes into account estimates of variable consideration and the time value of money; allocates the transaction price to the separate performance obligations on the basis of the relative stand-alone selling price of each distinct good or service to be delivered; and recognises revenue when or as each performance obligation is satisfied in a manner that depicts the transfer to the customer of the goods or services promised.

Variable consideration within the transaction price, if any, reflects concessions provided to the customer such as discounts, rebates and refunds, any potential bonuses receivable from the customer and any other contingent events. Such estimates are determined using either the 'expected value' or 'most likely amount' method. The measurement of variable consideration is subject to a constraining principle whereby revenue will only be recognised to the extent that it is highly probable that a significant reversal in the amount of cumulative revenue recognised will not occur. The measurement constraint continues until the uncertainty associated with the variable consideration is subsequently resolved. Amounts received that are subject to the constraining principle are recognised as a refund liability.

Revenue from statutory levies are recognised in the period that the Government collected the levy.

Grant revenue is recognised in profit or loss when the company satisfies the performance obligations stated within the funding agreements. If conditions are attached to the grant which must be satisfied before the company is eligible to retain the contribution, the grant will be recognised in the statement of financial position as a liability until those conditions are satisfied.

Contributions from Plant-Initiated Projects are recognised as revenue as the intellectual property or research is provided to the participant. Where the participant is also the research provider, the revenue is netted off against project expenses.

Other revenue is recognised when it is received or when the right to receive the payment is established.

Interest

Interest revenue is recognised as interest accrues using the effective interest method. This is a method of calculating the amortised cost of a financial asset and allocating the interest income over the relevant period using the effective interest rate, which is the rate that exactly discounts estimated future cash receipts through the expected life of the financial asset to the net carrying amount of the financial asset.

Income tax

As the company is a tax exempt institution in terms of subsection 50(40) of the Income Tax Assessment Act 1997, as amended, it is exempt from paying income tax.

Current and non-current classification

Assets and liabilities are presented in the statement of financial position based on current and non-current classification.

An asset is classified as current when: it is either expected to be realised or intended to be sold or consumed in the Company's normal operating cycle; it is held primarily for the purpose of trading; it is expected to be realised within 12 months after the reporting period; or the asset is cash or cash equivalent unless restricted from being exchanged or used to settle a liability for at least 12 months after the reporting period. All other assets are classified as non-current.

A liability is classified as current when: it is either expected to be settled in the Company's normal operating cycle; it is held primarily for the purpose of trading; it is due to be settled within 12 months after the reporting period; or there is no unconditional right to defer the settlement of the liability for at least 12 months after the reporting period. All other liabilities are classified as non-current.

Cash and cash equivalents

Cash and cash equivalents includes cash on hand, deposits held at call with financial institutions, other short-term, highly liquid investments with original maturities of three months or less that are readily convertible to known amounts of cash and which are subject to an insignificant risk of changes in value.

Trade and other receivables

Trade receivables are initially recognised at fair value and subsequently measured at amortised cost using the effective interest method, less any allowance for expected credit losses. Trade receivables are generally due for settlement within 30 days.

The Company has applied the simplified approach to measuring expected credit losses, which uses a lifetime expected loss allowance. To measure the expected credit losses, trade receivables have been grouped based on days overdue.

Contract assets

Contract assets are recognised when the Company has transferred goods or services to the customer but where the Company is yet to establish an unconditional right to consideration. Contract assets are treated as financial assets for impairment purposes.

Investments and other financial assets

Investments and other financial assets are initially measured at fair value. Transaction costs are included as part of the initial measurement, except for financial assets at fair value through profit or loss. Such assets are subsequently measured at either amortised cost or fair value depending on their classification. Classification is determined based on both the business model within which such assets are held and the contractual cash flow characteristics of the financial asset unless an accounting mismatch is being avoided.

Financial assets are derecognised when the rights to receive cash flows have expired or have been transferred and the Company has transferred substantially all the risks and rewards of ownership. When there is no reasonable expectation of recovering part or all of a financial asset, its carrying value is written off.

Financial assets at fair value through profit or loss

Financial assets not measured at amortised cost or at fair value through other comprehensive income are classified as financial assets at fair value through profit or loss. Typically, such financial assets will be either: (i) held for trading, where they are acquired for the purpose of selling in the short-term with an intention of making a profit, or a derivative; or (ii) designated as such upon initial recognition where permitted. Fair value movements are recognised in profit or loss.

Impairment of financial assets

The Company recognises a loss allowance for expected credit losses on financial assets which are either measured at amortised cost or fair value through other comprehensive income. The measurement of the loss allowance depends upon the Company's assessment at the end of each reporting period as to whether the financial instrument's credit risk has increased significantly since initial recognition, based on reasonable and supportable information that is available, without undue cost or effort to obtain.

Where there has not been a significant increase in exposure to credit risk since initial recognition, a 12-month expected credit loss allowance is estimated. This represents a portion of the asset's lifetime expected credit losses that is attributable to a default event that is possible within the next 12 months. Where a financial asset has become credit impaired or where it is determined that credit risk has increased significantly, the loss allowance is based on the asset's lifetime expected credit losses. The amount of expected credit loss recognised is measured on the basis of the probability weighted present value of anticipated cash shortfalls over the life of the instrument discounted at the original effective interest rate.

For financial assets mandatorily measured at fair value through other comprehensive income, the loss allowance is recognised in other comprehensive income with a corresponding expense through profit or loss. In all other cases, the loss allowance reduces the asset's carrying value with a corresponding expense through profit or loss.

Property, plant and equipment

Plant and equipment is stated at historical cost less accumulated depreciation and impairment. Historical cost includes expenditure that is directly attributable to the acquisition of the items.

Depreciation is calculated on a straight-line basis to write off the net cost of each item of property, plant and equipment (excluding land) over their expected useful lives as follows:

Furniture, Fixtures and Fittings	5 years
Office Equipment	4–5 years
Computer Equipment	2.5 years

The residual values, useful lives and depreciation methods are reviewed, and adjusted if appropriate, at each reporting date.

An item of property, plant and equipment is derecognised upon disposal or when there is no future economic benefit to the Company. Gains and losses between the carrying amount and the disposal proceeds are taken to profit or loss.

Impairment of non-financial assets

Non-financial assets are reviewed for impairment whenever events or changes in circumstances indicate that the carrying amount may not be recoverable. An impairment loss is recognised for the amount by which the asset's carrying amount exceeds its recoverable amount.

Recoverable amount is the higher of an asset's fair value less costs of disposal and value-in-use. The value-in-use is the present value of the estimated future cash flows relating to the asset using a pre-tax discount rate specific to the asset or cash-generating unit to which the asset belongs. Assets that do not have independent cash flows are grouped together to form a cash-generating unit.

Trade and other payables

These amounts represent liabilities for goods and services provided to the Company prior to the end of the financial year and which are unpaid. Due to their short-term nature they are measured at amortised cost and are not discounted. The amounts are unsecured and are usually paid within 30 days of recognition.

Contract liabilities

Contract liabilities represent the Company's obligation to transfer goods or services to a customer and are recognised when a customer pays consideration, or when the Company recognises a receivable to reflect its unconditional right to consideration (whichever is earlier) before the Company has transferred the goods or services to the customer.

Lease liabilities

A lease liability is recognised at the commencement date of a lease. The lease liability is initially recognised at the present value of the lease payments to be made over the term of the lease, discounted using the interest rate implicit in the lease or, if that rate cannot be readily determined, the Company's incremental borrowing rate. Lease payments comprise of fixed payments less any lease incentives receivable, variable lease payments that depend on an index or a rate, amounts expected to be paid under residual value guarantees, exercise price of a purchase option when the exercise of the option is reasonably certain to occur, and any anticipated termination penalties. The variable lease payments that do not depend on an index or a rate are expensed in the period in which they are incurred.

Lease liabilities are measured at amortised cost using the effective interest method. The carrying amounts are remeasured if there is a change in the following: future lease payments arising from a change in an index or a rate used; residual guarantee; lease term; certainty of a purchase option and termination penalties. When a lease liability is remeasured, an adjustment is made to the corresponding right-of-use asset, or to profit or loss if the carrying amount of the right-of-use asset is fully written down.

Employee benefits

Short-term employee benefits

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

Other long-term employee benefits

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

Fair value measurement

When an asset or liability, financial or non-financial, is measured at fair value for recognition or disclosure purposes, the fair value is based on the price that would be received to sell an asset or paid to transfer a liability in an orderly transaction between market participants at the measurement date; and assumes that the transaction will take place either: in the principal market; or in the absence of a principal market, in the most advantageous market.

Fair value is measured using the assumptions that market participants would use when pricing the asset or liability, assuming they act in their economic best interests. For non-financial assets, the fair value measurement is based on its highest and best use. Valuation techniques that are appropriate in the circumstances and for which sufficient data are available to measure fair value, are used, maximising the use of relevant observable inputs and minimising the use of unobservable inputs.

Investment in AUS-MEAT Limited

AUS-MEAT Limited ('AUS-MEAT') was incorporated on 17 June 1998, and the Company is one of two Members of AUS-MEAT. As AUSMEAT is a tax exempt public Company limited by guarantee, it cannot distribute its surpluses to its Members; however, upon the event of the wind up of AUS-MEAT, the entity would be entitled to receive 50% of the net assets of AUS-MEAT. As there is no right by the entity to participate in a share of the ongoing results of AUS-MEAT, the use of equity accounting is not appropriate. Therefore, the equity accounting requirements have not been applied. Details of the investment in AUS-MEAT are included in Note 21 to the financial statements.

Goods and Services Tax ('GST') and other similar taxes

Revenues, expenses and assets are recognised net of the amount of associated GST, unless the GST incurred is not recoverable from the tax authority. In this case it is recognised as part of the cost of the acquisition of the asset or as part of the expense.

Receivables and payables are stated inclusive of the amount of GST receivable or payable. The net amount of GST recoverable from, or payable to, the tax authority is included in other receivables or other payables in the statement of financial position.

Cash flows are presented on a gross basis. The GST components of cash flows arising from investing or financing activities which are recoverable from, or payable to the tax authority, are presented as operating cash flows.

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

Note 2. Critical accounting judgements, estimates and assumptions

The preparation of the financial statements requires management to make judgements, estimates and assumptions that affect the reported amounts in the financial statements. Management continually evaluates its judgements and estimates in relation to assets, liabilities, contingent liabilities, revenue and expenses. Management bases its judgements, estimates and assumptions on historical experience and on other various factors, including expectations of future events, management believes to be reasonable under the circumstances. There are no critical accounting judgements, estimates and assumptions that are likely to affect the current or future financial years.

Note 3. Revenue

	2023 (\$)	2022 (\$)
Statutory levies	17,236,961	15,754,132
Government matching	16,121,283	20,612,623
Partner contributions	216,329	516,417
Government grants	532,069	258,421
Sundry income	21,600	—
Revenue	34,128,242	37,141,593

Total contributions received from partners was \$6,436,804 (2022: \$7,996,817). Partner contributions have been reduced for statutory accounts presentation purposes by \$6,220,475 (2022: \$7,480,400) for research projects where the participant is the research provider. There is a corresponding reduction in program expenditure expense.

Note 4. Depreciation and amortisation

Depreciation of non-current assets:		
— furniture, fixtures and fittings	42,689	42,736
— office equipment	—	643
— right-of-use assets	170,306	170,306
	212,995	213,685

Note 5. Auditors' remuneration

Audit services	43,825	40,800
----------------	--------	--------

Note 6. Key management personnel compensation

The totals of remuneration paid to the key management personnel of Australian Meat Processor Corporation Ltd during the year are as follows:

	2023 (\$)	2022 (\$)
Directors		
Short-term benefits (Directors Fees)	353,545	350,940
Post-Directorship benefits (Superannuation)	37,122	35,094
	390,667	386,034
Executives		
Short-term employee benefits (Salary)	378,159	331,432
Post-employment benefits (Superannuation)	25,292	23,568
	403,451	355,000

The names of directors who have held office during the year (and included as key personnel in addition to the Chief Executive Officer) are:

J K Berry	M Fletcher	D Goode	T J Maguire
B Teys	S Cooke	A Hudson-Gofers	N Kelson

Other key management personnel include:

Total aggregated out of pocket costs including travel and related expenses incurred by directors during the year was \$12,306 (2022: \$4,675).

Note 7. Cash and cash equivalents

	2023 (\$)	2022 (\$)
Current assets		
Cash at bank	12,092,213	26,822,957

Note 8. Trade and other receivables

Current assets		
Trade receivables	14,535,680	20,158,187
Levy receivable	1,609,514	1,291,975
	16,145,194	21,450,162

The balance of trade receivables includes matched funding claims of \$12,847,519 (2022: \$17,955,945) from Meat & Livestock Australia Limited (MLA).

No allowance for expected credit losses has been recognised during the year. The receivables remain in normal collection terms.

Note 9. Contract assets

	2023 (\$)	2022 (\$)
Current assets		
Contract assets — plant-initiated projects	2,724,605	522,300
Non-current assets		
Contract assets	—	1,212,648

Note 10. Financial assets

Current assets		
Financial assets at FVTPL	8,058,455	—

Note 11. Other assets

Current assets		
Prepaid expenses	118,629	98,111

Note 12. Property, plant and equipment

Non-current assets		
Fixtures and fittings — at cost	216,560	216,560
Less: Accumulated depreciation	(200,163)	(157,474)
	16,397	59,086
Computer equipment — at cost	51,096	51,096
Less: Accumulated depreciation	(51,096)	(51,096)
	—	—
Office equipment — at cost	1,835	1,835
Less: Accumulated depreciation	(1,835)	(1,835)
	—	—
Right-of-Use assets — at cost	736,625	736,625
Less: Accumulated depreciation	(681,224)	(510,918)
	55,401	225,707
	71,798	284,793

Reconciliations

Reconciliations of the written down values at the beginning and end of the current financial year are set out below:

	Furniture, Fixtures and Fittings (\$)	Office Equipment (\$)	Computer Equipment (\$)	Right-of-Use Assets (\$)	Total (\$)
Balance at 1 July 2022	59,086	—	—	225,707	284,793
Depreciation expense (Note 4)	(42,689)	—	—	(170,306)	(212,995)
Balance at 30 June 2023	16,397	—	—	55,401	71,798

Note 13. Trade and other payables

Current liabilities		
Trade payables	9,317,490	10,494,439
Plant-initiated projects (Note 14)	1,601,385	662,880
Other program payables	5,528,456	9,941,808
GST payable	56,974	330,638
Sundry payables and accrued expenses	176,982	167,605
	16,681,287	21,597,370

The balance of other programs payable includes matched funding claims of \$3,934,246 (2022: \$8,165,487) to Meat & Livestock Australia Limited (MLA).

Note 14. Contract liabilities

Current liabilities		
Deferred partner contributions on plant-initiated projects	3,348,862	4,727,427

Note 15. Lease liabilities

Current liabilities		
Lease liability	63,603	192,320
Non-current liabilities		
Lease liability	—	63,602

The Company leases office premises under an agreement through to 2023 with no option to renew. The lease escalates at 4% fixed rate per annum. The Company also leases equipment under agreements through to 2023.

Note 16. Provisions

	2023 (\$)	2022 (\$)
Current liabilities		
Employee benefits	273,489	256,176
Lease Make Good	98,000	28,000
	371,489	284,176
Non-current liabilities		
Employee benefits	148,270	137,540

Lease make good

The provision represents the present value of the estimated costs to make good the premises leased by the Company at the end of the respective lease terms.

Note 17. Plant-initiated projects liability

Current		
Opening balance included in payables	662,880	2,944,736
Total PIP transactions approved across the whole membership	19,389,497	23,637,855
Reductions arising from payments for approved PIPs	(18,759,921)	(27,150,221)
Adjustments incurred at completion or termination of PIPs	308,929	1,230,510
	1,601,385	662,880

Note 18. Related party disclosure

Transactions with related parties

Transactions between related parties are on normal commercial terms and conditions no more favourable than those available to other parties unless otherwise stated.

The following transactions occurred with related parties:

Operational and support funding to AUS-MEAT Limited	550,000	550,000
Project funding to AUS-MEAT Limited	266,965	350,913
	816,965	900,913

Director related Plant Initiated Projects

During the period AMPC has approved PIP's for a number of Director-related entities under the PIP program. Under the Company's Constitution, all transactions with Director-related entities are on normal commercial terms and are consistent with those provided to all Members.

The following table provides a breakdown of the movement and final balance of PIPs of Director related parties.

	Transaction value		Balance outstanding	
	2023 (\$)	2022 (\$)	2023 (\$)	2022 (\$)
Plant Initiated Projects — project expenses	9,751,311	12,654,024	1,125,497	115,000
Plant Initiated Projects — member contributions	1,397,493	4,031,275	(10,617)	1,024,863
	11,148,804	16,685,299	1,114,880	1,139,863

Note 19. Members' guarantee

The Company is incorporated under the Corporations Act 2001 and is a Company limited by guarantee. If the Company is wound up, the constitution states that each member is required to contribute a maximum of \$100 each towards meeting any outstandings and obligations of the Company.

Note 20. Economic dependence

In its role as the red meat processor research and development body and red meat processor marketing body under the Australian Meat and Live-stock Act 1997, the Company is charged with the management and application of levy funds collected from red meat processors by the Commonwealth Government. The expenditure of levies on behalf of industry is conducted in accordance with the Funding Agreement between AMPC and the Department of Agriculture, Forestry and Fisheries. During the 2021 financial year AMPC became party to a new Funding agreement covering the period 2020 to 2030.

Note 21. Associated entities

		% Owned 2023	% Owned 2022
AUS-MEAT Limited	Services to the Food Industry	50	50

Summarised financial position of associate:

	2023 (\$)	2022 (\$)
Current assets		
Cash	—	1,603,448
Receivables	—	2,320,249
Other financial assets	—	5,101,940
Other	—	445,456
Non-current assets		
Plant and equipment	—	3,727,827
Current liabilities		
Trade and other payables	—	2,089,885
Provisions	—	1,832,706
Lease liability	—	180,572

Summarised financial position of associate (continued)

	2023 (\$)	2022 (\$)
Non-current liabilities	—	—
Provision	—	490,535
Lease liability	—	264,841
Net assets	—	8,340,380
Net (deficit)/surplus for the period	—	(1,650,110)
Other comprehensive income	—	—

Note 22. Contingencies

Contingent liabilities

There were no contingent liabilities identified as at 30 June 2023 (2022: \$9.8m in relation to levies allocated to the Plant-Initiated Projects (PIP) program).

Note 23. Commitments

The Company had no capital commitments for expenditure as at 30 June 2023 and 30 June 2022.

Note 24. Events after the reporting period

No matter or circumstance has arisen since 30 June 2023 that has significantly affected, or may significantly affect the Company's operations, the results of those operations, or the Company's state of affairs in future financial years.

Note 25. Statutory information

The registered office of the Company is:

Australian Meat Processor Corporation Ltd
Suite 2, Level 6
99 Walker Street
North Sydney NSW 2060

Directors' declaration

In the directors' opinion:

- the attached financial statements and notes comply with the Corporations Act 2001, the Australian Accounting Standards — Simplified Disclosure, the Corporations Regulations 2001 and other mandatory professional reporting requirements;
- the attached financial statements and notes give a true and fair view of the Company's financial position as at 30 June 2023 and of its performance for the financial year ended on that date; and
- there are reasonable grounds to believe that the Company will be able to pay its debts as and when they become due and payable.

Signed in accordance with a resolution of directors made pursuant to section 295(5)(a) of the Corporations Act 2001.

On behalf of the directors

A handwritten signature in black ink, appearing to be 'JB' or 'John Berry', with a long horizontal stroke extending to the right.

John Berry
Chairman
28 September 2023

Independent Auditor's Report to the Members of Australian Meat Processor Corporation Limited

Report on the Audit of the Financial Report

Opinion

We have audited the financial report of Australian Meat Processor Corporation Limited (the Company), which comprises the statement of financial position as at 30 June 2023, the statement of profit or loss and other comprehensive income, statement of changes in equity and statement of cash flows for the year then ended, and notes to the financial statements, including a summary of significant accounting policies, and the directors' declaration.

In our opinion, the accompanying financial report of the Company is in accordance with the Corporations Act 2001, including:

- i) giving a true and fair view of the Company's financial position as at 30 June 2023 and of its financial performance for the year then ended; and
- ii) complying with Australian Accounting Standards - Simplified Disclosures and the Corporations Regulations 2001.

Basis for opinion

We conducted our audit in accordance with Australian Auditing Standards. Our responsibilities under those standards are further described in the 'auditor's responsibilities for the audit of the financial report' section of our report. We are independent of the Company in accordance with the Corporations Act 2001 and the ethical requirements of the Accounting Professional & Ethical Standards Board's APES 110 *Code of Ethics for Professional Accountants (including Independence Standards)* (the Code) that are relevant to our audit of the financial report in Australia. We have also fulfilled our other ethical responsibilities in accordance with the Code.

We confirm that the independence declaration required by the Corporations Act 2001, which has been given to the directors of the Company, would be in the same terms if given to the directors as at the time of this auditor's report.

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

Other information

The directors are responsible for the other information. The other information comprises the information in Australian Meat Processor Corporation Limited's annual report for the year ended 30 June 2023, but does not include the financial report and the auditor's report thereon. Our opinion on the financial report does not cover the other information and we do not express any form of assurance conclusion thereon. In connection with our audit of the financial report, our responsibility is to read the other information and, in doing so, consider whether the other information is materially inconsistent with the financial report or our knowledge obtained in the audit or otherwise appears to be materially misstated.

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

Directors' responsibility for the financial report

The directors of the Company are responsible for the preparation of the financial report that gives a true and fair view in accordance with Australian Accounting Standards and the Corporations Act 2001 and for such internal control as the directors determine is necessary to enable the preparation of the financial report that gives a true and fair view and is free from material misstatement, whether due to fraud or error.

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

Auditor's responsibility for the audit of the financial report

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

A further description of our responsibilities for the audit of the financial report is located at The Australian Auditing and Assurance Standards Board website at: www.auasb.gov.au/auditors_responsibilities/ar4.pdf. This description forms part of our auditor's report.

Nexia

Nexia Sydney Audit Pty Limited



Erin Tanyag

Director

Dated: 3 October 2023
Sydney



Disclaimer

The Australian Meat Processor Corporation (AMPC) has developed this Annual Report for internal use only. In publishing this document, AMPC is engaged in disseminating information, not rendering professional advice or services. AMPC, its authors and editors expressly disclaim any form of liability to any person in respect of anything done or omitted to be done by such person in reliance upon the whole or any part of the contents of this document.

A smiling woman with dark hair, wearing a white lab coat over a blue and white checkered shirt, and a white hairnet. She is standing in a meat processing facility, with stainless steel equipment and machinery visible in the background.

Australian Meat Processor Corporation (AMPC)

ABN 67 082 373 448

Suite 2, Level 6, 99 Walker Street
North Sydney NSW 2060

PO Box 6418, North Sydney NSW 2059

02 8908 5500

admin@ampc.com.au

ampc.com.au

 Australian Meat Processor Corporation

 Australian Meat Processor Corporation

 AusRedMeat