

ANNUAL REPORT 2016-2017



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INTRODUCTION

The Australian Meat Processor Corporation (AMPC) provides research, development and extension (RD&E), and marketing services that improve the productivity, profitability and sustainability of the red meat processing industry.

This year, AMPC was especially focused on the needs of its 105 members – linking them to the research providers who could best meet their needs and helping where possible to commercialise research outcomes. The organisation also produced its first sustainability report aimed at ensuring the long-term viability and prosperity of the industry, funded cutting-edge technology, committed to a successful social media strategy, ensured the industry had a strong voice in government, and launched a series of innovative education initiatives. With a clear strategy, a new CEO and a determination to advance the commercial objectives of members, AMPC is better placed than ever to deliver outcomes for both the red meat processing industry and the broader Australian community.

Our purpose

Enable Australia to build the most sustainable red meat industry

Our mission

To lead industry-level strategy, innovation and capability development for our members, stakeholders and communities

Our vision

To become a highly regarded, world-class provider of RD&E playing a vital role in influencing and growing the Australian red meat industry

Our values

- Collaboration
- Innovation
- Creativity
- Challenge the status quo
- Continuous improvement

Our strategy

1. Focuses on member needs
2. Diversifies funding sources
3. Develops collaborative networks and relationships with authoritative resources
4. Strategically invests in research, implementation of R&D and marketing initiatives by harnessing the world's best ideas and skills that deliver industry-wide benefits

BUILDING A SUSTAINABLE RED MEAT INDUSTRY

We are taking a long-term view of what is required to ensure the sustainability of the processing sector and the broader industry.

ABOUT AMPC

The corporation's 105 active members in 135 processing establishments represent 97% of Australia's red meat processing capacity.



105
active members



135
processing establishments



97%
of Australia's red meat processing capacity

The role of AMPC

The Australian Meat Processor Corporation (AMPC) is the rural research and development corporation for the red meat processing industry in Australia. Our mandate is to provide research, development, extension and marketing services that improve the productivity, profitability and sustainability of the industry. Red meat processor levies are strategically invested in programs that deliver a range of benefits for the industry and the broader Australian community.

Our activities

AMPC administers statutory levies on behalf of 105 processing members operating 135 meat processing establishments – in total representing 97% of Australia's red meat processing capacity.

We seek to develop useful strategies, identify innovations and build the capability of our members, stakeholders and their communities. We do so by:

- Focusing on members' needs
- Diversifying funding sources
- Building collaborative networks and relationships
- Strategic investment in research and marketing initiatives and harnessing the world's best ideas and skills.

Collaboration

AMPC engages with many key industry stakeholders to ensure that levies are effectively invested in RD&E and marketing projects of value to the industry. To ensure that the RD&E priorities of processing members are considered, we work closely with the peak industry council the Australian Meat Industry Council (AMIC) and advisory body the Red Meat Advisory Council (RMAC). In addition, we engage with Australian Government agencies, such as the Department of Agriculture and Water Resources, to ensure effective alignment and delivery of industry and government priorities.

To deliver our programs, we engage with a diverse group of RD&E providers from both the public and private sectors that provide expertise and perform scientific studies driven by our consultation process. Collaborating organisations include universities, R&D corporations, research institutes, the Commonwealth Scientific and Industrial Research Organisation (CSIRO), and Cooperative Research Centres as well as other industry providers in Australia and overseas. We will continue to develop strategic partnerships and alliances with other organisations that have complementary capabilities.

Extension activities are critical to the effective uptake of RD&E investments in the industry, which is why we continue to work with the Meat Industry Training and Advisory Council (MINTRAC) to ensure processors embrace RD&E and other AMPC-funded work.



To deliver our programs, we engage with a diverse group of RD&E providers from both the public and private sectors.

THE AUSTRALIAN RED MEAT INDUSTRY

Industry snapshot

The red meat processing sector is a significant contributor to the supply chain and the greater economy. Our purpose is to ensure the long-term sustainability of the sector for the benefit of all stakeholders.

Contributes **\$23 BILLION** to Australia's GDP per year including flow-on effects

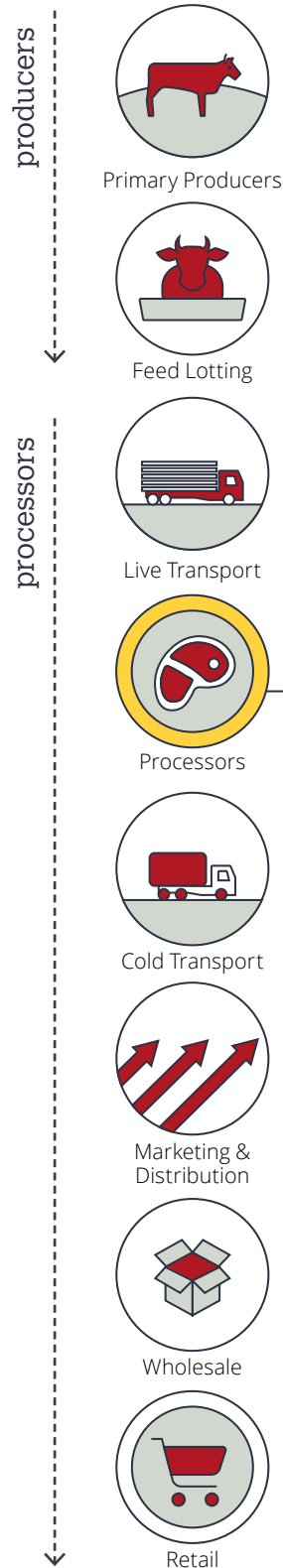
Exports 74% of produce to **86 COUNTRIES**

Meat processing is **AUSTRALIA'S LARGEST** food product manufacturing Industry

Australia is the **WORLD'S 7TH LARGEST** beef producer

Employs **135,000 AUSTRALIANS** including flow-on effects

Exports to the value of **\$10.3 BILLION** \$9 billion in processed, \$1.3 billion in live exports



GENERATE \$170,000 PER FTE* compared with an average \$152,300 in other industries

EMPLOY 34,000 PEOPLE making them the 2nd largest employer by sector

AMONG THE WORLD'S LARGEST EXPORTERS OF BEEF comprising the largest trade-exposed manufacturing industry in Australia

* Full Time Equivalent (FTE) employment

OUR APPROACH TO SUSTAINABILITY

Our drive to ensure the sustainability of the red meat processing sector underlies all of our activities. Addressing key material issues is vital to delivering on this.

What is sustainability?

1. Thriving communities

Through engagement, collaboration and a local focus, we earn our social licence to operate by helping to develop and maintain attractive communities to live, work and invest in.

2. Viable economy

We grow our global competitive position by creating, delivering and sharing value across the supply chain – from source to plate.

3. Balanced environment

By paying special care and attention to the Australian environment, we protect it and use its resources in a careful and thoughtful manner.

4. Good governance

We act in a responsible manner by respecting rights, being transparent and recognising our impacts.

5. Strengthened knowledge transfer

We seek to build trust and a more sustainable ecosystem by collaborating and sharing information, knowledge and skills.

6. World-class food security and health

We provide safe, healthy and nutritious red meat to Australians and people around the world by further advancing the current integrity systems and keeping meat quality at its best.

To learn more about our approach to sustainability visit our Feast of Ideas microsite at feastofideas.com

Our materiality process

For this year's materiality process, we worked with professional services organisation Ernst & Young (EY), whose desk-based research of the Australian and international red meat industries was supplemented by a comprehensive stakeholder survey. In collaboration with EY, we then developed a strategic document that clarified our purpose, examined the industry risks and how these were interconnected, as well as how they were impacted by the megatrends we had identified.

Key material issues

Once this work was completed, we were able to prioritise six key material issues that the processing industry needs to address. These are: international competition, the regulatory environment, changing consumption patterns, value chain integration, social licence to operate and climate change.

International competition

While Australia currently exports more than its peers on a relative basis, the industry faces substantial competitive pressures both domestically and internationally. Domestically, the sector competes with exporters of live animals. Internationally, it competes primarily with Brazil, the US and India for export markets. It is estimated that this competition will increase over the next five years, largely because of cost disadvantages.

Regulatory environment

The industry's value chain is highly fragmented. As a result, it is not well positioned to respond to an increasingly uncertain regulatory environment where changes can occur rapidly, and without industry consultation. Ensuring effective advocacy to avoid unnecessary and burdensome regulation typically requires a high degree of alignment.

Changing consumption patterns

With an increased focus on 'healthy' and 'humane' consumption and greater demand for convenience foods, eating patterns in developed nations are undergoing substantial change. During the past three decades, consumers have turned away from red meat, opting rather for chicken and pork. Moreover, while red meat has been traditionally known for its quality and nutritional value, consumers are increasingly turning to substitutes that are both cheaper and easier to produce.

Value chain integration

Australia's red meat sector operates at a competitive disadvantage to those other red meat industries with greater levels of integration. Not only does greater integration reduce economic costs in the sector, it also allows for more sharing of information, better economies of scale, effective marketing and an ability to respond to customer demands.

Social licence to operate

The Australian red meat industry's social licence to operate is derived from the regional communities in which it operates. The confluence of factors around animal welfare, environmental impact and healthy diets will likely place the industry's social licence to operate under a higher degree of uncertainty.

Climate change

Australia is facing a changing natural environment with increasing incidences of 'extreme' weather events and changing weather patterns that directly impact the industry. The increasing rate and severity of 'extreme' climatic events may pose ongoing and regular disruptions to Australian production.



A MESSAGE FROM OUR CHAIRMAN

This was a year in which our industry took stock.



With the red meat processing sector facing challenges on a number of fronts, AMPC played a central role in helping our members respond to issues like international competitiveness, changing consumer patterns, our social licence to operate, value chain integration and climate change.

Our first ever sustainability report, *A Feast of Ideas*, advanced the conversation on how to ensure the sustainability and profitability of our industry in the years ahead. The report was followed by a conference in November, The Vital Ingredient, where more than 160 delegates and 35 speakers from around the world discussed practical ways to address the issues raised.

We were delighted to see the report nominated as a finalist in the Australasian Reporting Awards, alongside Woodside Petroleum and Sandford Limited, New Zealand's largest listed seafood company.

The more than 80 research projects we funded and managed were similarly focused on the challenges we face. R&D highlights included investigating methods to enhance waste water management and recycling, and research into the socio-economic benefits of our sector for regional communities.

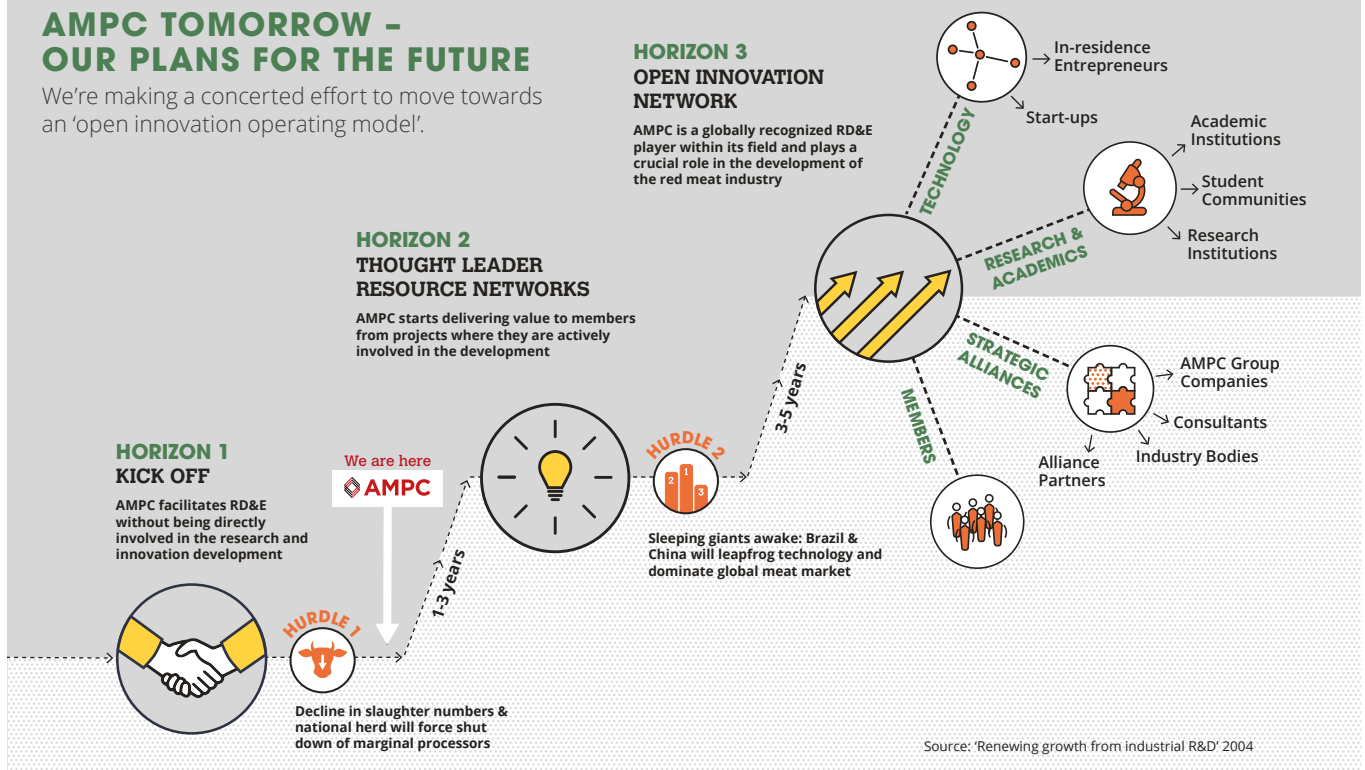
With an eye to the future, we commissioned an independent report into the benefits of DEXA objective carcass measurement technology. This report, alongside MLA's subsequent plans for a \$10 million pilot in four processing plants, will allow the red meat industry to make a fully informed investment decision around the benefits of adopting DEXA technology in up to 90 AUS-MEAT accredited facilities.

On the communication front, we made progress on our social media strategy, which led us to engage more deeply with our audiences than ever before. AMPC's Facebook reach jumped from 67 to 36,099, Tweet impressions went from 204 to 28,600, and LinkedIn impressions rose from 491 to 5,530. Over 60 media stories, with an equivalent advertising value of over \$630,000, were published as a direct result of our sustainability report and conference mentioned above.

Our focus remained on new technologies and providing strategic R&D, supplying empirical fact based evidence to support policy development through increased government and stakeholder engagement. We provided submissions into the Senate Inquiry and the ACCC's market study into beef and cattle – taking a proactive position to counter allegations of anti-competitive conduct which were unwarranted and unsupported.

AMPC TOMORROW - OUR PLANS FOR THE FUTURE

We're making a concerted effort to move towards an 'open innovation operating model'.



During October, we were pleased to participate in a tour of western Queensland organised by Senator Barry O'Sullivan to speak with processors and producers. We also joined a business delegation to China, where we enhanced prospects for new business opportunities and partnerships for the benefit of our members.

Education was another area in which we made real progress. With more than 100 careers to choose from and a growing need to resource our \$23 billion processing sector, we launched Meat. Your Career, a campaign to attract new employees to the sector.

We also designed an interactive education program for school students that allows them to follow the journey of red meat from paddock to plate. Launched at the 2017 Royal Easter Show, it also teaches children about the sustainability practices of processors and how our members provide jobs for local communities.

Looking ahead, we are more determined than ever to maintain this positive momentum. That's why we appointed Peter Rizzo as our new CEO in February. Peter brings valuable experience trading meat and other commodities in highly competitive international markets. His record of high performance along with his knowledge of – and relationships in – agribusiness make him a perfect fit to lead AMPC through the challenges and opportunities that lie ahead.

I would like to take the opportunity to thank our board and members for their continued support. Despite the challenges we face, the future of the red meat processing industry is promising. With a clear strategy, a new leader and a laser focus on the needs of our members, AMPC is better equipped than ever to help our members meet their commercial objectives.

Peter Noble, Chairman

With a clear strategy, a new leader and a laser focus on the needs of our members, AMPC is better equipped than ever to help our members meet their commercial objectives.



A MESSAGE FROM OUR CEO

AMPC's mandate is to support research, development and extension (RD&E) initiatives that improve the sustainability and efficiency of the red meat processing industry.

It is with great pleasure that I write to you in my first annual report as the newly-appointed CEO for AMPC. My colleagues and I are more determined than ever to help our members meet their commercial goals, and to assist in creating a vibrant and sustainable industry by providing insightful and meaningful research.

Preparing for the future

The red meat industry is a source of national pride, as Australia consistently ranks as one of the world's largest and most successful exporters. Our ability to provide our international customers with the highest quality beef, lamb, mutton and goat meat enhances not only our red meat industry but the premium brand of Australia more broadly.

Red meat processing is more than just an industry: it's a vocation for thousands of hardworking people in rural and regional Australia. Now clearly identified as Australia's second largest manufacturing industry by revenue, we contribute a whopping \$23 billion to Australia's GDP per year, including flow-on effects. We directly employ more than 34,000 people in around 100 different job types who in turn support their families and rural communities through their direct involvement in our industry.

However, our industry is in a transition phase: we and the whole of the food sector are moving into the digital world. We therefore spent a lot of energy this year focusing on the opportunities that Objective Carcase Measurement (OCM) (and particularly Dual-Energy X-ray Absorptiometry (DEXA) in partnership with Meat and Livestock Australia (MLA)) could provide us. We're excited about the potential of these initiatives to give our producers better feedback.

In particular, digitising the red meat industry is a major opportunity for our sector, as it will allow farm gate to plate traceability. This will become increasingly important to consumers. Digitisation will also allow processors to become more efficient, as feedback becomes empirical and data-based. We stand ready to assist in re-tooling and re-educating our sector for this exciting challenge.

Opportunities and challenges abroad

Excitingly, growth opportunities for our members abound. The global population is expected to hit 8.3 billion in 2030 – and a staggering 9.1 billion in 2050. Food demand is predicted to rise by 50 percent in the next 10 to 15 years, and as much as 70 percent by mid-century. The Asian middle class alone could reach 3 billion people by 2030.



Image courtesy of Meat & Livestock Australia (MLA)

The majority of these new customers are expected to eat more meat protein, and we want red meat to be their product of choice.

The Australian red meat industry can't rest on the laurels of its previous success in this regard, and must rise to meet these challenges. At the same time, we must be mindful of the structural risks facing our industry. We have a traditionally high and rising cost of production, with an increasing regulatory cost burden and material barriers to international trade, both technical and non-technical.

On the home front

Australians consume an average of 40.9 kg of red meat each year (30.9 kg of beef, 9.5 kg of lamb and 0.5 kg of mutton), but changing attitudes towards animal welfare, environmental impact, sustainability concerns and perceived 'health conscious' eating habits have made our home markets more ambivalent about the consumption of red meat. We must address these issues, as consumption of pork and chicken meat continues to grow. It is crucial that our industry narrative continues to remind Australians that red meat is one of the most delicious and densely nutritious food sources known to humankind. It has always been an essential component in a balanced healthy diet, and should remain so.

Three key constituents and our social licence to operate

My strategy as CEO will be underpinned by developing a deeper and more productive relationship with AMPC's three key constituents – our members, our research partners and the broader industry. Why? Because it is vital that we work collaboratively to strengthen the social licence that red meat processing in Australia depends on.

Research into our social licence to operate has been prioritised this year, alongside our efforts to ensure that customers understand that red meat is good for them and produced ethically. After all, as processors and as producers we're all in the same boat.

We will continue to work closely with the other important parties in the Australian red meat sector, but especially the Australian Meat Industry Council (AMIC), and our important MLA partners including the MLA Donor Company (MDC) and Integrity Systems Company (ISC).

This year, we're more determined than ever to help our members meet their commercial goals. It's a subtle but important shift in our strategic approach.

A MESSAGE FROM OUR CEO (CONTINUED)

A member-centric approach

Since my joining we have instigated a subtle but important shift in our operational and strategic approach to understanding what our membership and the industry needs.

In the past, AMPC has concentrated on a project-management approach to addressing our strategic risks. However our overwhelming focus now and in future will be on understanding specifically what our members and industry need. This membership-centric approach is underpinned by three principles:

- Concentrating on who our members are and what they need as a priority
- Linking our members to research providers who can best meet their needs
- Proactively working to commercialise research outcomes.

Our success will be measured by industry feedback, and by the quality of the relationships that we build with our membership, our research providers and our broader industry participants. If our members can access high-quality and time relevant research through their engagement with us and they can then use that research to achieve better commercial outcomes, then we have succeeded.

I am excited about the beneficial outcomes I know this approach will bring.

FY17 investment by category

Project	Total
Core Program	\$12,018,500
Joint MLA Managed	\$7,507,677
Joint AMPC Managed	\$1,697,145
Plant Initiated Projects (PIPs)	\$4,408,577
AUS-MEAT Contribution	\$550,000
Total	\$26,181,900

Key research outcomes

This year's R&D produced several key outcomes in both our core program and joint program streams:

Core Program

Program 1. Processing Technologies

We worked on 35 projects in the past year and invested \$6.3 million, completing 23 projects.

Highlight: Improvements to Robotic Bandsaw Operations. This project focused both on improving partial automation and working towards an automated system that would incorporate 3D computer vision, algorithmic cut path generation, and computer visualizations – increasing safety, productivity and reducing waste.

Program 2. Environment and Sustainability

We worked on 40 projects in the past year and invested \$1.19 million, completing 24 projects.

Highlight: Updating Extension Materials of Interest to the Red Meat Processing Industry. The project produced a suite of training materials and workshops on wastewater management and biogas capture, storage and combustion relevant to the red meat processing sector.

Program 3. Hygiene, Quality and Meat Science

We worked on 25 projects in the past year and invested \$2.95 million, completing 9 projects.

Highlight: Process Control Monitoring: Is there a better way? The project undertook a scientific and statistical analysis of the Product Hygiene Indicator (PHI) Program

and E. coli and Salmonella monitoring (ESAM) program data as part of a system review. A proposed reduced PHI focusing on compliance with Australian requirements is being trialled as a sequel to the work completed.

Program 4. Capability, Extension and Education

We worked on 32 projects in the past year and invested \$4.25 million, completing 14 projects.

Highlight: Crisis Management and the Development of a Proactive Approach to Potential Disease Outbreaks and Exotic Species Incursion. The project developed an online training package in Emergency Animal Disease (EAD) and exotic species response for the red meat processing industry. Companies are now more prepared for outbreaks such as the recent anthrax sheep death in north-west Victoria and MINTRAC is in the process of making the course available for the whole industry as part of VET qualifications.

Program 5. Industry, Improvement and Economic Analysis

We worked on 12 projects in the past year and invested \$1.11 million, completing 9 projects.

Highlight: Evaluating the Socio-Economic Benefit of the Red Meat Processing Industry in Regional Australia. The project provided insights into the economic contribution of the red meat processing sector into Australia. It was pivotal in setting the scene in AMPC's rebranding efforts in 2016, forming a basis for the Vital Ingredient conference, micro-website and publication.

Livestock processed* vs levies received by AMPC



\$12.4m
Beef

6.9m processed



\$1.0m
Sheep

6.5m processed



\$3.5m
Lamb

22.3m processed



\$0.2m
Goat

2.1m processed#

* Source: Australian Bureau of Statistics, 7215.0 Livestock Products, Australia, Jun 2017

Source: Department of Agriculture & Water Resources, 13 Oct 2017

Strategic Theme		Strategic Initiative	
1	Shape the Future of the Industry	S1	Optimised Industry Structure
		S2	Streamlined Procurement
		S3	Industry Best Practices
2	Unlock Markets	U1	Improve value Chain Competitiveness
		U2	Increase Market Access
		U3	Reduce Trade Barriers
3	Protect and Promote the Industry	P1	Effectively Manage the Reputation of the Red Meat Industry
		P2	Improve Productivity of Members and the Broader Red Meat Industry
		P3	Improve Wellbeing of Members, the Broader Red Meat Industry and Communities
		P4	Reduce Environmental Impact
		P5	Enhance Food Marketing and Communications
		P6	Industry Promotion
4	Build Enduring Industry Relationships	R1	Strengthened Government and Policy Market Relationships
		R2	Grow Network of Leading Service Providers
		R3	Support Successful Development of All Members
5	Diversify Funding Sources	F1	Control, Sustain and Enhance Existing Funding Sources
		F2	Identify Alternative Sources of Funds
6	Strengthen Capabilities to Become a World-Class R&D Organisation	C1	Align Operational Structures to Long-Term Strategic Objectives
		C2	Grow AMPC's Capabilities and Culture
		C3	Enhance the Organisation's Performance Management
		C4	Raise the Standard of Policies and Procedures
		C5	Enable Effective IT Solutions to Support Service Delivery

Joint Program

Highlight 1 – Market Access

We contributed \$2.8 million to the industry efforts in Market Access

Highlight 2 – Marketing

We contributed \$3.0 million to the industry efforts in Marketing

Highlight 3 – Integrity Systems

We contributed \$1.7 million to the Integrity Systems company's efforts in support of our industry.

Servicing our customer

All of us in the industry need to be aware of what our consumers want and what our role is in ensuring that our research, marketing and consumer engagement adapts to changing trends in market

conditions and consumer sentiment. That's why a number of the 55 research projects we completed this year examined the social licence issue, and why we remain so heavily focused on the needs of our consumers.

The coming year

At AMPC, our board and our members look to the future with a sense of purpose. Six key strategic themes have been identified by our board, and these will shape the corresponding initiatives in the coming year.

Working closely together, we are committed to delivering a bigger, bolder and more ambitious vision for the red meat processing industry.

I am excited to be building a world-class team and approach to meet these challenges for now and in the future.



Peter Rizzo, Chief Executive Officer

DELIVERING OUR STRATEGY

We have made a head start on our strategic initiatives and our business operations will continue to adapt to meet future demands.

WHAT WE'VE ACHIEVED

Delivering on our strategic goals drove a number of achievements during the year, including a \$26.2 million investment in R&D and marketing programs, an industry-wide consultation process resulting in 229 research proposals and the successful execution of a sophisticated social media strategy.

As market conditions evolve, we remain committed to consulting widely and often with AMPC members, levy payers, the Commonwealth, peak industry councils and our wider stakeholder group.

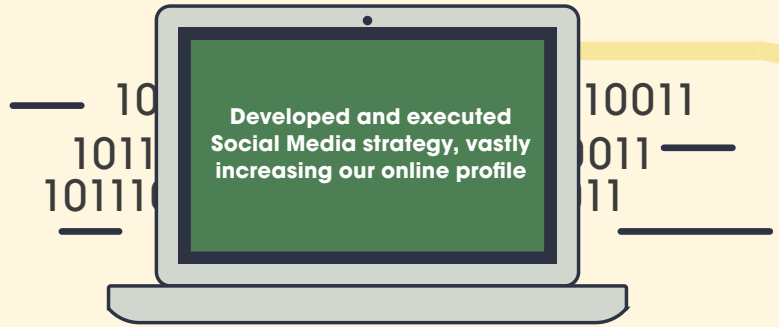


\$26.2m

investment in R&D and Marketing programs

\$630K

worth of stories published free of charge from our PR media campaign



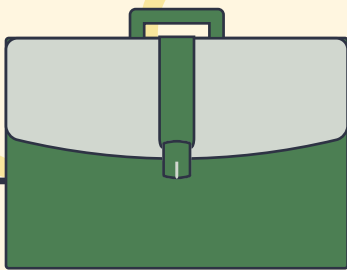
36,000
likes



29,000
impressions



5,500
impressions



158

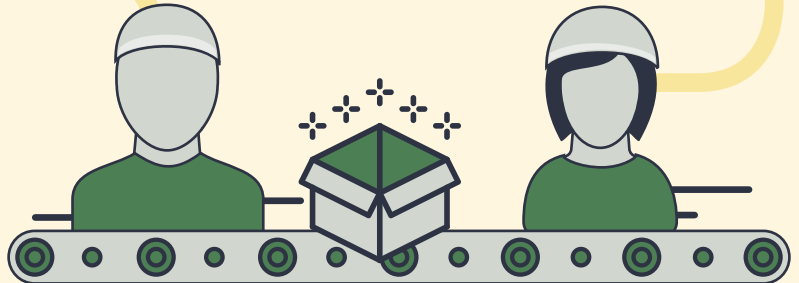
active and completed projects



229
proposals



44
projects planned
for FY18



34,000
employees

across
100
job types

STRATEGIC INITIATIVES COMPLETED DURING THE YEAR

Business operations

In keeping with our vision to become a highly regarded, world-class and influential provider of RD&E in Australia's red meat processing industry, AMPC initiated the 2018-2022 Strategic Plan in FY2017, which sets our strategic direction for the next five years.

The Strategic Plan consists of 22 targeted initiatives across six key priorities that will culminate in effective value delivery to our stakeholders. These priorities are to: future-proof our industry, unlock markets, protect and promote the industry, build enduring industry relationships, diversify funding sources, and strengthen our capabilities to become a world-class R&D organisation.

Of course, a strategic vision is only as good as its execution, and we are proud of a series of events and outcomes in FY2017 that clearly demonstrate AMPC's ability to stay focused on achieving our strategic goals.

This included our inaugural sustainability report, *A Feast of Ideas*, which set the industry standard on how to ensure the sustainability and profitability of red meat processing in the years ahead. This was followed by a successful conference, *The Vital Ingredient*, and also our first Ideation Day in November 2016, providing an opportunity for many of our members to discuss the social and environmental issues most relevant to their livelihoods.

An increased operational focus on sustainability provided a framework for better defining the strategic risks in our industry. After extensive stakeholder consultation, the Strategic Plan summarised key risks: international competition, the regulatory environment, changing consumer patterns, value chain integration, our social licence to operate (with an emphasis on upholding animal welfare) and climate change.

This industry-wide consultation process resulted in 229 research proposals aimed at helping drive the profitability and sustainability of our members. Fifty-five projects were completed in FY2017, with 76 ongoing. A further 44 projects are planned for FY2018. This financial year saw \$26.2 million of investment in R&D and marketing programs, including a \$4.4 million injection into member plants to support the implementation of research conducted through the Plant Initiated Projects (PIP) program. AMPC contributed to 27 Plant Initiated Projects during FY2017, facilitating the adoption of R&D outcomes by our industry.

A sophisticated social media strategy saw us engage more deeply with our audiences: the reach of our Facebook page jumped from 67 to 36,099 and Tweet impressions went from 204 to 28,600, while LinkedIn impressions rose from 491 to 5,530. We have increased our digital presence, providing information that is useful to our members in a format that is convenient and easily accessible.

Industry and government relationships remained a key focus of business operations. This included providing research to inform submissions into the Senate Inquiry and the ACCC's market study into beef and cattle. During October, AMPC employees also participated in a tour of western Queensland organised by Senator Barry O'Sullivan to speak with processors and producers.

Looking ahead, our business operations will continue to adapt to meet the objectives set out in the Strategic Plan. As market conditions evolve, we remain committed to consulting widely and often with AMPC members, levy payers, the Commonwealth, peak industry councils and our wider stakeholder group.

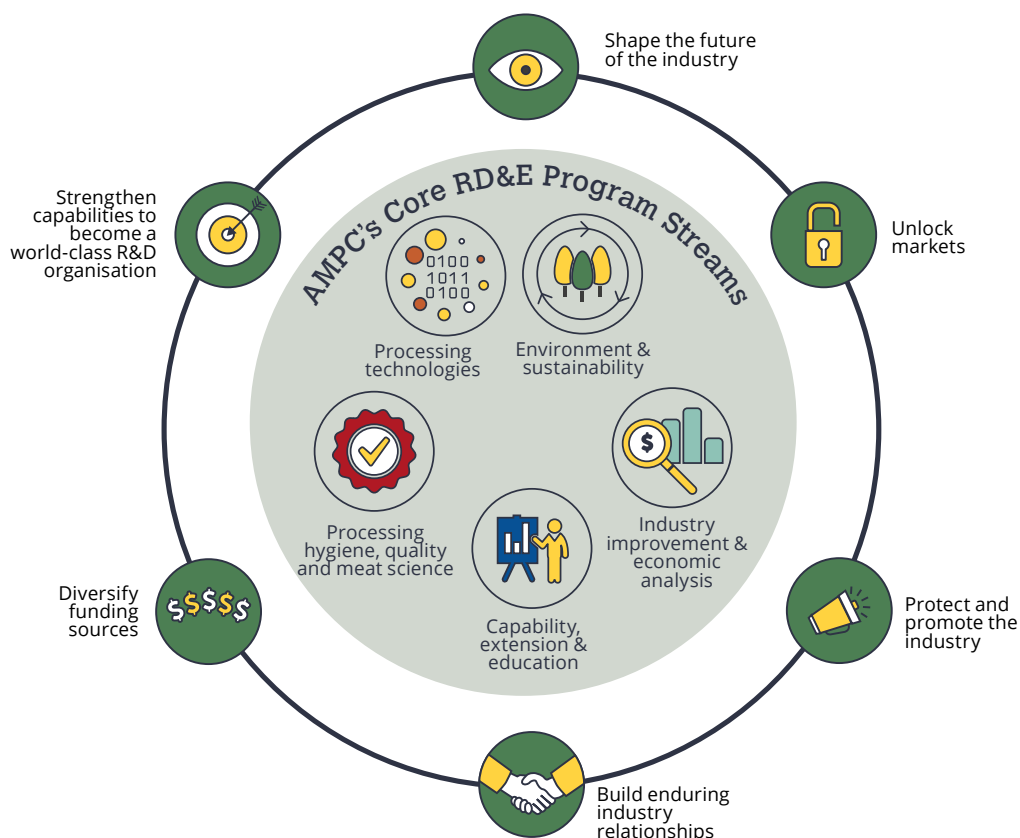


During the financial year, the AMPC board of directors approved a new strategic plan which covers the period 2018-2022 and beyond.

We have made a head start on the strategic initiatives outlined in the plan during the year.

Our focus in this first year of the strategic planning period has been on building a strong internal foundation from which we can provide the greatest possible service to the industry. Some of our achievements are listed below.

Themes of AMPC's Strategic Plan 2018-2022



Theme	Initiative	Achievement
Theme 4: Build enduring industry relationships	1. Strengthen government and policy market relationships	<ul style="list-style-type: none"> Brief key government members on AMPC's new strategic plan Government stakeholder mapping and enhancement of relationships
	1. Align operational structures to long-term strategic objectives	<ul style="list-style-type: none"> Innovation strategy approved by the board Innovation-focused operating model approved by the board New CEO hired
Theme 6: Strengthen capabilities to become a world-class R&D organisation	2. Grow network of leading service providers	<ul style="list-style-type: none"> Identify capability gaps in the organisation Identify what capabilities to acquire, retain on consulting terms, and develop in-house Develop internal capability plan Commence program of culture change to become more customer-focused and outcome driven Hire internal capabilities
	4. Raise the standard of policies and procedures	<ul style="list-style-type: none"> Ensure compliance with Funding Agreement Have adequate policies and procedures in place
	5. Enable effective IT solutions to support service delivery	<ul style="list-style-type: none"> Map IT infrastructure and identify gaps Evaluation of IT/ERP system performance Enhance ERP and CRM system

OUR FUNDING SOURCES AND INVESTMENT

AMPC is committed to building a sustainable red meat processing industry, underpinned by cutting-edge innovation and technology.

With that aim in mind, we invested in a balanced portfolio of programs, including in joint R&D with industry, processing technology and education. Funding for these investments came from livestock levies (predominantly from the beef industry), government funding and interest earned.

Livestock processed* vs levies received by AMPC



\$12.4m
Beef

6.9m processed



\$1.0m
Sheep

6.5m processed



\$3.5m
Lamb

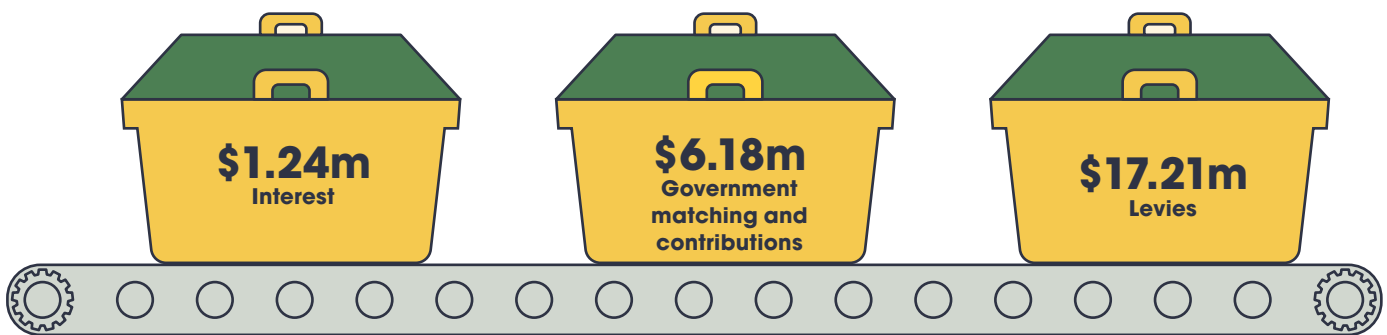
22.3m processed



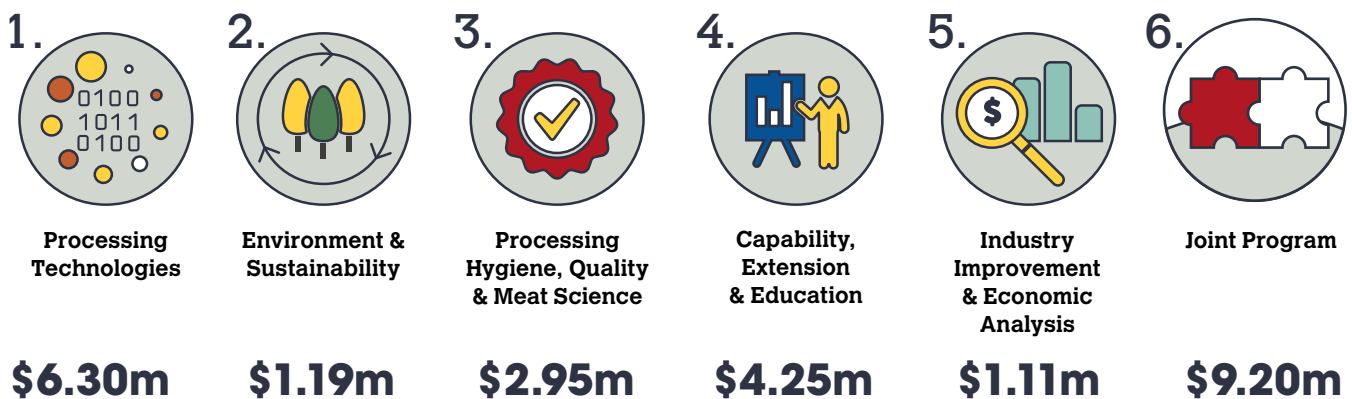
\$0.2m
Goat

2.1m processed#

+\$0.03m
Penalties



Investment by program (including PIPs)



* Source: Australian Bureau of Statistics, 7215.0 Livestock Products, Australia, Jun 2017

Source: Department of Agriculture & Water Resources, Levies Systems Finance & Processing, Business & Finance Division, 13 Oct 2017

FINANCIAL SCORECARD

Actual income and costs for FY17

	RD&E	Marketing	Pre-stat	Total
Income				
Levies	\$6,586,653	\$10,623,374	-	\$17,210,026
Interest	\$1,042,913	-	\$202,818	\$1,245,731
Government matching and contributions	\$6,180,078	-	-	\$6,180,078
Total	13,809,644	10,623,374	202,818	24,635,836
	RD&E	Marketing	Pre-stat	Total
Program Expenditure				
Core RD&E				
1. Processing Technologies	\$4,046,354	-	-	\$4,046,354
2. Environment & Sustainability	\$1,188,475	-	-	\$1,188,475
3. Processing Hygiene, Quality & Meat Science	\$2,387,480	\$372,158	-	\$2,759,638
4. Capability, Extension and Education	\$3,078,082	-	-	\$3,078,082
5. Industry Improvement & Economic Analysis	\$945,951	-	-	\$945,951
Total Core	\$11,646,342	\$372,158	-	\$12,018,500
6. Joint Program	\$4,122,107	\$5,082,715	-	\$9,204,822
Total Joint	\$4,122,107	\$5,082,715	-	\$9,204,822
Plant Initiated Projects (PIPs)	\$4,408,577	-	-	\$4,408,577
AUS-MEAT Contribution	-	\$550,000	-	\$550,000
Total	\$20,177,027	\$6,004,873	-	\$26,181,900
	RD&E	Marketing	Pre-stat	Total
Corporate Costs				
Direct Corporate Costs (Project Support)	\$2,432,095	\$134,204	-	\$2,566,298
Indirect Corporate Costs	\$1,387,503	\$2,021,257	-	\$3,408,760
Total	\$3,819,598	\$2,155,461	-	\$5,975,058
Net Income	(\$10,186,980)	\$2,463,040	\$202,818	(\$7,521,122)

Reserves movements for FY17

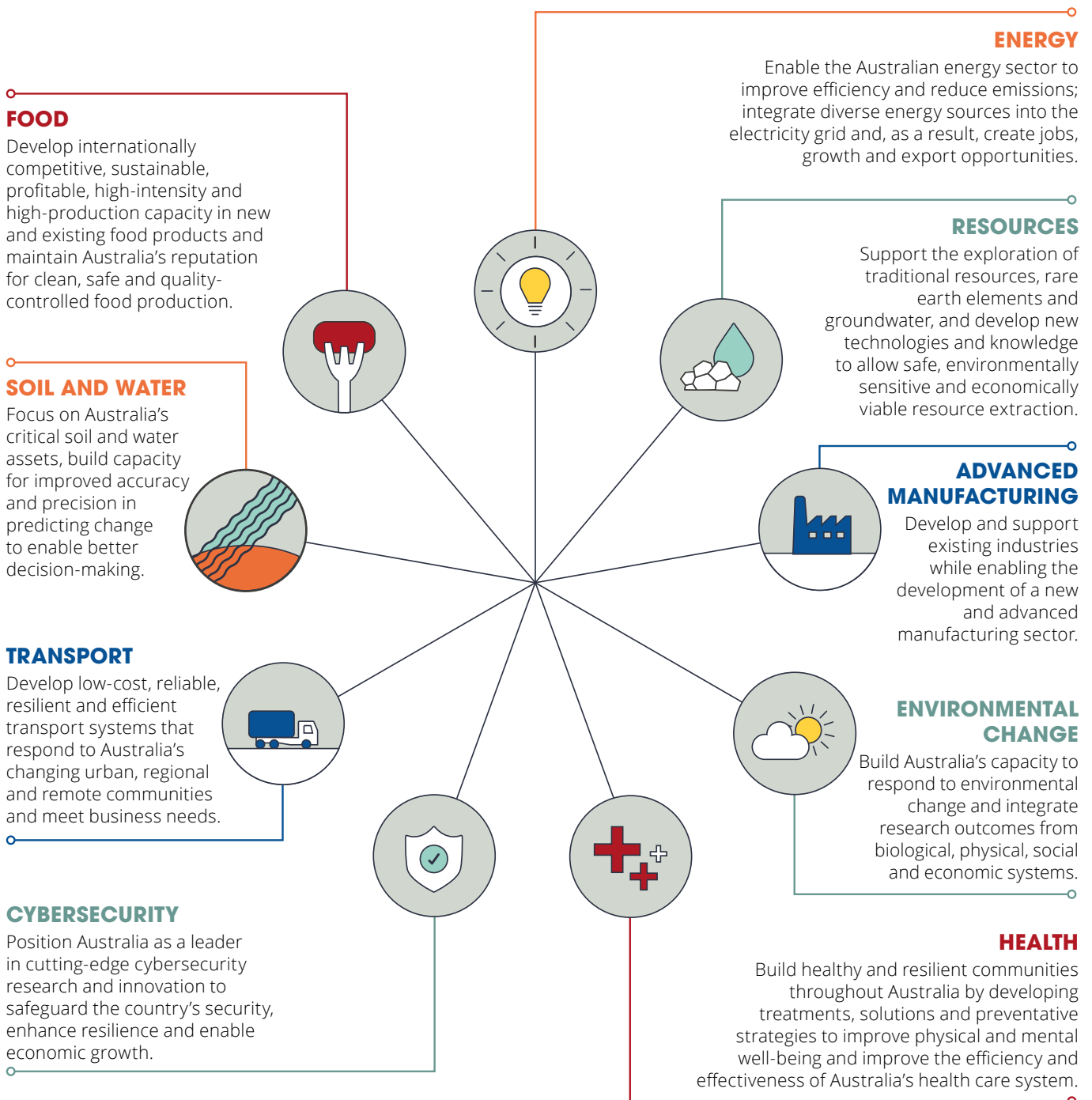
	RD&E	Marketing	Pre-stat	Total
Opening Reserves as at 30 June 2016	\$43,907,060	(\$3,477,549)	\$6,354,809	\$46,784,320
Actual Net Income FY17	(\$10,186,980)	\$2,463,040	\$202,818	(\$7,521,122)
Closing Reserves as at 30 June 2017	\$33,720,080	(\$1,014,509)	\$6,557,627	\$39,263,198

ALIGNMENT WITH AUSTRALIAN GOVERNMENT'S RESEARCH AND DEVELOPMENT PRIORITIES

National science and research priorities

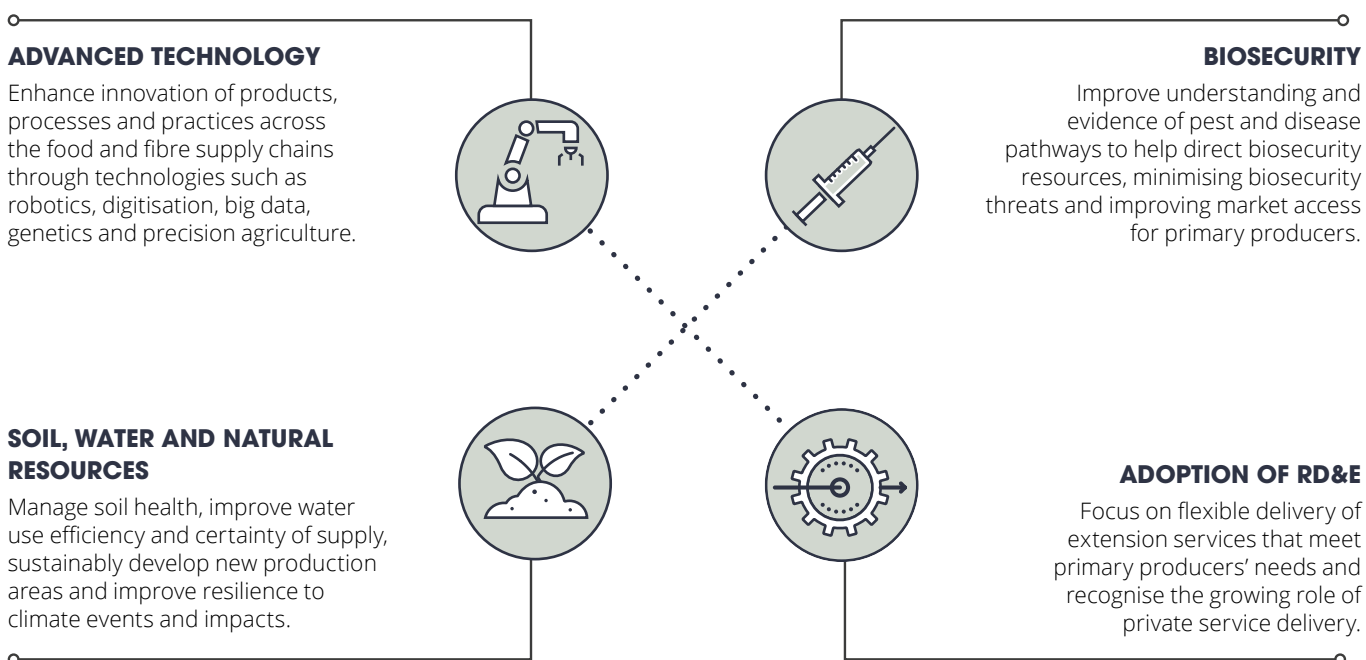
In May 2015, the Australian government announced a set of science and research priorities designed to increase investments in areas of immediate and critical importance to the nation. The priorities are neither exclusive nor exhaustive. AMPC strives to align its RD&E portfolio with the research priorities by sharing objectives and aiming for corresponding outcomes. The objective for each priority is described next.

Nine priorities devoted to science and research have been developed.



Rural RD&E priorities

The Australian government has developed a set of rural RD&E priorities consistent with the National Science and Research Priorities focusing on rural investment areas with a high need for funding.



How AMPC's programs align with the government's research priorities

NATIONAL SCIENCE AND RESEARCH PRIORITIES						
	Program 1	Program 2	Program 3	Program 4	Program 5	Program 6
Food		✓	✓			
Soil and water	✓	✓				
Transport		✓			✓	
Cybersecurity					✓	✓
Energy		✓				
Resources						
Advanced manufacturing	✓	✓	✓	✓	✓	✓
Environmental change		✓		✓		
Health				✓	✓	
RURAL RESEARCH, DEVELOPMENT AND EXTENSION PRIORITIES						
Advanced technology	✓		✓	✓	✓	✓
Biosecurity	✓		✓			✓
Soil, water and managing natural resources		✓		✓		
Adoption of R&D	✓	✓	✓	✓	✓	✓

OUR PROGRAM PERFORMANCE

PROJECTS SNAPSHOT



PROGRAM 1 PROCESSING TECHNOLOGIES

\$6.30m

total investment

23

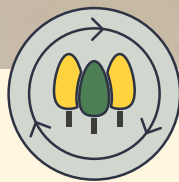
completed projects

12

active projects

35

projects in total



PROGRAM 2 ENVIRONMENT AND SUSTAINABILITY

\$1.19m

total investment

24

completed projects

16

active projects

40

projects in total



PROGRAM 3 PROCESSING HYGIENE, QUALITY AND MEAT SCIENCE

\$2.95m

total investment

9

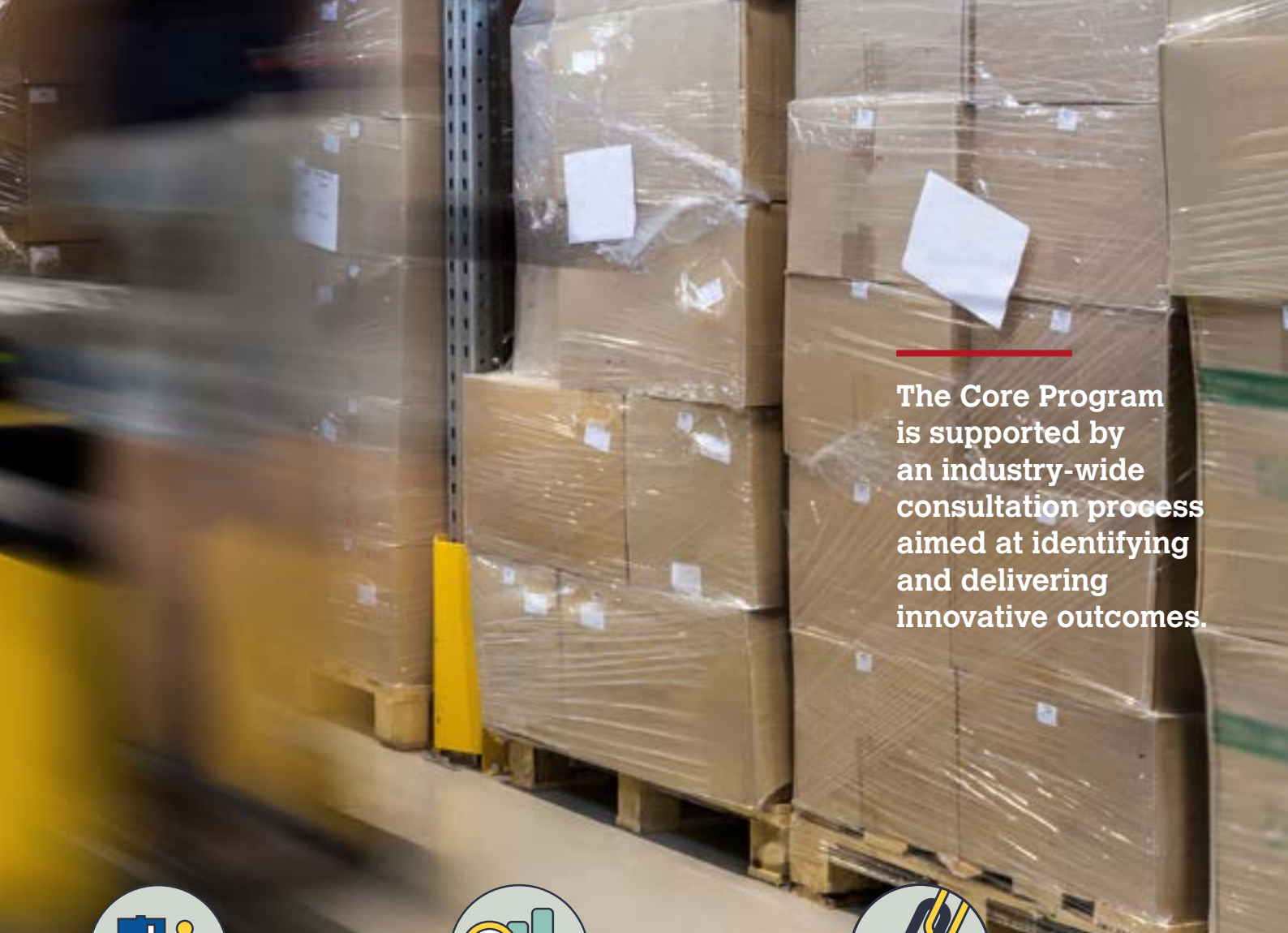
completed projects

16

active projects

25

projects in total



The Core Program is supported by an industry-wide consultation process aimed at identifying and delivering innovative outcomes.



**PROGRAM 4
CAPABILITY,
EXTENSION AND
EDUCATION**

\$4.25m
total Investment

14
completed projects

18
active projects

32
projects in total



**PROGRAM 5
INDUSTRY
IMPROVEMENT AND
ECONOMIC ANALYSIS**

\$1.11m
total Investment

9
completed projects

3
active projects

12
projects in total



**PROGRAM 6
JOINT
PROGRAM**

\$9.20m
total Investment

3
completed projects

11
active projects

14
projects in total

PROGRAM PERFORMANCE

PROGRAM

1

**PROCESSING
TECHNOLOGIES**

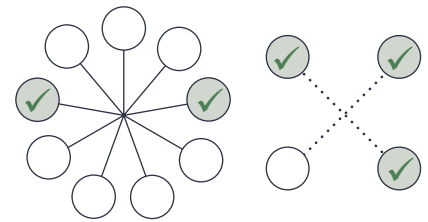


\$6.30m

Investment

This program investigates technologies that improve process efficiency, reduce the cost of production, facilitate improved value capture and increase workplace health and safety.

Alignment with government priorities



National Science and Research Priorities:

- ✓ Soil and water
- ✓ Advanced manufacturing

Rural Research, Development and Extension Priorities:

- ✓ Advanced technology
- ✓ Biosecurity

In a rapidly evolving competitive environment, adopting new technologies, developing new products and differentiating them are critical to reduce costs and improve operational efficiencies without compromising product integrity and quality. This is particularly relevant in Australia, which is recognised for its high-quality meat.

The projects under this program aim to:

- Increase the productivity of red meat processors to compete on the global scene through new technologies and manufacturing practices;
- Examine novel and efficient technologies and processes for whole carcase measurements and monitoring;
- Develop new meat products;
- Examine opportunities to value-add from meat and meat products; and
- Enhance the adoption and commercialisation of new technologies and innovation in the industry.

CODE	PROJECT STREAMS	SPEND	ACTIVE	PROJECTS COMPLETED	TOTAL
1.1	Productivity & Quality	1,943,414	9	11	20
1.2	Sensing & Analysis	1,135,669	-	2	2
1.3	Materials Handling	779,603	2	1	3
1.4	Value Added	187,669	1	3	4
1.5	Plant Initiated Projects	2,254,970	-	6	6
	TOTAL AMPC CONTRIBUTION	6,301,324	12	23	35



Sample Projects

- Improvements to robotic bandsaw operations
- Integration of CO₂ capturing and liquefaction for dry ice production
- Cost-benefit analysis for combined splitting and spinal cord removal
- Naked primal cut recognition software
- Integrated robotic picking and packing of primal cuts

To read reports on completed project go to ampc.com.au/research/reports/pi

PROGRAM 1 PROCESSING TECHNOLOGIES

ACTIVE AND COMPLETED PROJECTS: OUTPUTS AND BENEFITS

PROJECT CODE	TITLE	RESEARCH ORGANISATION	START DATE	END DATE	OBJECTIVES	OUTCOMES
1.1 PRODUCTIVITY & QUALITY						
2014-1055	Lamb Aitchboning Manual Assist	Scott Automation & Robotics	19/2/15	20/12/16	Develop a manual assist device for lamb hindquarter boning to allow the boner the freedom to concentrate on boning technique in the most ergonomic manner and thus reduce RSI-type injuries and promote increased yield	Development and installation into a domestic processing facility of an ergonomic jig enabling reduction of the physical effort required
2014-1056	X-Ray Lamb Frenching	Scott Automation & Robotics	16/2/15	27/6/17	Developing an automated solution that would use a machine to automatically French lamb racks without the downsides of current water Frenching solutions	Development of a working prototype ready to be developed into production-ready version
2016-1001	Caprine and Ovine 'cubing' characterisation and automation feasibility	Business and Manufacturing Consultancy UK	13/8/15	28/9/16	Study the feasibility of supporting and/or automating the caprine and ovine 'cubing' process in the Australian red meat industry	Detailed report including field information, trial results, assessment of requirements, state-of-the-art solutions, line design with automation options, and investment levels required
2016-1011	Automated Beef Ribset Deboning	exos Limited	16/3/16		Provide opportunities to increase yield and reduce manual labour in beef boning and limit associated injury risks	Manufacturing and trial of a single-side prototype machine to debone the beef ribset, and assessment of labour utilisation and yield outcomes
2016-1032	Technology evaluation for fat removal for beef striploins leaving a uniform thickness behind	Business and Manufacturing Consultancy UK	17/8/15	28/9/16	Assess the requirements for fat trimming, quantify the variability in beef striploin fat thickness, investigate technologies for trimming and assess solution(s) for economic viability	Provision of a validated solution and experimental prototypes for fat trimming of beef striploins
2016-1034	'New Concepts For Cattle Slaughtering & Break-Up Into Primal Meat Cuts Stage 1: Concepts Creation'	Applied Robotics International Pty Ltd	17/8/15	23/1/17	Examine new technologies to create potentially advantageous new automated concepts for cattle slaughtering and break-up into primal meat cuts	Initial report and webinar presentation on potential new concepts for cattle slaughtering and break-up into primal meat cuts prior to follow-on work
2016-1043	Improvements to Robotic Bandsaw Operations	Greysheed LLC	15/7/15	1/6/17	Investigate key components to assist the automated cutting process through robotic bandsaw operations and prototype experimental techniques	Provision of a cohesive roadmap for automated bandsaw cutting, and a series of landmarks to be implemented in isolation to increase utility in systems that have not yet been fully automated
2016-1048	Wearable technology for the meat processing industry	Commonwealth Scientific & Industrial Research Organisation (CSIRO)	1/10/15	1/9/16	Seeks to study the applicability of wearable technology in conjunction with machine learning as a potential transformative technology for the Australian red meat processing industry	Report outlining roles within the red meat processing industry that would benefit when using wearable technology

PROJECT CODE	TITLE	RESEARCH ORGANISATION	START DATE	END DATE	OBJECTIVES	OUTCOMES
2017-1003	Demonstrating and Trialling of an Internet of Things Solution for Real-Time Computation and Delivery of Plant KPIs	Swinburne University of Technology	10/10/16		Develop and demonstrate an Internet of Things (IoT) solution for the Australian red meat processing industry to monitor and improve productivity, safety and product integrity in meat processing plants	Development and deployment of IoT solutions in AMPC industry partners' plants to provide real-time computation and visualisation of real-time KPIs and to identify productivity improvements
2017-1022	Automatic equipment for handling the bung in the lamb slaughter process	Danish Meat Research Institute (DMRI)	14/10/16	15/5/17	Analyse the possibility to re-use the bung handler developed for pig slaughter for lamb processing, to reduce the amount of faecal contamination and to reduce labour cost	Evaluation of how the equipment might be deployed in a lamb slaughter operation (modifications and adaptations required and associated costs)
2017-1045	Prototype development of machine to remove fat from beef striploins leaving a uniform thickness behind – Stage 2	Business and Manufacturing Consultancy UK	1/9/16		To reach a machine design solution as a production prototype and report detailing results and the benefits	Development of a full size first machine for striploin fat trimming, leaving a uniform layer of fat behind
2017-1050	First feasibility of shoulder deboning based on an adaptation of an existing ATTEC Machine	Business and Manufacturing Consultancy UK	1/8/16	9/6/17	Consider the feasibility of adapting/adding features to the ATTEC Shoulder Machine that would reduce manual effort and assist in the deboning process	Feasibility assessment of a possible solution, preferably using passive blades compliant by selective force pressure springs that self-adjust to follow the appropriate bone profiles along the deboning path
2017-1052	Automated French Dressing of Lamb Rib Rack: Market Confirmation of the technical and commercial suitability of an 'ideal' Automated Machine design followed by its Prototype Design & Build Stages	Applied Robotics International Pty Ltd	1/9/16		Build the prototype, and do testing, evaluation, development and demonstration	Production of a prototype design, performance evaluation and associated costs
2017-1054	Feasibility Study into a High Volume Cellular Processing Plant	Strategic Engineering Pty Ltd	3/10/16		Determine the feasibility of a high-volume cellular processing plant utilising a mix of industrial robots, collaborative robots, special-purpose machines and human operators to complete various tasks	Report detailing the viability of a high-volume cellular plant, including economic assessment

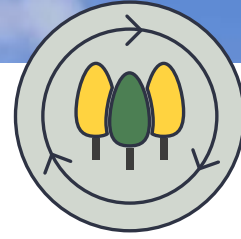
PROGRAM 1 PROCESSING TECHNOLOGIES

ACTIVE AND COMPLETED PROJECTS: OUTPUTS AND BENEFITS

PROJECT CODE	TITLE	RESEARCH ORGANISATION	START DATE	END DATE	OBJECTIVES	OUTCOMES
2017-1055	Detail design study for the integration of CO ₂ capturing and liquefaction for dry ice production in an existing meat processing facility	Cold Logic Pty Ltd	28/11/16	1/6/17	Demonstrate to abattoir owners the benefit of integrating a slack gas recovery system into existing abattoir process systems	Report detailing the design challenges and requirements for integration into existing abattoir systems
2017-1059	Tunnel Boner	Southern Engineering Solutions Ltd (New Zealand)	1/7/16		Develop and manufacture the capability of removing the femur bone from lamb or mutton hind legs while leaving the tibia bone in place	Development and implementation of the tunnel boner machine
2017-1060	Cost-Benefit Analysis for combined splitting and spinal cord removal	Greenleaf Enterprises Pty Ltd	30/9/16	30/5/17	Analyse return on investment (ROI), based on potential for adoption of beef carcass splitting automation, risks related to changing markets and country requirements around spinal cord removal	Cost-benefit analysis on beef carcass splitting automation and risk assessment for spinal cord removal
2017-1069	A Boning Line Modular Processing Unit	Applied Robotics International Pty Ltd	17/10/16		Evaluate if the concept of a Modular Processing Unit (MPU), which has had compelling advantages in the manufacturing sectors, can be applied to the abattoir sector to provide specific operational functions at each workstation	Assessment of the MPU concept, to determine whether it can be used in the abattoir sector
2017-1085	Feasibility research and evaluation of miniaturised snake robotics for spinal cord removal prior to splitting beef carcasses	Business and Manufacturing Consultancy UK	15/2/17		Examine the feasibility of automating the combined process of spinal cord removal and accurate splitting to reduce the manual effort required and minimise the risks of a BSE crisis	Specification of the technical requirements for an automated and combined cord removal and splitting process
1.3 MATERIALS HANDLING						
2014-1011	Container Loading Pilot Installation	Scott Automation & Robotics	1/12/14	27/6/17	Develop an automated container loading system to address issues in the shipping process, including the loss of products due to carton damage, OH&S and traceability	Development of an automated container loading system as a proof of concept
2017-1064	Development of Naked Primal Cut Recognition Software	Strategic Engineering Pty Ltd	3/10/16		Develop and evaluate sensing hardware and software algorithms capable of rapidly classifying different types of red meat primal cuts to reduce the labour costs associated with identification and manual bagging and labelling	Development of a preliminary software suite capable of efficiently learning and identifying primal cuts through various fuzzy logic and neural networking methods, and providing operator feedback regarding an array of profile parameters

PROJECT CODE	TITLE	RESEARCH ORGANISATION	START DATE	END DATE	OBJECTIVES	OUTCOMES
2017-1065	Integrated Robotic Picking and Packing of Primal Cuts	Strategic Engineering Pty Ltd	3/10/16		Design a system capable of picking and packing individual cuts (using an improved vision system developed from previous AMPC projects) to minimise labour costs and OH&S risks associated with the manual picking and packing of meat cuts after processing	Development of an autonomous robotic cell capable of efficiently picking and packing primal cuts without manual intervention
1.4 VALUE ADDED						
2016-1037	Value Adding	All Energy Pty Ltd	17/8/15	6/7/16	This review will determine the most critical technical and economic elements for shortlisted businesses to bring new co-products to market	Documentation of the areas of interest, knowledge gaps, efforts to solve the knowledge gap and the requirements of each business
2016-1072	Pilot Study for future storage and transport of carcasses using hypobaric containers	Norman Blackman	1/12/15	15/5/17	Investigate the potential to extend the shelf life of lamb using a hypobaric chamber. In particular, verify that lamb meat can be safely maintained in a sophisticated hypobaric environment for 35 days without appreciable loss of weight or spoilage	Examination of the potential of hypobaric chambers for increasing the flexibility to supply lamb for the wet market of the Middle East
2017-1025	Upgrading of side streams - potential in lamb and beef hydrolysates	Danish Meat Research Institute (DMRI)	1/10/16	23/6/17	Study other applications of side stream products for the food industry and prepare a state-of-the-art analysis on upcycling and application of lamb and beef side streams	Report on the possible applications of side stream products in regards to domestic market and consumers (e.g. bioactivity, antioxidants and nutrition) & production of a ready-to-use catalogue for application of side stream products
2017-1063	Value Adding Stage 2	All Energy Pty Ltd	1/9/16		Continue work performed on biomolecules to cover the demand for Australian-derived and manufactured value-added products prior to potential commercial development	Creation of an extensive database of molecules, equipment and process models to ensure that revenue opportunities are defined from the perspective of a domestic meat processing facility

PROGRAM
2
ENVIRONMENT
AND
SUSTAINABILITY

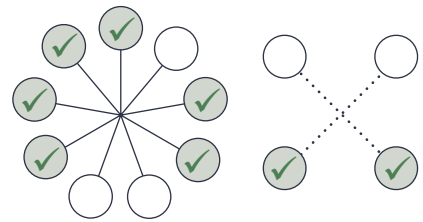


\$1.19m

Investment

This program aims to reduce the environmental impact of the red meat processing sector and ensure its long-term sustainability.

Alignment with government priorities



National Science and Research Priorities:

- ✓ Food
- ✓ Soil and water
- ✓ Transport
- ✓ Energy
- ✓ Advanced manufacturing
- ✓ Environment change

Rural Research, Development and Extension Priorities:

- ✓ Soil, water and managing natural resources

Like most agricultural industries, the red meat processing industry faces such challenges as declining resources and capability, labour shortages, changing customer requirements and climate change. These place pressure on it to remain sustainable, productive and internationally competitive – and ensure that it maintains the high product integrity and quality standards that it is known for.

The projects under this program aim to:

- Improve industry knowledge and capability to achieve sustainable resource management and adapt to climate change;
- Examine technologies, practices and procedures that contribute to improved waste management systems and add value to waste products;
- Explore options to integrate new technologies and improve industry infrastructure;
- Maintain business sustainability and ensure efficient food safety and product integrity standards; and
- Maintain and enhance efficient product integrity standards and quality assurance systems.

CODE	PROJECT STREAMS	SPEND	ACTIVE	PROJECTS COMPLETED	TOTAL
2.1	Energy Efficiency	199,368	3	3	6
2.2	Waste Management	475,924	7	6	13
2.3	Water Conservation	223,718	3	2	5
2.4	Sustainability	289,465	3	2	5
2.5	Plant Initiated Projects (PIPs)	624,247	-	11	11
	TOTAL AMPC CONTRIBUTION	1,812,722	16	24	40



Sample Projects

- Steam heat recovery systems
- Voltage optimisation technology for abattoirs
- Energy efficiency and development of an economic modelling tool
- Converting solid waste from abattoirs into hydrochar
- Review of percussive stunning
- Risk analysis of the impact of climate variability

To read reports on completed project go to ampc.com.au/research/reports/envsus

PROGRAM 2 ENVIRONMENT AND SUSTAINABILITY

ACTIVE AND COMPLETED PROJECTS: OUTPUTS AND BENEFITS

PROJECT CODE	TITLE	RESEARCH ORGANISATION	START DATE	END DATE	OBJECTIVES	OUTCOMES
2.1 ENERGY EFFICIENCY						
2016-1002	Investigation into Modular Micro-Turbine Cogenerators and Organic Rankine Cycle Cogeneration Systems for Abattoirs	Enecon Pty Ltd	1/7/15	30/3/17	Determine how new innovative energy technologies such as micro-turbines and Organic Rankine Cycle (ORC) units can be leveraged to reduce energy costs and greenhouse gas emissions in meat processing	Literature and technology reviews, feasibility studies, techno-economic assessments and cost-benefit analysis demonstrating how ORC units may be utilised
2016-1005	Investigation into Voltage Optimisation Technology for Abattoirs	Murdoch University	1/11/15		Build case studies for suitable voltage optimisation technologies for the red meat industry and abattoirs in order to limit energy cost, enhance equipment performance, prolong equipment life, reduce maintenance costs and reduce greenhouse gas emissions	Report on voltage optimisation technologies including a guide and a fact sheet with case studies from representative abattoirs
2016-1006	Investigating the potential applications for medium to high temperature solar thermal technologies at Australian abattoirs	SMEC Australia Pty Limited	7/9/15	19/10/16	Investigate the possible selection and deployment of solar thermal technology for the Australian meat processing industry as a replacement for fossil-fuelled boilers	Assessment of the operating conditions in representative facilities, and the possibility of supplementing, complementing or replacing existing boiler systems with solar thermal technology
2016-1007	Integrating Solar Photovoltaic technology with Battery Storage at abattoirs	All Energy Pty Ltd	4/9/15	5/7/16	Determine the most critical elements for the economic viability of energy storage and select a solution or technology short list suitable for Australian meat processing facilities	Preparation of a techno-economic study method, cost-benefit analysis (CBA) calculations and findings to inform industry
2016-1008	Quantifying Energy Savings from In-Line Temperature Boosting of Steriliser Water Ring Mains at Abattoirs	Murdoch University	1/11/15		Investigate and complete a desktop techno-economic analysis on the potential energy savings achievable from integrating point-of-use heating systems into existing hot water ring mains in abattoirs	Fact sheet and techno-economic analysis on the energy and mass flow associated with the ring mains prior to a pilot project to install suitable in-line point-of-use heating systems at representative facilities
2017-1029	Investigating steam heat recovery systems (including superheated steam systems for turbine generation) and their applicability to the red meat processing industry	All Energy Pty Ltd	1/9/16		Identify the technical and commercial feasibility of novel steam heat recovery systems to provide a heat supply adequate to the requirements of Australian red meat processors	Report defining the most critical elements for the economic viability of heat recovery, steam raising and modular power generation systems. Creation of a technology shortlist suitable for Australian red meat processing facilities

PROJECT CODE	TITLE	RESEARCH ORGANISATION	START DATE	END DATE	OBJECTIVES	OUTCOMES
2017-1030	Validating baseline data for industry energy efficiency and development of an economic modelling tool to quantify and validate energy consumption	Energetics Pty Ltd	31/8/16		Identify and validate through a quantitative modelling tool a baseline for energy costs and consumption within different areas of meat processing facilities	Assessment of the applicability of real-time data feedback technologies for quantifying and optimising energy use within different areas and technologies of the red meat processing industry
2.2 WASTE MANAGEMENT						
2013-5024	Robust membrane systems for enhanced primary treatment and energy recovery of abattoir waste water	Victoria University (VU)	20/4/15	1/8/16	Determine if membranes are a technically and economically viable alternative to Dissolved Air Floatation (DAF) for treating abattoir wastewater	Detailed report comparing membrane use to current treatment options used within the industry
2014-1073	Enhanced Energy Recovery in Australian Industry through Anaerobic Co-digestion	University of Queensland (UQ)	1/7/14		Improve energy recovery and reduce the whole-of-life cost of treating solid slaughterhouse wastes using anaerobic co-digestion and leveraging previous research and investment by AMPC and other domestic industries	Detailed report on how anaerobic co-digestion is influenced by the various organic wastes, individually and in combination with each other
2016-1009	Investigation into rapid composting technology for treating abattoir waste	Innovation Development Engineering Administration Services	7/9/15		Evaluate available alternative rapid digestion technologies in regards to waste management that can reduce the costs for the red meat processing industry and generate new revenue opportunities through abatement projects and beneficial use of by-products	Evaluation of the potential applications and markets for by-products
2016-1010	Organic and inorganic waste management at abattoirs	USQ (National Centre for Engineering in Agriculture (NCEA))	19/10/15	1/8/16	Investigate and characterise solid wastes to determine applications	Report identifying usability of paunch in land application and process required for achievement
2016-1012	Converting solid waste from abattoirs into hydrochar	Royal Melbourne Institute of Technology (RMIT)	1/12/15	26/6/17	Develop an improved operational procedure to manage solid waste in the meat processing industry; quantify the competitive advantages of hydrochar over compost; and assess the energy gains and calorific value obtained from hydrothermal carbonisation	Preparation of five different hydrochars under different temperature conditions to select the best hydrochars that will be used as soil amendment

PROGRAM 2 ENVIRONMENT AND SUSTAINABILITY

ACTIVE AND COMPLETED PROJECTS: OUTPUTS AND BENEFITS

PROJECT CODE	TITLE	RESEARCH ORGANISATION	START DATE	END DATE	OBJECTIVES	OUTCOMES
2016-1022	Self-cleaning membranes for cost efficient tallow recovery	University of Queensland (UQ)	6/7/15	18/7/16	This project will involve a proof of concept bench-scale pilot trial to investigate the full-scale benefits of self-cleaning membranes in the red meat industry for tallow recovery	Compare the performance of the system with conventional technologies, including Dissolved Air Floatation (DAF) systems and membranes
2016-1023	Purple phototrophic bacteria for resource recovery from red meat processing wastewater	University of Queensland (UQ)	3/9/15	26/9/16	Proof of concept for new technology based on Purple Phototrophic Bacteria (PPB) for wastewater treatment, recovery, and generation of an alternative product stream	Determine if PPB can be selectively enriched from slaughterhouse wastewater using only infrared light as a driver
2016-1024	Anaerobic Membrane Bioreactors: In vessel technology for high rate recovery of energy and nutrient resources	University of Queensland (UQ)	28/8/15	18/7/16	Finalize UQ and AMPC's research into anaerobic membrane bioreactors (AnMBRs) as a high rate in-vessel anaerobic technology for treatment of slaughterhouse wastes, particularly combined wastewater	A comprehensive R&D package containing design parameters, operating/ control strategies and process performance case studies for industry and commercial wastewater technology providers
2017-1031	Reviewing on-plant waste stream biomass co-digestion options and identifying technologies for optimum mixing, co-digestion and reuse	GHD Pty Ltd	1/9/16		Identify the quantities of solid wastes produced at a reference site and determine suitability for anaerobic digestion, co-digestion and re-use	Production of a digestion and co-digestion manual which outlines the various possible technologies and determines the associated requirements (configuration, dosage rates, substrates, etc.)
2017-1032	Investigation into sensor technologies to manage waste streams and optimise the use of their by-products	Environmental Engineers International Pty Ltd	1/9/16		Identify, using sensor technologies, key parameters for waste stream management and for the optimisation of the treatment process	State-of-the-art review of current waste stream sensor platforms and associated control systems as well as software of different types and costs
2017-1033	Crust management for optimal anaerobic digestion performance at meat processing facilities	University of Southern Queensland (USQ)	1/9/16		Identify waste stream inputs and process operations before entering Covered Anaerobic Lagoons (CAL) to reduce solid load and Fat, Oil and Grease (FOG) and thus ensure CAL stability and optimal performance	Establishment of key criteria for the management of CALs and FOGs in waste streams
2017-1037	Assessment of Smouldering as an Efficient and Low-Cost Alternative for Management of Agricultural Solid Wastes	University of Queensland (UQ)	3/10/16		Demonstrate proof-of-concept for smouldering in red meat processing applications and develop a R&D pathway to commercial applications	Assessment of smouldering in red meat processing applications compared to other current practices

PROJECT CODE	TITLE	RESEARCH ORGANISATION	START DATE	END DATE	OBJECTIVES	OUTCOMES
2017-1039	Problem to Profit: Developing a sustainable feed base from agricultural wastes using single cell protein	University of Queensland (UQ)	3/10/16		Continue research and development on Purple Phototrophic Bacteria (PPB) in red meat processing applications in order to demonstrate its value proposition for red meat processing wastewater streams	Small-scale proof-of-concept and continuous laboratory-scale operations to support a future R&D strategy for continuous process development
2.3 WATER CONSERVATION						
2016-1021	Strategic evaluation of RD&E opportunities for water reuse and recycling at Australian abattoirs	University of Queensland (UQ)	7/9/15	19/10/16	Develop a policy framework and benchmark targets for global best practice in conservation, recycling and re-use of water during meat processing operations; develop effective R&D strategies that will enable processors to reach these targets and demonstrate efficient resource management and sustainability, while maintaining food safety and the highest quality product	Overall risk/benefit assessment for identified opportunities, highlighting relevant constraints, knowledge gaps and research needs
2017-1034	Investigating water and wastewater reuse and recycling opportunities using the HACCP risk management framework	Ecoefficiency Group Pty Ltd	1/9/16	20/6/17	Consolidate and expand on existing industry knowledge with respect to the recycling and re-use of meat processing wastewater	Publication of a guideline and template for water recycling and re-use using HACCP-based risk management as the over-arching framework
2017-1035	Management, containment and reuse options for water runoff in red meat processing facilities	Ecoefficiency Group Pty Ltd	1/9/16		Review current methods of stormwater runoff management undertaken in abattoirs in Australia and identify best practices for the management of water runoff from domestic and international abattoirs	Report detailing best practice approaches available for small, medium and large-scale abattoirs in the different state regulatory environments

PROGRAM 2 ENVIRONMENT AND SUSTAINABILITY

ACTIVE AND COMPLETED PROJECTS: OUTPUTS AND BENEFITS

PROJECT CODE	TITLE	RESEARCH ORGANISATION	START DATE	END DATE	OBJECTIVES	OUTCOMES
2017-1038	Utilisation of microalgae to purify waste streams and production of value added products	Murdoch University	17/10/16		Investigate the potential for new sources of water and new approaches for water re-use and recycling. In particular, identify different sources of water and effluents from solid waste and wastewater treatment in meat processing facilities and evaluate their potential for utilisation in a microalgae cultivation process	Assessment and estimation of how to enhance current water management systems
2017-1042	Investigating water and wastewater reuse and recycling opportunities: identification and segregation of various waste streams	University of Queensland (UQ)	26/9/16		Evaluate specific water treatment options, considering raw water quality and desired end-use application; assess the cost and benefits (energy and water saving) of common abattoir wastewater treatments depending on end-use (river discharge, sewer discharge, irrigation or internal re-use as potable or non-potable water)	Development of a comparison and assessment tool (including cost-benefit analysis model) for wastewater treatment and water recycling options
2.4 SUSTAINABILITY						
2016-1040	Review of Percussive Stunning	Dr L Hewitt	31/8/15	1/11/16	Determine the acceptability of percussive stunning under Australian conditions through the analysis of published information and industry data	Analysis and data publication to support the use of percussive stunning as an acceptable stunning method under Australian conditions
2016-1041	Development of reporting tools for the Australian Livestock Processing Industry Animal Welfare Certification System	Dr L Hewitt	17/8/15		Establish a reporting process to address regulatory requirements and audit duplication in the compliance area of animal welfare and to facilitate government recognition of the Australian Livestock Processing Industry Animal Welfare Certification System (AAWCS)	Delivery of KPIs to be reported to a central agency to demonstrate the industry's compliance with its voluntary and mandatory animal welfare standards

PROJECT CODE	TITLE	RESEARCH ORGANISATION	START DATE	END DATE	OBJECTIVES	OUTCOMES
2016-1443	Toolkit to Guide Livestock Animal Welfare Contingency Planning	Australian Pork Limited	1/8/15		Development of easily accessible and understood guidelines, templates and support material, to promote and enable individual production animal businesses to identify possible risks, especially in relation to animal welfare, and develop effective operational and contingency plans to reduce, mitigate and address the likelihood of welfare issues occurring on their property	Communication Plan, including Promotional Plan and material examples for web; Implementation Plans; and Monitoring and Evaluation Plan
2017-1036	Quantitative Risk Analysis of the Impact of Climate Variability on the Australian Red Meat Processing Industry	Ernst & Young (EY)	1/9/16		Assess the risks and opportunities associated with climate variability upon the Australian red meat processing industry in order to gauge the overall sustainability of the supply chain and identify risk mitigation strategies	Assessment of climate variability upon the industry and results of backward scenario analysis looking at the impact of and learning from climate extremes on the meat and livestock industry
2017-1041	AMPC Sustainability Report 2016	BWD Creative	1/7/16	20/12/16	Design, develop and produce the AMPC sustainability report and associated campaign	Production of reports and campaigns adapted to the targeted audience (government, corporate bodies, producers, advocacy groups, etc.) to broadcast AMPC's efforts to manage industry sustainability
3000-5111	National Animal Biosecurity Research, Development & Extension (RD&E) Strategy Implementation Project	Australian Animal Health Council Limited	1/7/14		This strategy aims to benefit the livestock industries, including the red meat industry and supply chain, by encouraging greater collaboration and promotion of continuous improvement in the investment of RD&E resources nationally in the area of animal biosecurity	A national strategy including current knowledge and capability gaps to inform future RD&E in the area of animal biosecurity, encouraging greater collaboration throughout the supply chain

PROGRAM PERFORMANCE

PROGRAM

3

**PROCESSING
HYGIENE, QUALITY
AND MEAT
SCIENCE**

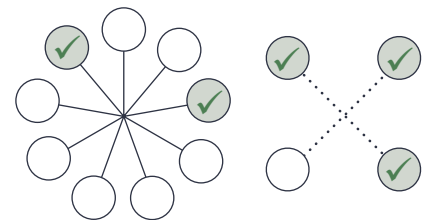


\$2.95m

Investment

This program combines knowledge of meat science and quality in the delivery of high-quality standards and food safety, as a key differentiator of Australian products in a competitive market.

Alignment with government priorities



National Science and Research Priorities:

- ✓ Food
- ✓ Advanced manufacturing

Rural Research, Development and Extension Priorities:

- ✓ Advanced technology
- ✓ Biosecurity

Customer expectations about product integrity and quality have grown. In the intensely competitive meat industry, demonstrating high product integrity standards for food safety has become a key differentiating factor for Australian meat processors.

The projects under this program aim to:

- Expand RD&E towards food safety to ensure that food safety systems and practices are the hallmark of Australian products;
- Maintain and improve efficient product integrity standards and quality assurance systems;
- Maintain and enhance world-class traceability systems;
- Exercise sound science to underpin biosecurity, residue management and animal health standards;
- Demonstrate high animal welfare standards;
- Maintain and enhance efficient food safety and product integrity standards; and
- Develop new meat products while delivering wholesome and consistent eating quality.

CODE	PROJECT STREAMS	SPEND	ACTIVE	PROJECTS COMPLETED	TOTAL
3.1	Food Safety	400,440	2	-	2
3.2	Integrity Systems	971,258	2	1	3
3.3	Meat Science	757,323	8	3	11
3.4	Transformational Meat Science	630,616	4	-	4
3.5	Plant Initiated Projects	193,518	-	5	5
	TOTAL AMPC CONTRIBUTION	2,953,156	16	9	25



Sample Projects

- Process control monitoring
- Pre-slaughter stress on meat quality and carcass yield of prime lamb
- Storage thresholds in frozen and chilled red meat
- Optimising eating quality of beef steaks using Tri-Gas MAP
- Improving beef colour at grading
- Shelf life extension of fresh meat products

To read reports on completed project go to ampc.com.au/research/reports/hqs

PROGRAM 3 PROCESSING HYGIENE, QUALITY AND MEAT SCIENCE

ACTIVE AND COMPLETED PROJECTS: OUTPUTS AND BENEFITS

PROJECT CODE	TITLE	RESEARCH ORGANISATION	START DATE	END DATE	OBJECTIVES	OUTCOMES
3.1 FOOD SAFETY						
2016-1059	Impact of Extended Shelf life of Chilled Beef into Overseas Markets	CSIRO (Coopers Plains)	1/5/16		To conduct an export shipping trial to evaluate product integrity and safety after transport and prolonged storage within existing cold supply chain networks in China. CSIRO will measure associated temperature fluctuations which occur during typical transportation and storage and relate this information to microbiological growth and other meat quality parameters	Report on the chilled beef temperature fluctuations which occur during typical international shipping regimes and providing evidence-based recommendations for achieving longer shelf life of chilled beef for international export markets, such as China
2016-1365	Microplasma disinfection of meat	Callaghan Innovation	1/9/16		To carry out sufficient surveillance to meet international requirements and assure trading partners, markets and consumers that Australian animals and animal products are free of Transmissible Spongiform Encephalopathies (TSEs)	Enhancement of market confidence that Australian animals and animal products are free from TSEs through the structured and nationally integrated management of animal-related TSE activities
3.2 INTEGRITY SYSTEMS						
3000-5105	TSE Freedom Assurance Program for Business Plan 2013-18	Australian Animal Health Council Limited	1/7/13		To assess the effect of processing and a range of other innovative technologies on muscle colour	Design and optimisation of a proof-of-concept process for improving the colour of dark cutting beef
2016-1047	Electronic system for alternate protocol for managing illegible or missing shipping marks for the USA	Management for Technology Pty Ltd	27/8/15	23/8/16	Provide a working web portal to facilitate the collection, processing and reporting of carton GS1 barcode data compliant to Department of Agriculture meat notice and USDA Food Safety Inspection Service (FSIS) notice	50 establishments have signed up to use the meat messaging portal including the three largest processing companies in Australia, representing over 70% of the Australian export volume. The industry steering committee recommended that MeatMessaging.com become a program reporting to the Australian Meat Industry Language and Standards Committee and be administered by AUS-MEAT Limited

PROJECT CODE	TITLE	RESEARCH ORGANISATION	START DATE	END DATE	OBJECTIVES	OUTCOMES
2017-1051	Oesophagus (and bung) heat sealing – Medical tool conversion (Phase 2)	Scott Automation & Robotics	16/5/17		To investigate novel post-slaughter technologies to 'tenderise' meat of low value	A sustainable shock wave and Pulsed Electric Field (PEF) processing technology to improve eating quality of meat cuts
3.3 MEAT SCIENCE						
3000-5091	Relationship between Fear of Humans, Temperament and Handling Pre-Slaughter on Lamb Welfare & Meat Quality	University of Melbourne	1/8/13	30/9/16	To evaluate stockperson-sheep interactions at abattoirs and their implications for sheep welfare, lamb behaviour pre-slaughter and plasma cortisol, glucose and lactate concentrations in lambs post-slaughter	Detailed report addressing human-animal interactions and their outcomes for the welfare and productivity of the animal, in which training programs targeting the key attitudes and behaviour can be successfully introduced
2014-1041	Automated Visual Inspection & Preparation of Live Animals for Meat Processing	Royal Melbourne Institute of Technology (RMIT)	31/10/14		To develop technologies for automated detection of animal contamination in lairage and a high throughput cleaning station	A complete working prototype for automated inspection and cleaning of livestock before slaughter
2014-1048	Identifying Storage Thresholds in Frozen and Chilled Red Meat	Department of Primary Industries (NSW)	1/10/14		To quantify the effects of freezing following an extensive chill period on meat quality	To determine these methods in terms of meat integrity and longevity to develop export duration thresholds to deliver best quality products
2016-1003	Sensing for Offal Grading and Enablement of Automation	AgResearch Limited	1/4/17	9/12/15	To develop a multi-sensor grading tunnel through which the eviscera tray can pass and provide objective results in real time	An automated offal grading station which offers both internal and external inspection mechanisms
2016-1042	Optimizing Eating Quality Of Beef Steaks By Using Tri-Gas MAP	Danish Meat Research Institute (DMRI)	1/4/16	21/12/16	Determine how a new Tri-Gas Modified Atmosphere Packaging (MAP) affects shelf life and eating quality of exported Australian beef	Guidelines for new retail packaging strategies for exported beef to the European market, and depending on shelf life demands, different packaging methods can be recommended for retail display

PROGRAM 3 PROCESSING HYGIENE, QUALITY AND MEAT SCIENCE

ACTIVE AND COMPLETED PROJECTS: OUTPUTS AND BENEFITS

PROJECT CODE	TITLE	RESEARCH ORGANISATION	START DATE	END DATE	OBJECTIVES	OUTCOMES
2016-1077	Reduction of foodborne microorganisms using free radicals produced in situ to dissolve polymers, improve pathogen kill and retain red meat colour	Murdoch University	1/12/15	25/8/16	Determine minimum inhibitory concentrations of free radicals generated by mixing hydrogen peroxide and ascorbic acid against indicator microorganisms, sequential treatment, effect of temperature, influence of organic load and salinity for optimal disinfection and cleaning protocols	Recommendations for reduced chemical usage as it is effective at a much lower concentration, reduced cleaning time as it is very reactive and fast acting, reduced labour required to scrub surfaces as organics are effectively removed. The cost of heating would be reduced as high temperature application is not required
2016-1190	Pilot study on design of lairage, handling and stunning facilities and the potential impact on animal welfare and meat quality	University of Melbourne	1/12/15		Determine the chilled beef product temperature fluctuations which occur during typical international shipping regimes to markets such as China	Development of appropriate shelf life recommendations by interrogating the cold supply chain under real-life conditions in China
2017-1006	Intelligent solutions for boxed beef trim export enhancement	Royal Melbourne Institute of Technology (RMIT)	1/12/16		Investigate the extent and causes of the mislabelling problem. Study the issue of market complexity for boxed beef export and identify possible solutions for the mislabelling problem, including simplification and automation of the labelling processes	Identification of the possible solutions for the rectification of the mislabelling problem and pathways for the adoption of AMPC-owned technologies for the full automation of the labelling process, including a feasibility study
2017-1044	Can on-site beef dark cutting evaluation (monitoring) be improved and value-added?	Department of Primary Industries (NSW)	30/1/17		To identify facility design features that impact on animal handling and pre-slaughter stress in sheep	Development of design principles to facilitate flow of movement and ease of handling, reduce stress and thus reduce limitations of stress on animal welfare and meat quality
2017-1048	A practical means to accelerate beef ageing and sustain acceptable eating quality and safety: Chilled storage temperature manipulation	Department of Primary Industries (NSW)	16/1/17		To develop a new method for neutralising microbial contaminants on meat surfaces	A highly effective and rapid process for the neutralisation of organisms that can be applied just before final packaging

PROJECT CODE	TITLE	RESEARCH ORGANISATION	START DATE	END DATE	OBJECTIVES	OUTCOMES
2017-1056	Shelf life extension of fresh meat products using high pressure processing	CSIRO (Black Mountain)	1/3/17		To facilitate the export of boxed beef trims to the USA and other markets by solving some of the technological issues associated with the existing packaging routines	A feasibility report for the automation of boxed beef trims packaging integrity inspection and documentation, plus prototype development
3.4 TRANSFORMATIONAL MEAT SCIENCE						
2013-3005	Improving beef colour at grading	Commonwealth Scientific & Industrial Research Organisation (CSIRO)	12/5/14		To compare beef muscles within carcass variation of parameters underpinning dark cutting incidence	A monitoring guide to improve evaluation precision, accuracy and whole carcass representation, providing additional information to industry in terms of product shelf life, spoilage, and purge characteristics
2013-5009	Muscle structure and water retention in fresh and cooked meat products	Commonwealth Scientific & Industrial Research Organisation (CSIRO)	12/5/14		Establish temperature-control guidelines for industry to apply when ageing beef to safely achieve improved meat quality within a reduced timeline	A scientific, industry guideline for the cost-effective and safe acceleration of beef ageing with chilled storage temperature manipulation
2013-5040	Optimising meat quality and functionality through novel processing interventions	Commonwealth Scientific & Industrial Research Organisation (CSIRO)	12/5/14		To utilise medical LigaSure™ sealing tools to be applied to lamb bungs, pizzles, and oesophagi	Eliminate the use of plastic seal clips and plugs in rendering systems and further develop automation
2013-5041	The effect of processing technologies on microbial populations impacting the shelf life of meat	Commonwealth Scientific & Industrial Research Organisation (CSIRO)	12/5/14		Investigate the limits of high pressure that can be applied to fresh meat for maintaining 'acceptable' colour with no detriment on eating quality parameters and shelf life	A cost-benefit analysis of the technology will assist with the decision making process for potential adopters

PROGRAM
4

CAPABILITY,
EXTENSION AND
EDUCATION

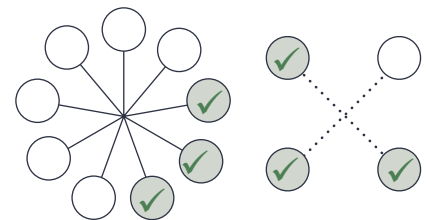


\$4.25m

Investment

This program aims to build the capabilities of industry personnel and encourage industry adoption of R&D outcomes to improve the productivity, profitability and sustainability of the industry.

Alignment with government priorities



National Science and Research Priorities:

- ✓ Advanced manufacturing
- ✓ Environmental change
- ✓ Health

Rural Research, Development and Extension Priorities:

- ✓ Advanced technology
- ✓ Soil, water and managing natural resources
- ✓ Adoption of R&D

The value of RD&E is only fully realised when outcomes are successfully implemented by enterprises along the value chain. In the geographically dispersed red meat industry, achieving the desired outcomes from each RD&E program requires collaboration, trust and sharing of insights across Australia.

This projects in this program aim to:

- Engage key stakeholders to create awareness and demonstrate value;
- Increase research and industry capability and capacity;
- Evaluate RD&E outcomes; and
- Investigate, understand, communicate and respond to changes and influences in the red meat processing industry.

CODE	PROJECT STREAMS	SPEND	ACTIVE	PROJECTS COMPLETED	TOTAL
4.1	Industry Capability	824,898	5	3	8
4.2	Extension Services	1,212,466	2	7	9
4.3	Scientific Education	409,749	3	1	4
4.4	Vocational Training	630,970	8	2	10
4.5	Plant Initiated Projects	1,167,259	-	1	1
	TOTAL AMPC CONTRIBUTION	4,245,341	18	14	32



Sample Projects

- Information resources on the industry for schools
- Crisis management of disease outbreaks and exotic species incursion
- Strategic energy projects to enhance productivity
- Meat Industry Training Network
- Australian Q Fever Register
- Australian Agribusiness Leadership Program

To read reports on completed project go to ampc.com.au/research/reports/cee

PROGRAM 4 CAPABILITY, EXTENSION AND EDUCATION

ACTIVE AND COMPLETED PROJECTS: OUTPUTS AND BENEFITS

PROJECT CODE	TITLE	RESEARCH ORGANISATION	START DATE	END DATE	OBJECTIVES	OUTCOMES
4.1 INDUSTRY CAPABILITY						
2016-1061	Facilitation of the QCMPA network	Queensland Country Meat Processors Association (QCMPA)	1/10/15	14/7/16	To conduct two network meetings and one young guns workshop and develop resources for regulatory compliance for small processors	Two network meetings and one 'young guns' workshop conducted and resources developed for regulatory compliance for small processors
2017-1010	Ammonia refrigeration training programs	National Meat Industry Training Advisory Council Limited (MINTRAC)	1/8/16	30/5/17	To have a cohort of qualified ammonia refrigeration operators to national industry standards, and a training program and RTOs who can continue to deliver the training	Three ammonia refrigeration training programs conducted, one each in southern NSW, SA and WA
2017-1015	Leveraging Strategic Energy Products to Enhance Productivity at Red Meat Processing Sites	Energetics Pty Ltd	1/9/16		Apply existing energy research via education and engagement activities (face-to-face demonstrations) at 'implementation ready' small and medium processors	Formation of a group of 'implementation ready' small and medium processors who are ready to invest in energy productivity to improve their overall business outcomes. Reduced energy costs per carcase processed and improved energy productivity across the sector, contributing to the 2030 National Energy Productivity target to increase energy productivity by 40%
2017-1019	Meat. Your Future.	Sefton & Associates Pty Ltd	5/9/16		Redefine community perceptions of the Australian red meat processing industry, by positioning the industry as a well-respected, innovative, career-rich option	Comprehensive strategic communications plan implemented in a staged and modular fashion over an 18-month period. Valuable contribution to the domestic economy – to ultimately attract more workers to the industry
2017-1020	Meat Matters! We All Have a Steak in this!	Angela Colliver Consulting Services Pty Ltd	1/7/16	16/5/17	To develop primary and secondary schools resources to introduce young people to the red meat industry and the diverse careers in it	One primary and three secondary units of work aligned to the Australian Curriculum with a range of support materials
2017-1023	Provisional Business Cases to Determine Appropriate Models for a World Class Red Meat Processing Innovation Centre of Excellence	Freshagenda Pty Ltd	29/8/16		Build a business model for a virtual innovation centre representing the adoption arm of AMPC, in line with its innovation strategy and innovation-driven operating model to aid in accelerating incremental innovation while introducing disruptive technologies	A business case for the optimum design and structure of a potential centre, including an assessment of the investment merits for each option
2017-1024	Developing a model for meat inspection and quality assurance employment outcomes for university graduates and undergraduates	National Meat Industry Training Advisory Council Limited (MINTRAC)	1/9/16		Develop a model of meat inspection and Quality Assurance (QA) training and recruitment which can be implemented in partnership between Australian universities, the red meat industry and the Department of Agriculture and Water Resources (DAWR). Address a recruitment problem affecting the red meat industry and provide university students with a recognised qualification which will enhance their employment opportunities	Development and trial of a model of training whereby undergraduate and graduate university animal science students receive training as meat inspectors and quality assurance officers

PROJECT CODE	TITLE	RESEARCH ORGANISATION	START DATE	END DATE	OBJECTIVES	OUTCOMES
2017-1026	Analysis of the existing technologies developed in artificial intelligence and case study to develop capabilities around automated animal health assessment & meat inspection	Greenleaf Enterprises Pty Ltd	30/9/16		Identify, through a desktop literature review of medical (and other) science and technologies fields, the emerging Artificial Intelligence (AI) and sensing technologies that may be applied towards automated assessment of pre- and post-mortem animal health in red meat processing plants	Summary of emerging AI and sensing technologies and potential benefits for the red meat industry. Economic modelling and ROI of AI and sensing technologies and analysis of value created along the value chain. Recommendations for industry engagement
2017-1077	An Integrated Scholarship Program in Water, Water Re-use and Environment - Year 1	University of Queensland (UQ)	1/2/17		Upskill the current red meat industry workforce and attract new skills through targeted education and professional development programs. This proposal aims to extend a strong existing research partnership between University of Queensland and AMPC through the development of a strategic education and extension partnership in the areas of water usage, treatment and re-use, and the environment	Development of a critical mass of industry-ready students and research outcomes in the areas of water, water treatment and re-use, and the environment through industry placements, PhD scholarships, postdoctoral fellowships, vocational trainings, academic support for development, advance coursework programs, etc.
2017-1082	Developing a model to support the employment of migrants and refugees in the Australian meat processing industry	National Meat Industry Training Advisory Council Limited (MINTRAC)	1/9/16		Facilitate the successful employment of migrants as part of the domestic meat processing workforce, support meat processors to benefit from the cultural diversity of these employees, and improve the skills, knowledge and expertise of employer supervisors and managers in working with people from refugee and migrant backgrounds	Identification of available government and community support services. Development and trial of a model for employing a group of 10-15 migrants at a suitable processing site
4.2 EXTENSION SERVICES						
2016-1017	Meat Industry Environment Network	National Meat Industry Training Advisory Council Limited (MINTRAC)	27/8/15	15/11/16	The Environment Network provides a means for engagement with industry environment personnel to discuss their priorities and challenges, gain their input into research in progress, communicate the outcomes of completed research, conduct presentations and workshops that showcase new technologies and assist with regulatory compliance, and generally help address plant environment needs	Three environment network meetings were held and two video clips were created depicting NH Foods, the Oakey green energy project and Greenham, TAS pyrethrum briquette project
2017-1001	Meat Industry Efficiency and Innovation Capacity Enhancement: Benchmarking Technologies and Systems from Automotive Industry	Royal Melbourne Institute of Technology (RMIT)	1/12/16		Accelerate the adoption of new technologies by benchmarking the automotive and other manufacturing industries	Creation of a database for a rapid knowledge transfer in order to improve red meat industry's innovation capacity on a sustained basis. This database will generate the basis for several future research activities in line with AMPC's capability for building strategic plans

PROGRAM 4 CAPABILITY, EXTENSION AND EDUCATION

ACTIVE AND COMPLETED PROJECTS: OUTPUTS AND BENEFITS

PROJECT CODE	TITLE	RESEARCH ORGANISATION	START DATE	END DATE	OBJECTIVES	OUTCOMES
2017-1002	Meat Industry Environment Network	National Meat Industry Training Advisory Council Limited (MINTRAC)	1/8/16	30/5/17	The environment network provides a means for engagement with industry environment personnel to discuss their priorities and challenges, gain their input into research in progress, communicate the outcomes of completed research, conduct presentations and workshops that showcase new technologies and assist with regulatory compliance, and generally help address plant environment needs	Three environment network meetings were held and three video clips were created depicting the waste water system at Thomas Foods, the water re-use and recycle at Teys Hide Processing Murgon and the Advanced Water Management Lab at the University of Queensland
2017-1004	Meat Processing Engineering Network	National Meat Industry Training Advisory Council Limited (MINTRAC)	1/8/16	2/5/17	The engineering network provides a means for engagement with industry engineering personnel to discuss their priorities and challenges, gain their input into research in progress, communicate the outcomes of completed research, conduct presentations and workshops that showcase new technologies and assist with regulatory compliance, and generally help address plant engineering needs	Two meetings were held, one in Perth and one in Brisbane
2017-1005	Meat Inspection and Quality Assurance Network	National Meat Industry Training Advisory Council Limited (MINTRAC)	1/8/16		Develop the network as a means of distributing new information and providing extension services for AMPC RD&E activities among researchers, industry QA practitioners, trainers and regulators, and to enable discussions and explanations around the implications of new developments	Promotion of industry-funded innovations and research through 14 network meetings
2017-1007	Meat Industry Training Network	National Meat Industry Training Advisory Council Limited (MINTRAC)	1/8/16	30/5/17	The training network provides a means for engagement with industry training and HR personnel to discuss their priorities and challenges, gain their input into research in progress, communicate the outcomes of completed research, conduct presentations and workshops that showcase training and assist with regulatory compliance, and generally help address plant training needs. The project ensures that the national training system and delivery strategies remain current and relevant to industry requirements	Two network meetings conducted in each of QLD, VIC, SA and WA, four network meetings in NSW, and one joint training and MI&QA network forum in each of TAS and the NT
2017-1012	MINTRAC provision of extension services to red meat processors 2016-2017	National Meat Industry Training Advisory Council Limited (MINTRAC)	1/8/16	6/6/17	To provide extension services to red meat processors including training advice, career services, industry education, training products and forums to support industry development	Training advice, career services, industry education, training products and forums to support industry development were provided to industry personnel

PROJECT CODE	TITLE	RESEARCH ORGANISATION	START DATE	END DATE	OBJECTIVES	OUTCOMES
2017-1028	Management of The Australian Q Fever Register for 2016-17	AusVet Pty Ltd	1/7/16		Provide continued high-quality management of the Q Fever Register	Improvements to register systems and efficiently managed register activities. Communications are implemented to increase awareness and the use of the Register
2017-1073	Facilitation of the QCMPA Network 2016/17	Queensland Country Meat Processors Association (QCMPA)	24/10/16		Provide information on legislative and regulatory updates; disseminate recently completed RD&E outcomes; and provide small processors with the opportunity to discuss industry issues and workshop initiatives to support sustainability	Support of the 'young guns' workshop training and two network meetings over the year. Face-to-face training using resources specifically adapted for small processors.
4.3 SCIENTIFIC EDUCATION						
2013-5045	Collaborative Primary Industries Health & Safety Partnership Program	Rural Industries Research & Development Corporation (RIRDC)	1/7/13	20/9/16	The Primary Industries Health and Safety Partnership (PIHSP) aims to drive sustainable improvements to work health and safety outcomes in agriculture, forestry and fishing through RD&E investment	The program has undertaken RD&E activities to improve the physical and mental wellbeing of farming families and improve consultation and communication with health professionals and researchers working in rural health and safety
2016-1026	An Integrated Scholarship Program in Process Engineering – Year 1	Queensland University of Technology (QUT)	1/7/16		Establish a prestigious Integrated Scholarship Scheme that will educate and train the future red meat processing workforce	Creation of a hub for process engineering and technology research. Support of students that undertake studies and research that are fully aligned with AMPC's strategic plan. Provision of ongoing educational opportunities built on a foundation of existing courses at QUT
2016-1027	Educational Pathways: Creating a Highly Skilled Meat Industry – Year 1	Royal Melbourne Institute of Technology (RMIT)	1/7/16		Create a holistic educational program to develop people to have the skills and knowledge to contribute to the meat industry over the coming decades (Bachelor Degree Program and Honours Degree Program)	Creation of a hub for process engineering and technology research. Support of students that undertake studies and research that are fully aligned with AMPC's strategic plan. Provision of ongoing educational opportunity for the benefit of the Australian meat industry
2017-1074	An Integrated Scholarship Program in Red Meat Safety and Microbiology – Year 1	Curtin University of Technology	15/9/16		Provide graduates with expertise in red meat safety and microbiology; awareness of specific industry issues; and preparatory knowledge to enter the red meat processing workforce	Establishment of an integrated scholarship scheme in red meat safety and microbiology for undergraduates, specifically postgraduate coursework; PhD scholarships, and a postdoctoral fellowship. Conducting of an annual forum to facilitate knowledge sharing among scholarship holders, partners, AMPC and the industry

PROGRAM 4 CAPABILITY, EXTENSION AND EDUCATION

ACTIVE AND COMPLETED PROJECTS: OUTPUTS AND BENEFITS

PROJECT CODE	TITLE	RESEARCH ORGANISATION	START DATE	END DATE	OBJECTIVES	OUTCOMES
2017-1107	Strengthening Processor SME Integration into Industry Innovation and Funding Programs	John Joseph McGuren	3/11/16	9/5/17	This project aims to address the issues and mitigate associated risks to strategic industry investments and Small to Medium Enterprises (SMEs) themselves, by building a clearer picture of specific challenges and opportunities facing SMEs today and supporting better integration of SMEs into industry programs and enhanced funding mechanisms	Site visits and interviews were undertaken with 23 red meat processing SMEs in QLD, NSW, VIC, SA, WA and TAS. Discussions focused on the current operating environment for processor SMEs, the identification of key challenges and opportunities facing SMEs and the views and experiences of SMEs with respect to how industry organisations such as AMPC & MLA could best support them through the provision of RD&E, marketing and other industry services. A number of recommendations are provided with respect to progressing further AMPC & MLA engagement with SMEs and the development of targeted RD&E and adoption programs for processor SMEs going forward
2017-1112	Review of the management of The Australian Q Fever Register	E-Cypher Consulting Pty Ltd	1/12/16	8/5/17	To review the current Q Fever Register – IT platform, overhead costs, key processes and provide recommendations on improvements that will reduce the ongoing costs to industry of maintaining the Register, without compromising its integrity and function	A report was provided of the current operating and cost structure of the management of the Register with recommendations to improve the efficiency and cost sustainability of the Register
4.4 VOCATIONAL TRAINING						
2016-1019	Red Meat Processing Upskilling Scholarship Program	National Meat Industry Training Advisory Council Limited (MINTRAC)	1/7/15		Deliver an upskilling scholarship program for existing red meat processing employees to upgrade their current knowledge and qualifications and to network and share ideas with fellow scholarship holders and industry representatives	26 scholarships of \$5,000 each over a five-year period. Provision of an online support network to scholarship recipients in completing their upskilling initiative. Delivery of a minimum of two recorded study skills webinars per year. Case studies of outcomes to be used to promote further scholarships and recognition of the program across industry
2017-1008	Meat processing professional development program	National Meat Industry Training Advisory Council Limited (MINTRAC)	1/8/16	30/5/17	To build industry capability through professional development activities	Six professional development programs were conducted after surveying the industry to identify priorities for training. Webinars were also conducted for QA managers
2017-1013	Redeveloping the Core Unit CDs into online resources for meat processors	National Meat Industry Training Advisory Council Limited (MINTRAC)	1/9/16		Replace the 17-year old Core Unit CDs with a series of short, sharp online films which can be used by processing companies and trainers alike to support induction, careers promotion, commencement of training, contractor information and refresher training	Development and translation of at least 10 multi-language films on a series of topics agreed with meat processors: each 2- to 3-minute film will be accompanied by downloadable quizzes and worksheets available in multiple languages

PROJECT CODE	TITLE	RESEARCH ORGANISATION	START DATE	END DATE	OBJECTIVES	OUTCOMES
2017-1016	Professional Development Training Webinars for QA Managers	Food and Veterinary Services Pty. Ltd.	1/9/16		Build QA managers' capability and expertise in industry history (i.e. why we have the rules and practices we have) and in regulatory management so they are able to identify and act on efficiencies to increase productivity and profitability	Development of 'Professional Development Training Webinars' for QA staff on 'hot' industry topics
2017-1021	Protecting Australia's Red Meat Processing Industry: Crisis management and development of a proactive approach to potential disease outbreaks and exotic species incursion	Joan Lloyd Consulting Pty Ltd	1/9/16		Provide AMPC with a training package that will equip red meat industry workers with the knowledge and skills required in the event of an Emergency Animal Disease (EAD) or an exotic species incursion	Development of a training package in draft format, to be reviewed at a workshop with AMPC steering committee and industry representatives. Pilot program to test the package with a small group. Implementation of materials in an interactive online format, enabling staff to refresh their knowledge and understanding. Provision of a repository of project documentation, allowing materials revision and updates with changes to Australia's EAD response arrangements
2017-1027	Updating extension materials of interest to the red meat processing industry	Ecoefficiency Group Pty Ltd	1/9/16		Review, consolidate and update the wastewater management and biogas extension material and transfer the static (Word-based) resources to engaging multi-media and digital formats, readily digestible by a wide audience	Consolidation and update of AMPC's two wastewater resources into one manual. Update AMPC's two biogas guidelines/manuals and various other reports. Content transfer of the reviewed wastewater manual into three interviews/videos and three factsheets with related checklists. Content transfer of the reviewed biogas resources into three interviews/videos and three factsheets with related checklists
2017-1078	Australian Agribusiness Leadership Program	Australian Rural Leadership Foundation Limited	1/12/16		Increase the pool of industry representatives who have the capability to engage in leading the industry into the future	Investment in four scholarships each year for three years
2017-1079	Australian Rural Leadership Program - Course 24	Australian Rural Leadership Foundation Limited	1/4/17		Produce a network of informed, capable and ethical leaders who are able to work collaboratively to advance the interests of their industries, businesses, communities and rural Australia in general	Sponsorship of one scholar from the red meat processing industry
2017-1080	2017 Science and Innovation Awards for Young People in Agriculture, Fisheries and Forestry	Department of Agriculture and Water Resources (DAWR)	1/7/16	7/3/17	To sponsor the Australian Bureau of Agricultural and Resource Economics (ABARES) Young People in Agriculture Award recognising innovative scientific projects from young rural innovators that may contribute to the sustainability of the meat industry	The award was won by Benjamin Holman from DPI Cowra for a new colorimetric instrument called the Nix™ Pro Colour Sensor to measure dark cutting

PROGRAM PERFORMANCE

PROGRAM
5

INDUSTRY
IMPROVEMENT
AND ECONOMIC
ANALYSIS

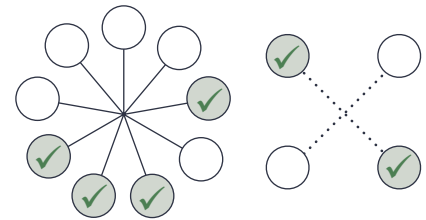


\$1.11m

Investment

Projects in this program aim to understand the economic impacts and levers for the industry through economic modelling, statistical analysis, benchmarking and networked information flows.

Alignment with government priorities



National Science and Research Priorities:

- ✓ Transport
- ✓ Cybersecurity
- ✓ Health
- ✓ Advanced manufacturing

Rural Research, Development and Extension Priorities:

- ✓ Advanced technology



Understanding rapidly evolving economic and environmental factors is fundamental for the industry's future performance.

The projects in this program aim to:

- Investigate, understand, communicate and respond to changes and influences in the red meat processing industry;
- Ensure that business sustainability and continuity is enhanced; and
- Develop and distribute research related to industry improvement with the aim to encourage industry practice change around regulatory cost and information management throughout the supply chain.

CODE	PROJECT STREAMS	SPEND	ACTIVE	PROJECTS COMPLETED	TOTAL
5.1	Industry Improvement	57,413	-	-	-
5.2	Economic Analysis	305,266	1	2	3
5.3	Industry-Wide System Improvement	154,255	2	-	2
5.4	Strategic Communications	429,017	-	3	3
5.5	Plant Initiated Projects	168,584	-	4	4
	TOTAL AMPC CONTRIBUTION	1,114,535	3	9	12



Sample Projects

- Evaluating the Socio-Economic Benefit of the Red Meat Processing Industry in Regional Australia
- Red meat industry risk analysis 2016
- Analysis of regulatory and related costs and duplication
- Social impact study of red meat processing in Australia
- Electronic data collection for meat inspection

To read reports on completed project go to
ampc.com.au/research/reports/iiea

PROGRAM 5 INDUSTRY IMPROVEMENT AND ECONOMIC ANALYSIS

ACTIVE AND COMPLETED PROJECTS: OUTPUTS AND BENEFITS

PROJECT CODE	TITLE	RESEARCH ORGANISATION	START DATE	END DATE	OBJECTIVES	OUTCOMES
5.1 INDUSTRY IMPROVEMENT						
2017-1066	Electronic data collection for meat inspection	National Meat Industry Training Advisory Council Limited (MINTRAC)	3/10/16		Develop and trial a simple database for small to medium sized sheep processing plants for recording of animal health data on sheep floors that addresses speed of chain issues, voice recognition capabilities and automated health alert reporting	A standardised database for recording meat inspection assessments using current technologies and training for new users
5.2 ECONOMIC ANALYSIS						
2017-1067	Investigation of options and development of models for industry supply chain information system standards and programs	Management for Technology Pty Ltd	24/10/16		To address the shortcomings of Australia's fragmented supply chain systems and provide a coordinated Australian Red Meat Industry Supply Chain Standard	Providing an adoption model and delivering workshops on the Australian Red Meat Industry Supply Chain Standards including the risks of the existing systems and efficiencies available for participants and therefore the cost benefit in the adoption of the Australian Red Meat Industry Supply Chain Standards
2017-1153	Trade Research and Strategy Service for Australian red meat processing industry	SG Heilbron Pty Ltd	10/2/17	9/5/17	Provide the red meat industry with the capability to better deal with the risks and opportunities generated by a more aggressive trade policy by the Trump Administration via relevant timely information and monitoring on significant developments in Trump trade policy affecting the industry	Real-time industry communication of implications of key developments which will assist strategic initiatives and interventions in trade policy decisions in Australia and key markets. Able to facilitate representations that address trade policy threats to protect and enhance red meat industry's access to international markets
2017-1156	Managing Trump Administration Trade Policy Risks for Australian Red Meat Trade	SG Heilbron Pty Ltd	18/2/16	31/1/17	Mitigate potential adverse impact on Australia's processed red meat trade arising from the trade policy that might be pursued by US President Donald Trump	The research report analysed the nature of the risks posed and outlines a strategy for addressing those risks and opportunities including a practical suggestion for how the strategy can be executed to achieve the intended results
2017-1158	Live Trade Issues Paper	SG Heilbron Pty Ltd	8/6/17		To investigate the economic implications of live trade and the negotiation of free trade agreements and its knowledge of livestock being processed offshore and branded 'Australian made'	The report canvasses the issues and the implications of the live trade for meat processing in Australia and for the broader Australian economy. The report adds to AMPC's strategy regarding appropriate research for sustainability in the sector
5.3 INDUSTRY-WIDE SYSTEM IMPROVEMENT						
2017-1062	Development of economic model for analysis of regulatory and related costs and duplication in red meat processing	SG Heilbron Pty Ltd	1/9/16		Economic analysis of the costs of audit and certification, and policy analysis to generate options for reducing duplication and improved effectiveness; followed by an international cost comparison analysis which will entail updating the Australian processing cost data to enable real-time comparison	Options for reducing duplication and improved effectiveness. Sub-models to assess potential industry benefits and more broadly the economy of regulatory and quasi-regulatory changes, specifically in the areas of industry audits and export certification. An international cost comparison model to enable analysis of key components of processing costs in four countries, using public and private data sources

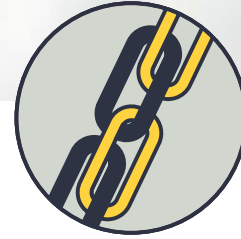
PROJECT CODE	TITLE	RESEARCH ORGANISATION	START DATE	END DATE	OBJECTIVES	OUTCOMES
2017-1097	RRDFP round 2 Accelerating precision agriculture to decision agriculture	Cotton Research & Development Corporation (CRDC)	30/6/15		To demonstrate evidence based digital decision making in agriculture using big data	Findings will complement the Objective Carcase Measurement (OCM) project under the Rural Research and Development for Profit (RRDFP) (with MLA) in respect of setting rules for sharing data among different entities
5.4 STRATEGIC COMMUNICATIONS						
2016-1031	Evaluating the Socio-Economic Benefit of the Red Meat Processing Industry in Regional Australia	SG Heilbron Pty Ltd	17/8/15	25/7/16	To provide an estimate of the economic contribution of the red meat processing sector across regional Australia at the national, state and individual region level expressed in terms of full-time equivalent employment, household income and gross regional product	A report on the economic impact of red meat processing facilities around Australia, providing estimates of the impact, including flow-on or multiplier effects provided in both absolute values and percentage contribution in terms of gross industry value added, household income and employment
2017-1061	Social impact study of red meat processing in Australia	Queensland University of Technology (QUT)	15/11/16	22/6/17	Benchmark study to determine what social impact the red meat processing industry has on its host communities	The Australian red meat processing industry is reported as having significant positive impacts on the communities in which it operates. It reports little or no community objections to their continued operations, an important indicator that these communities are currently granting social licence to operate. Maintaining the positive nature of these social impacts is likely to result in continuing community approval
2017-1132	AMPC Sustainability Conference 2016	Australian Meat Processor Corporation Ltd	1/11/16	30/11/16	To address complex risks impacting the future growth of the red meat processing industry, the conference aimed to unpack the vital ingredient that will ensure long-term sustainability of the industry	Over two days in November 2016 a conference called 'The Vital Ingredient' showcased an impressive line-up of Australian and international experts, discussing major industry issues and practical steps to address them. Main sessions covered international competitiveness, the regulatory environment, changing consumption patterns, climate change, social licence to operate and value chain integration

PROGRAM PERFORMANCE

PROGRAM

6

JOINT PROGRAM

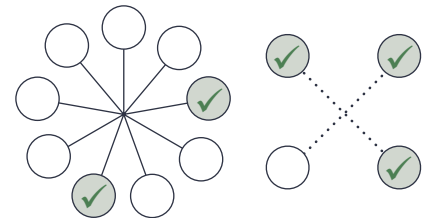


\$9.20m

Investment

The Joint Program is a collaboratively funded and managed R&D and marketing program between AMPC and MLA that focuses on whole-of-supply chain matters.

Alignment with government priorities



National Science and Research Priorities:

- ✓ Cybersecurity
- ✓ Advanced manufacturing

Rural Research, Development and Extension Priorities:

- ✓ Advanced technology
- ✓ Biosecurity

In association with MLA, AMPC invests in supply chain activities to enhance market access, improve marketing communications and further develop food safety and integrity systems. Here are some of the projects undertaken during the year under review.



CODE	PROJECT STREAMS	SPEND	ACTIVE	PROJECTS COMPLETED	TOTAL
6. Joint Program					
MLA-Managed					
	Food Safety R&D	285,649	25	-	25
	Industry Integrity Systems	486,451	29	-	29
	Innovation Insights – Product & Packaging	250,577	44	-	44
	National Livestock Identification System	644,712	95	-	95
	Objective Measurement	255,081	64	-	64
	Market Access	2,332,588	154	-	154
	Red Meat in a Healthy Diet	600,930	18	-	18
	Marketing & Promotion – Export	952,144	18	-	18
	Marketing & Promotion – Domestic	1,699,544	26	-	26
	Subtotal	7,507,677	473	-	473
AMPC-Managed					
	Other Joint Projects	1,697,145	11	3	14
	Subtotal	1,697,145	11	3	14
	TOTAL	9,204,822	484	3	487

Sample Projects

- Market access analysis
- Innovation insights on product and packaging
- National Livestock Identification System (NLIS)
- Industry integrity systems
- Marketing and promotion analysis in export markets
- Non-invasive prediction of dark cutting

PROGRAM 6 JOINT PROGRAM

ACTIVE AND COMPLETED PROJECTS: OUTPUTS AND BENEFITS

PROJECT CODE	TITLE	RESEARCH ORGANISATION	START DATE	END DATE	OBJECTIVES	OUTCOMES
2017-1009	Real-time Spectroscopic system for contaminant detection in red meat	Royal Melbourne Institute of Technology (RMIT)	9/12/16		To detect viable microbial growth in meat, change in colour, texture and/or tenderness for the design and implementation of a low-cost system with instantaneous output identifying the presence of certain pathogens and contaminants	New and improved methods to identify the bacterial load and presence of foreign objects in red meat
2017-1011	Noninvasive Measurement of Meat Quality in Live Animals Using Deep Tissue Raman Spectroscopy	Royal Melbourne Institute of Technology (RMIT)	1/2/17		To reduce the level of dark cutting meat in Australia by developing sensor technology that can be used to screen cattle in real-time at the abattoir, either at receipt, or immediately pre-slaughter. This will allow dark cutting susceptible animals to be diverted so they can better recover their levels of glycogen	By detecting and quantitatively determining key biochemical determinants of meat quality within living animals, the project will establish a new ability to quickly and accurately assess the likelihood of dark cutting in each live animal
2017-1053	Hyperspectral ZT and Food Safety Determination (Phase 2)	Scott Automation & Robotics	20/1/17		Detect and evaluate meat quality objectively using new hyperspectral technology, which has shown great results in identifying bile, faeces and ingesta	Assessment of how the technology would operate in beef and lamb meat processing facilities at line, using preliminary findings. Improvement of algorithm development during previous phase
2017-1057	A Dynamic 3D Model of the Carcase Skeletal Structure – A Feasibility Investigation	Applied Robotics International Pty Ltd	3/10/16		Explore the feasibility of using an X-ray scanner at the start of the boning line to measure bone structure and construct a 3D skeletal model for each carcase. Such capability would enable the accurate location of bone structure at a downstream workstation without the further use of specific dedicated expensive X-ray scanning	Feasibility assessment of dynamically manipulatable 3D skeleton carcase model
2017-1058	Contemporary chemical lean validation – national standard for measurement	Commonwealth Scientific & Industrial Research Organisation (CSIRO)	1/3/17		Conduct an inter-laboratory comparison to validate the performance of methods used for Chemical Lean (CL) determination by Australian domestic and international facilities for meat export	Identification of currently used methods for CL determination and associated providers. Assessment and performance evaluation of methods used for CL analysis by domestic and international providers. Development of a proposal for national standards for CL determination
2017-1068	Process control monitoring – is there a better way?	South Australian Research & Development Institute (SARDI)	15/11/16	3/5/17	Analysis and interpretation of all Australian process monitoring data (microbiological and Meat Hygiene Assessment) for their utility to assess process control, and by extension, food safety	An improved Product Hygiene Indicator (PHI) system is proposed which is straightforward, focused on 'testing what you sell' and compliant to Australian requirements, has 11 KPIs, each of which is linked with an alert based on a moving window and has a red/green traffic light dashboard updated in almost real time
2017-1071	Identifying strategies for regulator awareness – Development and delivery of workshops on Industry systems and practices (including food safety and meat quality) for regulators	Food and Veterinary Services Pty. Ltd.	15/11/16		To assist regulators to make policy decisions that are practically viable, not cost-prohibitive and complementary to existing industry and commercial requirements, systems and practices	Two 3-day industry awareness workshops including site visits of processing facilities and sessions covering industry systems and practices (including food safety and meat quality) will build key regulators' awareness of the Australian red meat industry

PROJECT CODE	TITLE	RESEARCH ORGANISATION	START DATE	END DATE	OBJECTIVES	OUTCOMES
2017-1072	Identifying strategies for regulator awareness – Delivery model assessment, development and delivery of training to on-plant regulators on Industry systems and practices (including food safety and meat quality)	Food and Veterinary Services Pty. Ltd.	15/11/16		To assist regulators to make policy decisions that are practically viable, not cost-prohibitive and complementary to existing industry and commercial requirements, systems and practices	A report on the possible delivery models for the training of on-plant regulators, including existing staff and new starters. Training material on the Australian red meat industry's practices and systems (including in the area of food safety and meat quality) and the commercial environment, and the delivery of the developed training material
2017-1099	RnD4Profit 15-02-014 Enhancing supply chain profitability through reporting and utilisation of peri-mortem information by livestock producers	Australian Pork Limited	28/6/16		To investigate reporting of peri-mortem information for beef, sheepmeat and pork to producers, and options for data access and security	Development and implementation of standardised national frameworks and a minimum set of data standards to support consistent reporting of peri-mortem information for beef, sheepmeat and pork to producers. Development and industry endorsement of governance rules to manage data access and integrity to stakeholders. Improved on-farm productivity and profitability through the utilisation of peri-mortem information to inform production and animal health decisions and reduce losses associated with carcass and offal condemnation at slaughter
2017-1100	Development and validation of a probe for measuring fat in lamb carcasses	Sheep CRC Ltd	16/12/16		Develop automatic and accurate methods of measuring carcasses for traits like fatness and GR tissue depth, to aid a reduction by the red meat industry in carcass fat levels in line with domestic and international consumer demands	Development of a probe to measure GR at chain speed. Validation of the probe for robustness and accuracy. Establishment of a pathway for commercial provision with the required technical backup
2016-1358	China Market Access Priorities	China Frontier Advisory Limited (China)	18/4/16	2/3/17	Pursue industry priorities within senior Chinese government circles to expand market access for chilled meat and reduce restrictions on tripe/white offal and establishment listing	Possible pathways to tackle market access failure either for individual companies or industry wide trade disruption; and general recognition of Australia as the benchmark red meat exporter into China
2017-1105	Indonesia and Halal Certification	PT Mitra Asia Lestari	28/11/16		To understand Indonesia's Halal certification services	Assessment of the impact of changes to the Halal Product Assurance law on market access for boxed beef and associated meat products
2013-9209	Intercollegiate Meat Judging Competition	Australian Intercollegiate Meat Judging Association	1/7/11	13/10/16	To build pool of intelligent, enthused young meat industry representatives, who will give the Australian meat industry the expertise and drive to compete in the meat quality world of the future	Enhance the industry's image as a desirable career destination to attract the right people for collaboration in professional and skills development programs in order to retain a motivated and appropriately skilled workforce in essential science, research, technical and extension capabilities
2017-1114	MLA Joint Program FY17	Meat & Livestock Australia	1/7/16	30/6/17	The joint program is a collaboratively-funded RD&E, marketing and market access program between AMPC and MLA	Increased consumer and community support, market growth and diversification, and supply chain efficiency and integrity of the Australian red meat supply chain

FINANCIAL REPORT FY17

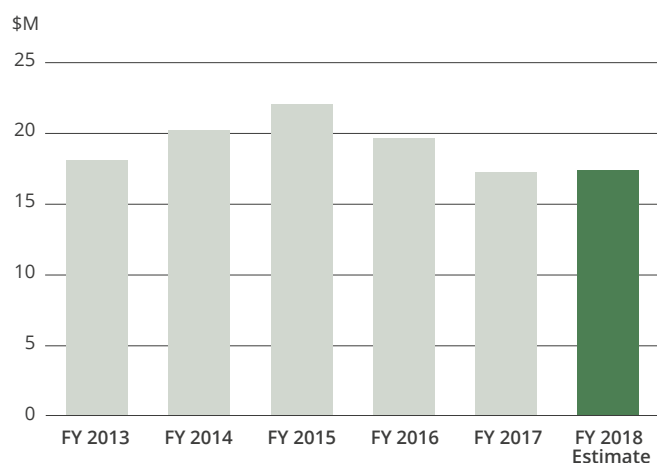
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KEY FINANCIAL SNAPSHOT

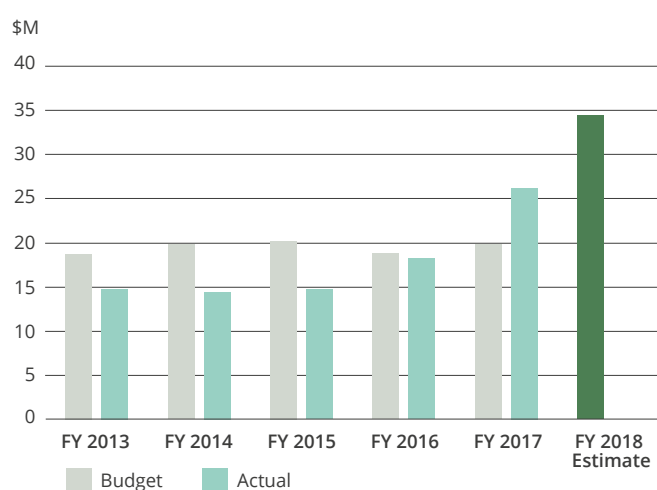
Income - Statutory Levies

	\$M
FY 2013	18.06
FY 2014	20.20
FY 2015	22.03
FY 2016	19.66
FY 2017	17.21
FY 2018 estimate	17.40



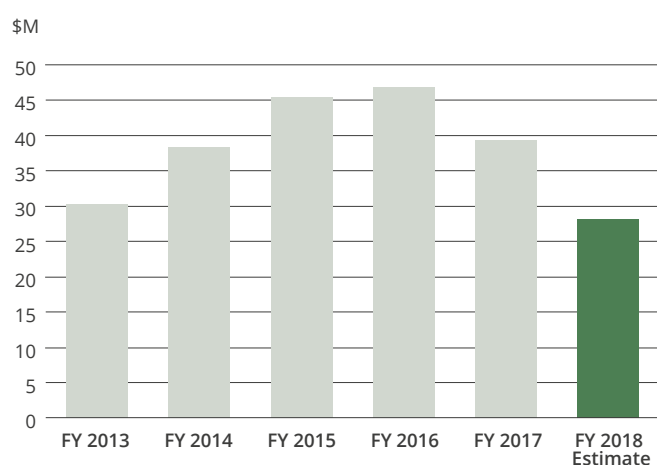
Project Expenditures

	BUDGET \$M	ACTUAL \$M
FY 2013	18.72	14.76
FY 2014	19.79	14.45
FY 2015	20.20	14.72
FY 2016	18.76	18.19
FY 2017	19.82	26.18
FY 2018 estimate	34.40	



AMPC Accumulated Funds

	PRE- STATUTORY \$M	R&D \$M	MARKETING \$M	TOTAL \$M
FY 2013	3.59	28.48	-1.88	30.19
FY 2014	6.17	34.30	-2.13	38.34
FY 2015	6.16	41.80	-2.54	45.42
FY 2016	6.35	43.91	-3.48	46.78
FY 2017	6.56	33.72	-1.01	39.26
FY 2018 estimate	6.83	12.59	8.74	28.16



DIRECTORS' REPORT

Board of Directors

The Directors of the Company in office at the date of this report (or holding office during the year) are:



Peter Noble
Chairman

Peter Noble is currently the director of Invasive Animals Ltd and Chair of its Governance and Remuneration Committee. He was a board member of the inaugural Principles of Sustainable Insurance, a Finance Initiative of the United Nations Environment Program.

Prior to its sale in 2014, Peter held the position as Chairman of Directors for family company, GM Scott Pty Ltd (GMS), where he had been a director and shareholder since 1988.

Peter holds degrees in Law and Commerce from the University of NSW and has practised law with International law firms in Australia, the United States and Asia. He is also an adjunct Associate Professor in Law and Agriculture at the University of New England.

Peter was appointed to the AMPC Board for a fifth term in December 2015.



Gary Hardwick
Deputy Chairman

Gary Hardwick is the Founder and Executive of Hardwick's Meatworks Pty Ltd located in Kyneton, Victoria. Gary is a qualified Accountant, a Member of the Australian Processors Council (APC) and Director of Australian Meat Industry Superannuation Trust (AMIST). Gary is also a Director of PrimeSafe (VIC).

Gary was elected to the AMPC Board for a tenth term in December 2015.



Catherine Ainsworth
Director

Catherine currently sits on the boards of Harness Racing Victoria, Racing Analytical Services, a Bendigo Community Bank and the Australian Horse Industry Council. Catherine has previously sat on the boards of Pulse Breeding Australia, Barley Breeding Australia, Pony Club Australia and the University Of Melbourne Faculty Of Veterinary Science.

In her executive career, Catherine worked across veterinary pharmaceuticals, agribusiness, and the public sector, including management of the agricultural research portfolio for the Victorian government. Catherine led the development of the Australian Grains Genebank and major agricultural research infrastructure in regional Victoria. Catherine has a Bachelor of Veterinary Science (Honours) from the University of Sydney, a Master of Veterinary Science from the University of Melbourne and an MBA from Melbourne Business School. Catherine is also a graduate of the AICD's Company Director's Course.

Catherine was appointed to the AMPC Board for her first term in December 2015, and is Chair of the Audit & Risk Committee and the Nomination & Remuneration Committee.



John Berry
Director

John is a Director and Head of Corporate and Regulatory of JBS Australia Pty Limited, Australia's largest meat processor and feedlot operator. John possesses a Bachelor of Business Finance and Masters of Business Administration.

John has been involved in the Australia Meat Industry for over 20 years, and has responsibility for industry, government and corporate relations activities within the JBS Australia business.

John was elected to the AMPC Board for a sixth term in December 2015.



James Campbell
Director

In August 2015, James was appointed as Chief Executive Officer of Sanger, a Senior Executive role within the Bindaree Beef group. This follows a 15-year professional career spanning Chartered Accounting (KPMG) and Institutional Banking (ANZ) with a consistent specialist focus on agricultural business.

James is a member of the Institute of Chartered Accountants in Australia and holds a double degree in Commerce (Accounting) and Business Administration from the University of Canberra.

James was elected to the AMPC Board for his first term in December 2015.



Dean Goode
Director

Dean was appointed as Chief Executive Officer of Kilcoy Pastoral Company Limited (KPC) on 1 July 2012. Dean has worked for KPC for ten years, including as General Manager of Operations. Dean has extensive experience in the export beef processing industry, having previously worked for twenty years with Australian Meat Holdings (AMH) at both their Dinmore and Townsville facilities in various management roles.

Dean holds an MBA in Business Administration from James Cook University, Townsville.

Dean was elected to the AMPC Board for his first term in December 2015.



Brian James
Director

Brian James is a current Director of and is actively involved in Thomas Foods International (TFI) (formerly T&R Pastoral) which owns and operates fully integrated export processing facilities located at Murray Bridge (SA), Lobethal (SA), Tamworth (NSW) and Wallangarra (QLD). Brian is a Director of AMIC, Chairman of National Export Sheep, Lamb and Goat Council, Deputy Chairman of the APC and is actively involved in various other industry committees.

Brian is a member of the Australian Society of Accountants and is a Certified Practising Accountant (CPA).

Brian was elected to the AMPC Board for a eighth term in December 2015.



Tom Maguire
Director

Tom Maguire currently holds the position of 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 holds postgraduate qualifications in Economics, Industrial Relations and Human Resource Management. He has also completed a Master in Business Administration from the University of Queensland.

Tom was elected to the AMPC Board for a sixth term in December 2015.



Simon Stahl
Director

Simon Stahl has been working in the red meat industry for over 26 years and currently holds the position of Chief Executive Officer, Northern Cooperative Meat Company Ltd. Simon began his career at KR Darling Downs, Toowoomba, before working with NH Foods Australia Pty Ltd in a variety of roles including Managing Director (TBS Mackay) and Group Innovation Manager. Simon holds a Bachelor of Commerce (Accounting major) from the University of Southern Queensland.

Simon was elected to the AMPC Board for a third term in December 2015.

DIRECTORS' REPORT (CONTINUED)

Meetings of Directors

The following table sets out the number of scheduled and urgent unscheduled Directors' meetings (including meetings of Committees of Directors) held during the financial year and the number of meetings attended by each Director (while they were a Director or Committee Member). During the financial year, nine Board meetings and five Audit & Risk Committee meetings were held.

Results

The deficit of the Company for the year was \$7,521,122 (2016 : surplus of \$1,361,908).

	DIRECTORS' MEETINGS		UNSCHEDULED DIRECTORS' MEETINGS		AUDIT & RISK COMMITTEE	
	NUMBER ELIGIBLE TO ATTEND	NUMBER ATTENDED	NUMBER ELIGIBLE TO ATTEND	NUMBER ATTENDED	NUMBER ELIGIBLE TO ATTEND	NUMBER ATTENDED
DIRECTORS						
Catherine Ainsworth	7	7	2	2	5	5
John Berry	7	7	2	2	-	-
James Campbell	7	7	2	2	5	5
Dean Goode	7	5	2	2	-	-
Gary Hardwick	7	6	2	2	-	-
Brian James	7	7	2	2	5	5
Tom Maguire	7	7	2	1	5	2
Peter Noble	7	7	2	2	1	-
Simon Stahl	7	6	2	-	-	-

Short 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; and
- 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.

Principal Activities

AMPC is responsible to promote:

- 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 well being 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; and
- the interest of, and do all relevant acts and things for the advancement, protection and promotion of the interests of, the Members.

Red meat processor levies are strategically invested in research, development and extension programs that are aligned to targeted marketing initiatives. These programs deliver outcomes and benefits for the Australian red meat processing industry and the broader Australian community.

AMPC's goals are to provide 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 Processing Technologies; Environment and Sustainability; Processing Hygiene, Quality and Meat Science; Capability, Extension and Education; Industry Improvement & Economic Analysis; and Technical Market Access.

AMPC is committed to working with its stakeholders to achieve an efficient application of levy funds through its RD&E and marketing activities. 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.

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 AMPC, through its processor Peak Industry Council, requested the Commonwealth Government to re-introduce a Statutory Levy and that such funds be directed to AMPC 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 and in turn forwarded these funds on to AMPC to manage and fund industry programs.

DIRECTORS' REPORT (CONTINUED)

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 & Livestock Australia Limited (MLA) (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).

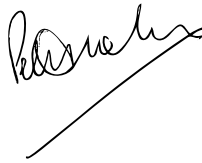
The roles and responsibilities of the Company under the MOU are:

- 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.

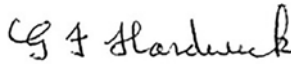
Auditor's Independence Declaration

A copy of the auditor's declaration under section 307C of the Corporations Act 2001 in relation to the audit for the financial year is provided with this report.

Signed in accordance with a resolution of the Board of Directors:



DIRECTOR
P Noble, Chairman



G Hardwick, Deputy Chairman

Dated: 11/10/07

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.

The Constitution of the Company was approved by the Members of the Company at a General Meeting held on 14th June 2007 with a high level of support. In part, this was to address the proposed implementation of Statutory levies, which commenced on 1 September 2007.

The Board of Directors

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

- the Members elect the Processor Directors every two years;
- the Special Qualifications 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; and
- 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 seven Processor Directors and two Special Qualifications 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; and
- reporting to Government and Members.

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 & Risk Committee

- Catherine Ainsworth (Chair)
- James Campbell
- Peter Noble

The Audit & Risk Committee meets on at least three occasions in the course of each year.

The Audit & 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; and
- reviewing and recommending the annual budget to the Board.

The Audit & Risk Committee invites the Chief Executive Officer and the Finance and Administration 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.

CORPORATE GOVERNANCE STATEMENT (CONTINUED)

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 & 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 & Risk Committee, the scope and work program of internal auditors.

Remuneration Reviews

Nomination & Remuneration Committee

- Catherine Ainsworth (Chair)
- Simon Stahl
- Peter Noble

A Nomination & 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; and
- 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 & Remuneration Committee did not meet in the financial year ending 30 June 2017.

In order 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; and
- 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.

AUDITOR'S INDEPENDENCE DECLARATION



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 audit partner for the audit of the financial statements of Australian Meat Processor Corporation Limited for the financial year ended 30 June 2017, 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

A handwritten signature in blue ink that reads 'Nexia'.

Nexia Sydney Partnership

A handwritten signature in blue ink, appearing to be 'Lester Wills'.

Lester Wills

Partner

Date: 11 October 2017

STATEMENT OF PROFIT OR LOSS AND OTHER COMPREHENSIVE INCOME

For the year ended 30 June 2017

	NOTES	2017 \$	2016 \$
Revenue	3	24,924,891	25,725,064
Employee benefits expense		(2,750,859)	(2,490,185)
Depreciation and amortisation expenses	4	(221,670)	(197,854)
Program expenditure		(28,429,471)	(20,638,816)
Industry support expenditure		(550,000)	(550,000)
Other expenses		(494,013)	(486,301)
		(32,446,013)	(24,363,156)
(Deficit)/surplus for the year		(7,521,122)	1,361,908
Other comprehensive income		-	-
Total comprehensive (loss)/income for the year		(7,521,122)	1,361,908

The accompanying notes form part of these financial statements.

STATEMENT OF FINANCIAL POSITION

For the year ended 30 June 2017

	NOTES	2017 \$	2016 \$
CURRENT ASSETS			
Cash and cash equivalents	6	40,199,661	47,796,075
Trade and other receivables	7	6,088,554	9,071,134
Other current assets	8	124,278	123,283
Total current assets		46,412,493	56,990,492
NON-CURRENT ASSETS			
Plant and equipment	9	62,145	100,885
Intangible assets	10	112,122	280,304
Total non-current assets		174,267	381,189
Total assets		46,586,760	57,371,681
CURRENT LIABILITIES			
Trade and other payables	11	7,251,049	10,567,055
Provisions	12	50,923	11,404
Total current liabilities		7,301,972	10,578,459
NON-CURRENT LIABILITIES			
Provisions	12	21,590	8,902
Total non-current liabilities		21,590	8,902
Total liabilities		7,323,562	10,587,361
Net assets		39,263,198	46,784,320
EQUITY			
Pre-statutory accumulated funds	19 (A)	6,557,627	6,354,809
Statutory R&D accumulated funds	19 (B)	33,720,080	43,907,060
Statutory marketing accumulated funds	19 (C)	(1,014,509)	(3,477,549)
Total equity		39,263,198	46,784,320

The accompanying notes form part of these financial statements.

STATEMENT OF CHANGES IN EQUITY

For the year ended 30 June 2017

	2017 \$	2016 \$
Total equity at the beginning of the financial year	46,784,320	45,422,412
Total comprehensive (loss)/income for the year	(7,521,122)	1,361,908
Total equity at the end of the financial year	39,263,198	46,784,320

STATEMENT OF CASH FLOWS

For the year ended 30 June 2017

	Notes	2017 \$	2016 \$
CASH FLOW FROM OPERATING ACTIVITIES			
Receipts from statutory levies		19,035,961	21,885,602
Other receipts and recoveries		15,869,319	3,800,198
Payments to suppliers and employees		(43,950,367)	(23,088,926)
Interest received		1,462,614	1,625,546
Net cash provided by operating activities		(7,582,473)	4,222,420
CASH FLOW FROM INVESTING ACTIVITIES			
Payments for intangible assets		-	(292,076)
Proceeds on disposal of property, plant and equipment		2,203	-
Payment for property, plant and equipment		(16,144)	(19,071)
Net cash provided by/(used in) investing activities		(13,941)	(311,147)
CASH FLOW FROM FINANCING ACTIVITIES			
Net cash provided by/(used in) financing activities		-	-
Net (decrease)/increase in cash held		(7,596,414)	3,911,273
Cash and cash equivalents at beginning of financial year		47,796,075	43,884,802
Cash and cash equivalents at end of financial year	6	40,199,661	47,796,075

The accompanying notes form part of these financial statements.

NOTES TO THE FINANCIAL STATEMENTS

For the year ended 30 June 2017

NOTE 1: STATEMENT OF SIGNIFICANT ACCOUNTING POLICIES

The financial report is a general purpose financial report that has been prepared in accordance with Accounting Standards – Reduced Disclosure Requirements, Accounting Interpretations and other authoritative pronouncements of the Australian Accounting Standards Board (AASB) and the Corporations Act 2001.

The financial report is for the entity Australian Meat Processor Corporation Ltd as an individual entity. Australian Meat Processor Corporation Ltd is a company limited by guarantee, incorporated and domiciled in Australia.

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

New, revised or amended Accounting Standards and Interpretations adopted

The Company has adopted all of the new, revised or amending Accounting Standards and Interpretations issued by the Australian Accounting Standards Board that are mandatory for the current reporting period.

Any significant impact on the accounting policies of the Company from the adoption of these Accounting Standards and Interpretations are disclosed in the relevant accounting policy.

(a) Basis of preparation of the financial report

Historical Cost Convention

The financial report has been prepared under the historical cost convention, as modified by revaluations to fair value for certain classes of assets as described in the accounting policies.

(b) Revenue

Revenue from Statutory Levies are recognised in the period that the Government collected the levy.

Other revenue is recognised when the right to receive the revenue has been established.

All revenue is stated net of the amount of Goods and Services Tax (GST).

(c) Intangible Assets

Significant costs associated with software acquired separately are initially recorded at cost and are amortised on a straight-line basis over the period of their expected benefit, being three years.

(d) Plant and Equipment

Each class of plant and equipment is carried at cost or fair value less, where applicable, any accumulated depreciation.

Plant and Equipment

Plant and equipment is measured on the cost basis.

The carrying amount of plant and equipment is reviewed annually by Directors to ensure it is not in excess of the recoverable amount from those assets. The recoverable amount is assessed on the basis of the expected net cash flows which will be received from the assets employment and subsequent disposal. The expected net cash flows have been discounted to present values in determining recoverable amounts.

Depreciation

The depreciable amount of all fixed assets are depreciated over their estimated useful lives to the Company commencing from the time the asset is held ready for use.

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

For the year ended 30 June 2017

NOTE 1: STATEMENT OF SIGNIFICANT ACCOUNTING POLICIES (continued)

(d) Plant and Equipment (continued)

The depreciation rates used for each class of assets are:

CLASS OF FIXED ASSET	DEPRECIATION RATES	DEPRECIATION BASIS
Furniture, Fixtures and Fittings	20%	Straight Line
Office Equipment	20-25%	Straight Line
Computer Equipment	40%	Straight Line

Leases

Leases are classified at their inception as either operating or finance leases based on the economic substance of the agreement so as to reflect the risks and benefits incidental to ownership.

Finance Leases

Leases of fixed assets, where substantially all the risks and benefits incidental to the ownership of the asset, but not the legal ownership, are transferred to the Company are classified as finance leases. Finance leases are capitalised, recording an asset and a liability equal to the present value of the minimum lease payments, including any guaranteed residual values. Leased assets are depreciated on a straight line basis over their estimated useful lives where it is likely that the Company will obtain ownership of the asset, or over the term of the lease. Lease payments are allocated between the reduction of the lease liability and the lease interest expense for the period.

Operating Leases

Lease payments for operating leases, where substantially all the risks and benefits remain with the lessor, are charged as expenses in the periods in which they are incurred.

Lease incentives received under operating leases are recognised as a liability. Lease payments received reduced the liability.

(e) Income Tax

The Company is exempt from income tax under the provisions of Section 50(40) of the *Australian Income Tax Assessment Act 1997*.

(f) Employee Benefits

Liabilities arising in respect of wages and salaries, annual leave, sick leave and any other employee benefits expected to be settled within twelve months of the reporting date are measured at their nominal amounts based on remuneration rates which are expected to be paid when the liability is settled. All other employee benefit liabilities are measured at the present value of the estimated future cash outflow to be made in respect of services provided by employees up to the reporting date.

Contributions made by the Company to an employee superannuation fund are recognised in the Statement of Financial Position as a liability, after deducting any contributions already paid and in the Statement of Comprehensive Income as an expense as they become payable. Prepaid contributions are recognised as an asset to the extent that a cash refund or a reduction in the future payment is available.

(g) Impairment of Assets

Assets with an indefinite useful life are not amortised but are tested annually for impairment in accordance with AASB 136. Assets subject to annual depreciation or amortisation are reviewed for impairment whenever events or circumstances arise that indicate that the carrying amount of the asset may be impaired. An impairment loss is recognised where the carrying amount of the asset exceeds its recoverable amount. The recoverable amount of an asset is defined as the higher of its fair value less costs to sell and value in use.

(h) Comparative Figures

Where required by Accounting Standards comparative figures have been adjusted to conform with changes in presentation for the current financial year.

(i) Financial Instruments

Classification

The Company classifies its financial instruments in the following categories: financial assets at fair value through profit and loss, loans and receivables, held-to-maturity investments, and available-for-sale financial assets. The classification depends on the purpose for which the investments were acquired. Management determines the classification of its investments at initial recognition and re-evaluates this designation at each reporting date.

Held-to-maturity investments

Fixed term investments with an intention to be held to maturity are classified as held-to-maturity investments. They are measured at amortised cost using the effective interest rate method.

Loans and receivables

Loans and receivables are non-derivative financial assets with fixed or determinable payments that are not quoted in an active market. They are measured at fair value at inception and subsequently at amortised cost using the effective interest rate method.

Non-interest bearing loans and receivables are designated as receivable 'at call' and are therefore recognised at their face value at inception.

Financial liabilities

Financial liabilities include trade payables, other creditors and loans from third parties, including inter-Company balances and loans from, or other amounts due to, Director-related entities.

Non-derivative financial liabilities are recognised at amortised cost, comprising original debt less principal payments and amortisation.

Non-interest bearing loans and payables are payable on demand and are therefore recognised at their face value at inception.

(j) 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 AUS-MEAT 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 of AASB 128 have not been applied. Details of the investment in AUS-MEAT are included in Note 15 to the financial statements.

(k) Cash and Cash Equivalents

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

(l) Trade and Other Receivables

Trade and other receivables are recorded at amounts due less any allowance for doubtful debts.

(m) Trade and Other Payables

Trade and other payables are recognised when the entity becomes obliged to make future payments resulting from the purchase of goods and services.

(n) Provisions

Provisions are recognised when the entity has a present obligation, the future sacrifice of economic benefits is probable, and the amount of the provision can be measured reliably.

When some or all of the economic benefits required to settle a provision are expected to be recovered from a third party, the receivable is recognised as an asset if it is probable that recovery will be received and the amount of the receivable can be measured reliably.

The amount recognised as a provision is the best estimate of the consideration required to settle the present obligation at reporting date, taking into account the risks and uncertainties surrounding the obligation. Where a provision is measured using the cash flows estimated to settle the present obligation, its carrying amount is the present value of those cash flows.

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

For the year ended 30 June 2017

(o) Plant Initiated Projects (PIP) Program

Statutory Levies

Of the total levies received during the financial year, 25 percent is available to support Research & Development programs initiated by Members through the Plant Initiated Projects program.

Liability

The amount recognised as a liability for plant initiated research & development projects is the amount of the reserved contributions that have been allocated to approved projects. The liability is treated as a payable under trade and other payables in the financial statements.

Plant initiated projects with funding allocations are considered to be active until the Member notifies AMPC of completion or termination, at which point AMPC will derecognise the project liability and write back any remaining funds belonging to the project.

(p) Goods and Services Tax

Revenue, expenses and assets are recognised net of the amount of Goods and Services Tax (GST), except where the amount of GST incurred is not recoverable from the taxation authority. In these circumstances, the GST is recognised as part of the cost of acquisition of the asset or as part of the expense.

Receivables and payables are stated with the amount of GST included. The net amount of GST recoverable from, or payable to, the ATO is included as a current asset or liability in the statement of financial position.

Cash flows are included in the statement of cash flows on a gross basis. The GST components of cash flows arising from investing and financing activities which are recoverable from, or payable to, the ATO are classified as operating cash flows.

(q) Authorisation for Issue

The financial report was authorised for issue on 10 October 2017 by the Board of Directors.

NOTE 2: CRITICAL ACCOUNTING ESTIMATES AND JUDGEMENTS

Estimates and judgements are based on past performance and management's expectation for the future.

Critical accounting estimates and assumptions

The Company makes certain estimates and assumptions concerning the future, which, by definition, will seldom represent actual results. No estimates and assumptions could have a material impact on the assets and liabilities in the next financial year, other than those disclosed elsewhere in the financial report.

NOTE 3: REVENUE

	Notes	2017 \$	2016 \$
OPERATING ACTIVITIES			
- Statutory Levies		17,210,026	19,664,293
- interest		1,245,731	1,561,814
- reversal of non aligned provisions	14	289,056	1,290,289
- government matching and other income		6,180,078	3,208,668
Total revenue		24,924,891	25,725,064

NOTE 4: DEFICIT FOR THE YEAR

Deficit for the year has been determined after:

	Notes	2017 \$	2016 \$
EXPENSES:			
Depreciation of non-current assets:			
- furniture, fixtures and fittings		33,078	30,160
- office equipment		4,701	7,014
- computer equipment		15,709	20,528
Depreciation of plant and equipment		53,488	57,702
Amortisation of intangible assets		168,182	140,152
REMUNERATION OF THE AUDITORS FOR:			
- audit and review services		42,479	29,293
		42,479	29,293

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

For the year ended 30 June 2017

NOTE 5: KEY MANAGEMENT PERSONNEL COMPENSATION

Compensation received by key management personnel of the Company

	2017 \$	2016 \$
DIRECTORS		
- Short-term benefits (Directors Fees)	316,332	319,884
- Post-Directorship benefits (Superannuation)	31,842	29,273
	348,174	349,157
EXECUTIVES		
- Short-term employee benefits (Salary)	364,319	269,870
- Post-employment benefits (Superannuation)	22,771	26,159
- Termination benefits	-	46,028
	387,090	342,057
	735,264	691,214

The names of Directors who have held office during the year (and included as key personnel in addition to the CEO) are:

P G Noble	G F Hardwick	C G Ainsworth	J K Berry
J A Campbell	D Goode	R B James	T J Maguire
S R Stahl			

Other Key Management Personnel include:

P Rizzo (CEO)

Total aggregated out of pocket costs including travel and related expenses incurred by Directors during the year was \$36,360.

NOTE 6: CASH AND CASH EQUIVALENTS

	2017 \$	2016 \$
Cash at bank	5,035,460	1,814,589
Cash on term deposit	35,164,201	45,981,486
	40,199,661	47,796,075

NOTE 7: TRADE AND OTHER RECEIVABLES

	2017 \$	2016 \$
CURRENT		
Trade receivables	4,994,358	7,841,474
Other receivables	1,094,196	1,229,660
	6,088,554	9,071,134

NOTE 8: OTHER CURRENT ASSETS

	2017 \$	2016 \$
Prepaid expenses	10,722	9,727
Cash on term deposit for bank guarantee*	113,556	113,556
	124,278	123,283

*The \$113,556 term deposit for bank guarantee is not available for use.

NOTE 9: PLANT AND EQUIPMENT

	2017 \$	2016 \$
OFFICE EQUIPMENT		
At cost	26,166	25,449
Less accumulated depreciation	(24,287)	(19,585)
	1,879	5,864
FURNITURE, FIXTURES AND FITTINGS		
At cost	165,389	165,389
Less accumulated depreciation	(121,881)	(88,803)
	43,508	76,586
COMPUTER EQUIPMENT		
At cost	90,295	77,071
Less accumulated depreciation	(73,537)	(58,636)
	16,758	18,435
Total plant and equipment	62,145	100,885

(a) Movements in Carrying Amounts

Movement in the carrying amounts for each class of plant and equipment between the beginning and the end of the current financial year.

	FURNITURE, FIXTURES & FITTINGS	OFFICE EQUIPMENT	COMPUTER EQUIPMENT \$	TOTAL \$
2017				
Balance at the beginning of the year	76,586	5,864	18,435	100,885
Additions	-	716	15,428	16,144
Disposals	-	-	(1,396)	(1,396)
Depreciation expense	(33,078)	(4,701)	(15,709)	(53,488)
Carrying amount at the end of the year	43,508	1,879	16,758	62,145

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

For the year ended 30 June 2017

NOTE 10: INTANGIBLE ASSETS

	2017 \$	2016 \$
Software – at cost	420,456	420,456
less accumulated amortisation	(308,334)	(140,152)
	112,122	280,304
Balance at the beginning of the year	280,304	420,456
Additions	–	–
Disposals	–	–
Amortisation expense	(168,182)	(140,152)
Carrying amount at the end of the year	112,122	280,304

NOTE 11: TRADE AND OTHER PAYABLES

	Notes	2017 \$	2016 \$
CURRENT			
Unsecured liabilities			
Trade payables		1,012,784	4,865,886
Plant initiated projects	14	324,765	481,745
Other program payables		5,848,449	4,819,554
Sundry payables and accruals		65,051	399,870
		7,251,049	10,567,055

NOTE 12: PROVISIONS

	2017 \$	2016 \$
CURRENT		
Employee benefits	50,923	11,404
NON-CURRENT		
Employee benefits	21,590	8,902

NOTE 13: COMPANY DETAILS

The registered office of the Company is:

Australian Meat Processor Corporation Ltd
Suite 1, Level 5
110 Walker Street
North Sydney NSW 2060

NOTE 14: PLANT INITIATED PROJECTS LIABILITY

	2017 \$	2016 \$
Opening balance included in payables	481,745	1,581,961
Total PIP transactions approved across the whole membership	4,847,634	4,711,128
Reductions arising from payments of approved PIPs	(4,715,558)	(4,521,055)
Reductions resulting from reversal of PIP funding's	(289,056)	(1,290,289)
Closing balance included in payables	324,765	481,745

NOTE 15: RELATED PARTY DISCLOSURE

TYPE OF TRANSACTION	TERMS AND CONDITIONS OF TYPE OF TRANSACTION	CLASS OF RELATED PARTY	2017 \$	2016 \$
Operational and support funding	Normal Commercial terms and conditions	Associate AUS-MEAT Limited	\$550,000	\$550,000

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 YEAR ENDED 30 JUNE		BALANCE OUTSTANDING AS AT 30 JUNE	
	2017 \$	2016 \$	2017 \$	2016 \$
Plant Initiated Projects	3,694,916	2,616,013	111,656	462,632

NOTE 16: MEMBERS' LIABILITY

Australian Meat Processor Corporation Ltd is incorporated in New South Wales as a company limited by guarantee. Under the Company's Constitution, the liability of the governing Members is limited and shall not exceed \$100 on the winding up of the Company.

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

For the year ended 30 June 2017

NOTE 17: ASSOCIATED ENTITIES

NAME OF ENTITY	PRINCIPAL ACTIVITY	OWNERSHIP INTEREST 2017	OWNERSHIP INTEREST 2016	CARRYING AMOUNT
AUS-MEAT Limited	Services to the Food Industry	50%	50%	Nil

Summarised financial position of associate:

	2017 \$	2016 \$
CURRENT ASSETS		
Cash	1,052,774	1,414,093
Receivables	1,542,152	1,098,541
Other financial assets	6,487,383	7,442,119
Other	767,780	476,293
NON CURRENT ASSETS		
Investments	-	-
Plant and equipment	3,301,622	3,312,338
CURRENT LIABILITIES		
Accounts payable	(3,466,065)	(4,375,518)
NON CURRENT LIABILITIES		
Provisions	(203,529)	(179,582)
Net assets	9,482,117	9,188,284
Net surplus for the period	293,833	309,426
Other comprehensive income	-	-

NOTE 18: 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. During the financial year AMPC became party to a new Funding Agreement covering the period 2016 to 2020.

NOTE 19: ACCUMULATED FUNDS

2017
\$

2016
\$

a) Pre Statutory funds

The pre-Statutory funds records the Company's retained surpluses prior to the Statutory Funding Agreement which commenced 1 September 2007:

Movements during the financial year:

Opening balance	6,354,809	6,157,343
Allocation of current year surplus	202,818	197,466
	6,557,627	6,354,809

b) Statutory Research and Development funds

The Research and Development funds record surpluses contributed by the Research and Development portion of the processor Levy in accordance with the Statutory Funding Agreement 2011-15:

Movements during the financial year:

Opening balance	43,907,060	41,801,942
Allocation of current year surplus	(10,186,980)	2,105,118
	33,720,080	43,907,060

c) Statutory Marketing funds*

The Marketing funds records surpluses contributed by the Marketing portion of the processor Levy in accordance with the Statutory Funding Agreement 2011-15:

Movements during the financial year:

Opening balance	(3,477,549)	(2,536,873)
Allocation of current year (deficit)	2,463,040	(940,676)
	(1,014,509)	(3,477,549)

*The deficit occurred on the basis of the current misalignment in the income split and expenditure split between Research and Marketing funding allocations. The split in allocation of funding between Marketing and Research has been modified for an 18 month period beginning on 1 January 2017 where 100% of levies will be allocated to Marketing.

NOTES TO THE FINANCIAL STATEMENTS (CONTINUED)

For the year ended 30 June 2017

NOTE 20: CONTINGENCIES

Contingent Liabilities

The 25 percent of received levies allocated to the Plant Initiated Projects (PIP) program remains available for three years, after which the commitment lapses. As at 30 June 2017, the total Research and Development funds held in reserve for potential PIPs is \$5.14M (30 June 2016: \$9.47M).

Contingent Assets

There were no contingent assets identified as at 30 June 2017.

NOTE 21: OPERATING LEASES

	2017 \$	2016 \$
Non-cancellable operating lease rentals are payable as follows:		
Less than one year	116,727	116,727
Between one and five years	59,352	176,079
More than five years	-	-
	176,079	292,806

The company leases the head office under an operating lease. The lease is for a period of five years commencing 1st September 2013 with an option to extend the lease for a further five years thereafter. During the year ended 30 June 2017 an amount of \$133,300 was recognised as an expense in respect of operating leases (2016: \$132,982).

NOTE 22: EVENTS AFTER THE REPORTING PERIOD

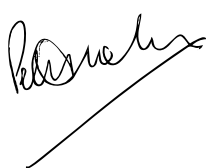
No matters or circumstance have arisen since 30 June 2017 that have significantly affected, or may significantly affect the Company's operations, the results of those operations or the Company's state of affairs in future financial years.

DIRECTORS' DECLARATION


The Directors of the Company declare that:

1. The financial statements and notes, as set out on pages 62 to 76, are in accordance with the *Corporations Act 2001* and:
 - a) comply with Accounting Standards in Australia and the *Corporations Regulations 2001*; and
 - b) give a true and fair view of the financial position as at 30 June 2017 and performance for the year ended on that date of the Company.
2. In the Directors' opinion there are reasonable grounds to believe that the Company will be able to pay its debts as and when they become due and payable.

This declaration is made in accordance with a resolution of the Board of Directors.



DIRECTOR
P Noble, Chairman



DIRECTOR
G Hardwick, Deputy Chairman

Dated: 11/10/2017

INDEPENDENT AUDIT REPORT

TO THE MEMBERS OF AUSTRALIAN MEAT PROCESSOR CORPORATION LTD



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 2017, 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 2017 and of its financial performance for the year then ended; and
- ii) complying with Australian Accounting Standards - Reduced Disclosure Requirements 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 entity in accordance with the *Corporations Act 2001* and the ethical requirements of the Accounting Professional and Ethical Standards Board's APES 110 *Code of Ethics for Professional Accountants* (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 2017, 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 - Reduced Disclosure Requirements 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 entity'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 entity 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.

We also provide the directors with a statement that we have complied with relevant ethical requirements regarding independence, and to communicate with them all relationships and other matters that may reasonably be thought to bear on our independence, and where applicable, related safeguards.



Nexia Sydney Partnership



Lester Wills
Partner

Dated: 11 October 2017
Sydney

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