

AUSTRALIAN
Pork[®]



Annual Report
2023-24

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“If everyone is moving forward together, then success takes care of itself.”

- Henry Ford



Unified efforts and collective success



Mr Andrew Baxter
Chair

We have made significant strides in launching innovative campaigns, expanding global trade and advancing our environmental sustainability. As we enter the final year of our 2020-2025 Strategic Plan, our collaborative efforts continue to drive progress and position us for long-term success.

After months of planning to breathe new life into the Get Some Pork on Your Fork program, Australian Pork Limited (APL) launched our new brand platform in June 2024. Ramón Jamón, with his charming Spanish flair, tackles the common barriers to pork consumption by simply asking, “Por qué?” (Translation: Why?). This clever and relatable question aims to spark curiosity and encourage Australian families to explore the many delicious ways they can incorporate pork into their meals.

Launched nationally, reaching consumers through TV, radio, out of home advertising, press, print, digital, social media, retail, and PR activities – the campaign also has a strong regional presence, ensuring Ramón Jamón is visible to all lovers of pork.

Consumers will see advertising of pork’s new man in pink on retail, roadside, train station, furniture and supermarket placements, through a series of fun and creative artworks to encourage Australians to think, why not pork?

We are proud of the collaborative effort that

has gone into this campaign. The strength and creativity of this new direction were evident from the very beginning, and the campaign launch marks the beginning of an exciting new chapter for the Get Some Pork on Your Fork program.

With shifts in global trade opportunities, APL has showcased the exceptional quality of Australian pork on the international stage, further solidifying our position as a trusted and reliable supplier in high-value export markets. This accomplishment not only speaks to the excellence of our pork, but also the consumer confidence in our products.

An example of this success is the remarkable 105.5% increase in export volumes to Singapore over the 12 months ending May 2024, compared to the previous year. In addition, over the past year, we have seen a substantial 32% increase in overall exports.

On the environmental front, new reporting shows the Australian pork industry has made significant strides in reducing its emissions, achieving a 73% reduction since 1980. Pork is now recognised as a low emissions protein relative to other sources (emitting just 3.3kg of greenhouse gases per kilo of liveweight) and accounting for just 2% of Australia’s total agricultural emissions. This reduction highlights our dedication to evidence-based science and the adoption of innovative and sustainable practices.

Throughout the past year, marking the fourth year of our 2020-2025 Strategic Plan, the unity displayed by businesses, veterinarians, research scientists, pork producers, nutritionists, and our own APL team and Board was truly uplifting.

A clear demonstration of this unity was our combined response to the Victorian Inquiry into Pig Welfare.

Speaking before the Committee, industry representatives stood firm and refuted activist calls to phase out pork production and end commercial livestock farming, articulating the pork industry's commitment to high standards for its farming practices, which remains backed by the latest research, innovation, and ongoing investment.

Our proactive platform has been crucial in navigating a changing regulatory environment. Our strong relationships with government and industry stakeholders have been vital in maintaining and fostering these connections.

Another instance of our unified approach was in the creation of an industry 'Green Paper', jointly developed by the Australasian Pork Research Institute Ltd (APRIL) and APL Boards, producers, processors and research providers who made up the inaugural Pork Industry Insight Panel (PIIP).

In the development of the Green Paper, the PIIP worked through a structured analysis comprising an overarching environmental scan of the pork

industry followed by the identification of the key deliverables industry is seeking from any investment in research and development (R&D), namely, growth, (being) disease-free, social license progress, profitability and sustainability. These findings will form the basis of initiatives that industry can address in the short and long-term.

Looking at Research & Innovation (R&I), this past year has seen advancements in 44 projects benefiting industry. Notably, in the space of animal welfare with a literature review of commercial stunning methods and best practice CO² stunning, and our LCA (life cycle assessment) benchmarking program for climate friendly farming.

Across the board, collaborative industry efforts have been vital in correcting misinformation, sharing insights, and reinforcing our strength. As we approach the final year of our five-year Strategic Plan, I am optimistic about our progress and the opportunities ahead. By continuing to work together, we will overcome obstacles, drive innovation, and ensure the future success of our industry.



Innovation and strong partnerships



Ms Margo Andrae
Chief Executive Officer

We've navigated challenges with bold strategies. Our decisive actions and strong partnerships have set a robust course for the future.

This past year has been one of impactful change for our organisation, which has contributed to some real wins for the Australian pork industry.

Through a challenging political and regulatory landscape, we have made courageous and ambitious strategic choices that have paid off significantly, laying a strong foundation as we enter the final year of our five-year Strategic Plan.

The total economic contribution of the Australian pork industry in 2015-16 financial year was \$5.201 billion. In the 2022-23 financial year the total economic contribution of the Australian pork industry was \$6 billion – this achievement highlights the opportunities for Australian pork.

Success on the menu

Pork has seen a notable rise in popularity within the foodservice sector. Pork is now featured on approximately 66% of menus, maintaining a strong presence. Significantly, pork has increased its position to third among the types of meat eaten in foodservice meals in the last quarter of the 2023-24 financial year, surpassing fish. This highlights the growing preference for pork among consumers dining out.

Christmas saw some huge wins across media with an increase of 60% coverage from the year prior. The potential total reach increased by 52%, from

\$47.55 million to \$72.23 million, and value by 81%, from \$19.78 million to \$35.66 million.

Key highlights included supporting Good Food in their ham judging, featuring smallgoods maker Mick Nunn as a judge – this article was the third most viewed on Nine Fairfax in December. APL also secured national coverage on Channel 7 News, integrating the AMIC Charcuterie Excellence Award Ham winners, and featured TV segments about TAFE's Christmas hams and the Salvation Army Christmas Lunch activity with Colin Fassnidge.

Although consumers continue to cut back on spending due to cost-of-living and inflationary pressures, domestically retailers recorded strong sales again in 2023-24.

Challenging the norm

This year, APL has led the way in environmental advancements with the development and launch of the Agricultural Innovation Australia (AIA) Environmental Accounting Platform (EAP) and its innovative cross-commodity carbon calculator. APL, alongside eight other Research and Development Corporations (RDCs), invested in this platform to help agricultural businesses better understand and manage their carbon footprint.

This collaborative effort aims to streamline and unify carbon accounting and I'm incredibly proud to say, demonstrates APL's dedication to sustainable practices and environmental responsibility.

With a strategic focus on innovation, APL worked together with a startup company to extract high value functional ingredients such as collagen, calcium, protein and keratin from carcass by-products.

APL validated the technology in a lab environment and it has potential scalability to justify investment at processing sites. The possibility to add additional value to the animal carcass beyond the existing markets, is an incredibly exciting one.

Revival of events and continued commitments

Demonstrating our ongoing commitment to engaging and educating the community through events, APL collaborated with the Poultry Information Exchange (PIX) and the Australasian Milling Conference (AMC) to host Food with Purpose. With pork and poultry being the most consumed meats in Australia, the event highlighted their synergies, particularly through advanced animal nutrition and feed science. The agenda featured discussions on climate change, the future of agribusiness, signals for the future of the pork sector, and the importance of science-backed training for pig welfare. Insights on vaccines, crisis communication, carbon-neutral pork products, and sustainability were also shared. The event concluded with a discussion on biosecurity and emergency animal disease responses.

We are proud to continue our partnership with Coles in 2024 to support the FightMND's annual Big Freeze Campaign, now in its 10th year. This year, Coles and Aussie pork farmers donated 10 cents for every pack of Coles brand fresh pork sold, with a double donation on select cuts. Together, we have raised over \$30 million to fight Motor Neurone Disease, making a significant impact over the past decade.

Marking the return of significant agricultural events, the Sydney Royal Easter Show attracted an expected 852,000 attendees. Animals, livestock, and farming were major draws, with the Pig Pavilion being the most popular, visited by 49% of surveyed guests.

In addition, 66% of production attended the APL Roadshows (this was calculated off representatives from the commercial sow herd) which were expertly led by our Producer Relations team.

These roadshows provided an invaluable platform for knowledge exchange, industry updates, and fostering closer relationships within our community.

In 2023-24, face-to-face delegate meetings resumed in Melbourne and the Gold Coast. These sessions also allowed APL to hear directly from industry representatives, and at the request of delegates, more open sessions were introduced, enhancing engagement and collaboration.

Investing in our industry's people

This year, participants of the Australian Pork Leadership Course (PLC), which aims to develop and hone the skills and attributes of our industry leaders, completed their program with a study tour to the US. They visited Iowa to explore the American pork industry, including Iowa State University for the latest swine research, Brennaman Pork's 56,000-sow operation, and the World Pork Expo. In Colorado, they learned from various agricultural industries such as the Agrivoltaics Learning Centre and Bella Holstein Dairy.

Additionally, the APL Policy team has been busy this year, with over 50 submissions delivered. This output highlights the team's dedication and hard work, protecting and progressing our industry.

The 2023 November AGM saw the ratification of Andrew Baxter as Specialist Director and Edison Alvares and Dawson Bradford were reconfirmed to their respective positions. Professor Bronwyn Harch resigned as R&I Specialist Director in February 2024.

Bringing home the bacon

As we move into the final year of our Strategic Plan, our focus remains. We are committed to building on our successes and addressing emerging challenges with the same ambition and strategic foresight that have defined our progress to date.

I am incredibly proud to lead such a passionate and dedicated team with support from our committed Board, representing an engaged and aligned industry determined to grow, improve, and succeed. I look forward to our continued collaboration and what lies ahead for our sector.

APL in brief

APL remains a unique organisation, combining effective marketing, proactive policy, and impactful research to achieve better outcomes.

APL's purpose is "to enable a thriving pork industry." This is achieved by recruiting talented people with diverse skills to deliver against our core strategic objectives.

APL facilitates industry relationships and advocacy on behalf of pork producers. Our progressive strategy for 2020-25 requires closer connection with both regulatory and commercial ecosystems for both innovation and growth.

Our primary funding is derived from statutory pig slaughter levies collected under the Primary Industry (Excise) Levies Act 1999 (Cth).

Further funding comes from a funding agreement with the Australian Government, and acknowledges the provision of funding by Levy Payers and the Commonwealth.

Whilst APL works in the interest of all pig producers, the organisation is guided largely by those producers who become APL Members.

Producers become Members by demonstrating they have paid pig levies. In 2023-24, there were 149 Members representing 88% of Australia's commercial sow herd.

APL Members elect approximately 36 Delegates every three years. These Delegates meet twice a

year to provide feedback on industry progress and understand APL's activities in more detail on behalf of all Members. Delegates then report back to the producers they represent. It is APL Delegates who elect the Producer Directors on the APL Board.

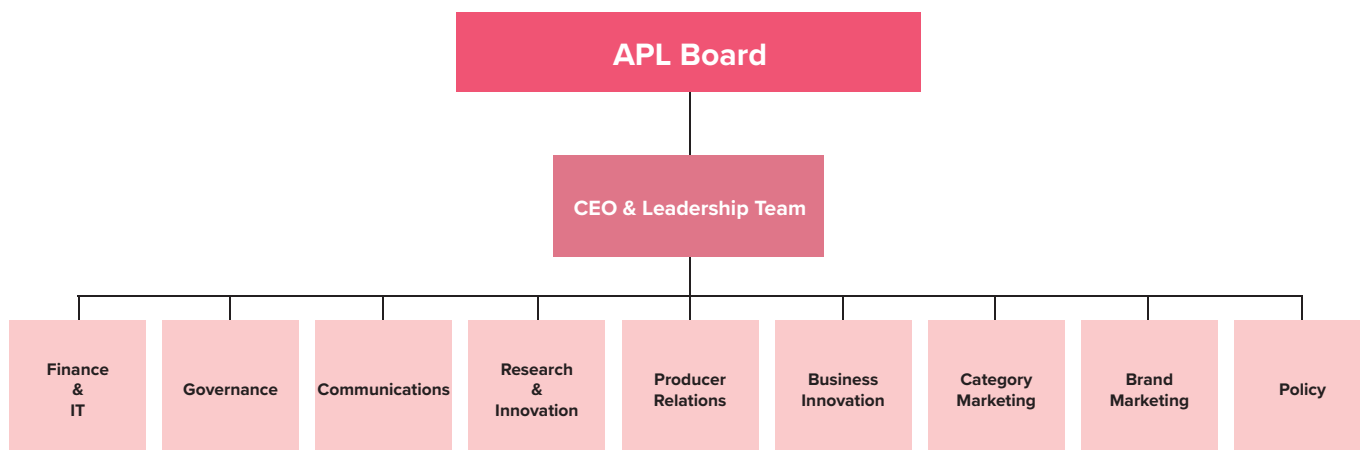
To fulfil our duties to pork producers, APL staff maintain personal relationships across the whole supply chain from APL Members, federal and state regulators, abattoirs, wholesalers, to retailers (including restaurants and foodservice) and consumers.

During 2023-24, as the industry faced numerous opportunities and challenges, it was great to see the industry come together to help keep Australian pork flowing from paddock to plate.



“Leveraging new technologies, we’re elevating our industry standards.”

- Margo Andrae



APL is structured to combine a diverse set of skills into a single industry voice.

The APL Board has five Elected Directors and four Specialist Directors (constitution Rule 14.1). The Board appoints the Specialist Directors which are ratified by Delegates (constitution Rule 14.5).

The Board delegates responsibility for delivery of the Strategic Plan and effective management of the company to the CEO. The CEO is then supported by a Leadership Team.

The Board has endorsed best practice corporate governance to ensure that APL acts within the law, manages conflicts of interest and acts honestly and ethically in all business activities.

Corporate governance

APL has a funding agreement with the Commonwealth. The funding agreement requires APL to comply with specified Performance Principles and KPIs. APL met with the Department of Agriculture Fisheries and Forestry on 12 December 2023, demonstrating our performance against the Principles and KPIs.

APL adopts contemporary best practice including:

- Setting company policies and measuring compliance with those policies
- Development, implementation, application, maintenance and performance reporting of a risk management plan, a fraud control plan, and an intellectual property management plan
- Measurement and reporting of performance against specified outcomes and objectives

- Human resource management, diversity management, equal employment opportunities (EEO), and workplace health and safety (WHS)
- Managing, measuring, and reporting compliance with legislative and regulatory requirements

The Board is accountable to Members, as set out in the company's constitution, and performs its responsibilities when it meets eight times per year.

Each meeting requires a majority quorum of Directors eligible to vote (at least five Directors). Meetings to respond to specific issues are called as needed, including consideration of resolutions virtually.

The Board executes its responsibilities and functions in a manner consistent with the Australian Institute of Company Directors' Code of Conduct.

To ensure the Board is properly executing its responsibilities, the Board reviews its performance in the following areas on a regular basis:

- Roles and responsibilities
- Timeliness of advice and direction to management
- Effectiveness of Board meetings
- Interaction with management, and contribution to the ongoing performance of the company

Independent reviews of the Board's performance are performed biennially, and self-assessments are performed every other year.

The Board's responsibilities and functions include:

- Reviewing organisational performance against the Strategic Plan
- Reviewing the continuing relevance of the

Strategic Plan to deliver best return on investment outcomes to the Australian pork industry

- Appointment of the CEO and providing direction on the appointment, remuneration and evaluation of senior management
- Approving Annual Operating Plans and annual financial budgets
- Approving major initiatives outside of the Strategic Plan, Annual Operating Plan, or annual financial budget
- Ensuring the company acts legally and responsibly on all matters and that the highest ethical standards are maintained

The APL constitution allows the Board to establish committees. Each committee is chaired by a Director, has its own terms of reference, and agreed membership.

The terms of reference of each committee are reviewed by the Board annually and each committee reports to the Board.

The following committees were in place for the 2023-24 reporting period:

Audit, Risk and Corporate Governance Committee

The committee's role is to advise the Board on corporate governance, internal and external financial audit issues and adequacy of accounting procedures, systems, controls, and financial reporting.

It also reviews risk management and fraud control management, intellectual property management, and qualification of R&D and matching expenditure in compliance with major contracts.

Investment Committee

The Investment Committee succeeded the Research & Development Advisory Committee (RDAC).

The committee considers proposed Research & Innovation investment opportunities in the context of achieving the company's strategic objectives.

Industry Marketing Committee

Along with APL Directors with marketing experience, the committee includes external marketing experts. The committee reviews possible marketing developments for domestic and export markets and advises the Board on marketing strategies.

This committee complements the value chain consultations, and will become the APL Board's primary source of connection with the development of 21st century marketing practice.

Nominations and Remuneration Committee

The committee provides advice and recommendations to the Board on performance reviews for senior management, and provides governance on Board nominations.

People and Culture Committee

The committee provides advice and recommendations to the Board on human resources, policies and practices.

Industry Integrity Committee

The committee provides input and guidance to the Board on emerging or specific agricultural practice, animal welfare and quality assurance issues which have the potential to significantly impact producers' future sustainability.



Annual highlights

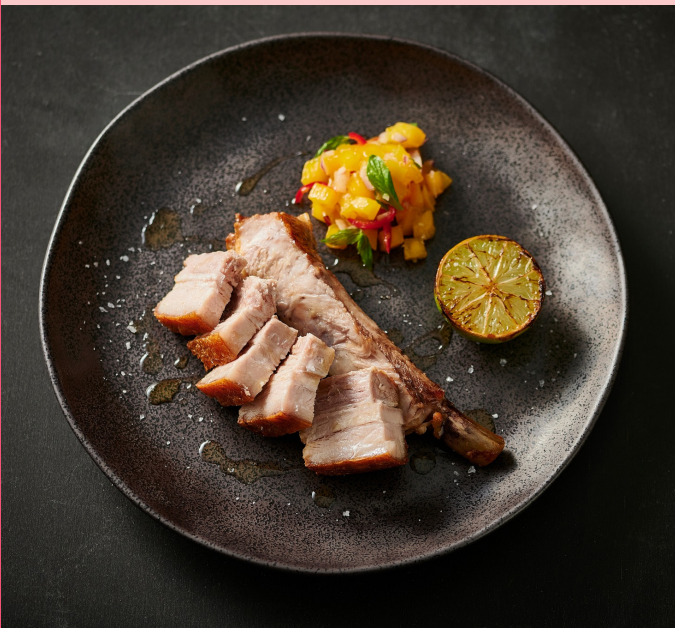


Uniting industry through VIC Inquiry

The pork industry, APL and key Members, demonstrated strong collaboration during the Victorian Inquiry into Pig Welfare and presented a united response before the Committee. They reaffirmed their unwavering commitment to the highest standards of animal care, backed by science and innovation, despite activist calls to phase out pork production. By actively participating in the Inquiry, the industry emphasised transparency, accountability and dedication to best practice.

Introducing Ramón Jamón

APL has launched a refreshed 'Get Some Pork on Your Fork' campaign to boost demand for fresh pork. The "Por qué?" campaign features the character Ramón Jamón, addressing barriers to pork consumption and showcasing pork's versatility and ease of cooking. This campaign is broadcast across regional and metropolitan Australia via TV, radio, and digital platforms, complemented by outdoor advertising and publisher partnerships to inspire new recipes and cooking habits.



Pork claims third spot on menus

Despite fierce competition from beef and lamb, pork has triumphantly risen to third place among meat consumed in foodservice meals this quarter, surpassing fish. This has boosted our share to approximately 11% of out-of-home meals now including pork.

Annual highlights



New consumer Mark

In our ongoing commitment to support Australian pork producers, APL introduced a new consumer Mark this year with the aim to make it simpler for shoppers to identify products made with Australian pork. The updated logo, designed based on extensive consumer research, will replace the current one on all packaging and marketing materials by January 1, 2025. This new Mark not only enhances visibility but also reinforces the quality and authenticity of Australian pork.

Food with Purpose

APL, PIX and AMC came together to share knowledge, innovations and ideas for the pig, poultry, and milling industries. Across three days, the 'Food with Purpose' event showcased over 200 exhibition booths, the largest yet, as well as a line up of informative speakers. The APL Producer Relations team supported the event on the ground, building on relationships with those in attendance.



Green Paper

The APRIL and APL Boards collaborated to develop an industry 'Green Paper' aimed at stimulating discussion and outlining challenges. In August 2023, a workshop was held with APL and APRIL Board members, producers, processors, and research providers. This workshop captured a comprehensive snapshot of the challenges, opportunities, and potential targets for the Australian pork industry across the entire value chain. The goal is to translate these insights into R&D initiatives for short, medium, and long-term objectives.

State of the industry

Over the past 12 months, APL has achieved several key successes, positioning the Australian pork industry strongly as we approach the final year of our five-year Strategic Plan.

New Lifecycle Assessment reporting highlighted significant progress in improving our environmental footprint. We have made further inroads in biosecurity with industry and government collaboration.

Our storytelling and growth efforts have paid off, with increased engagement with both industry and consumers, as well as significant growth in export value and volume.

Additionally, we have continued to demonstrate our commitment to building face-to-face relationships.

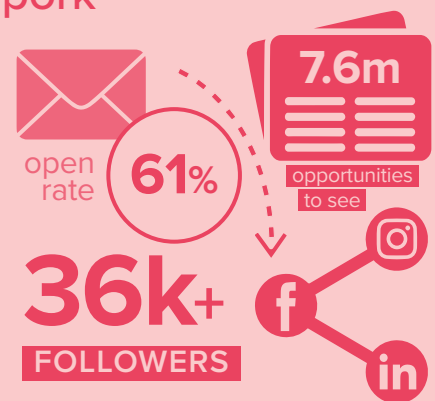
Industry engagement



With a strong focus on producer relations and industry engagement, the APL Roadshows saw an impressive 66% of production in attendance.

Telling the story of pork

APL continued to increase engagement with both industry and consumers in 2023-24. Our weekly industry update had a 60.67% open rate among producer members. Meanwhile our work building relationships with media presented 7,644,248 opportunities to view the story of pork, and our total social media following across both our industry and consumer channels grew to 36,519 from 33,973 the year prior.



Biosecurity standards



Recognition of the value of Voluntary Enhanced Biosecurity Standards (VEBS) for African Swine Fever (ASF), also known as APIQ Option C, has been slowly building within industry and government. For 2023-24, APL has focused on supporting Boar studs to pursue accreditation, as producers cannot be accredited against VEBS without their semen providers also being VEBS accredited.

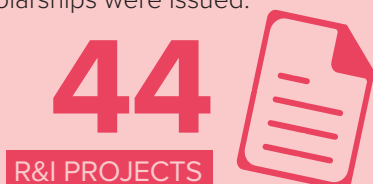


Growing demand

It has been a positive year in terms of development and growth of our various markets. Exports for the year to May-24 are up 32.0% in volume, and 53.6% in value, with Singapore in particular up 105.5% volume and 125.6% in value. Imports of pork were also low throughout the year, indicating there may have been slightly more Australian pork in the processed pork sector. Although imports have recovered in recent months, imports for the year saw a -0.9% decline. Retail sales also held strong, with a 1.8% increase in total fresh pork volume sold. Independent, non-grocery (butchers) and Costco drove the most growth for fresh pork in the retail sector.

Focus on R&I

44 new research projects were worked on during 2023-24 and 12 scholarships were issued.



Leading the way

New reports show the Australian pork industry has achieved a 73% reduction in emissions since 1980, now emitting just 3.3kg of greenhouse gases per kilo of liveweight and accounting for only 2% of total agricultural emissions.



Strengthening industry voice

The APL Policy and Producer Relations teams have played crucial roles within APL this year, focusing on policy, government relations, regulatory affairs, and industry collaboration. They have also dedicated efforts to producer relations, extension and adoption, APIQ and traceability management, and education and leadership development, ensuring the voices of Australian pork producers are heard at both State/Territory and Federal levels.

This year, the team was significantly strengthened, delivering an impressive number of submissions, making it an exceptionally productive year.

In 2023-24, APL prepared over 50 submissions and responses to various consultation opportunities, opening dialogues with governments and regulators. These submissions were meticulously aligned with industry positions, priorities, and objectives. For State consultations, APL collaborated closely with State Pork Organisations and utilised technical panels and reference groups for highly technical submissions.

Key projects delivered included 19 submissions on animal welfare, biosecurity, and traceability, including a response to the Victorian Inquiry into Pig Welfare and contributions to the EADRA five-year review. Seven national submissions were made on workforce and labour access, as well as providing specific support to individual producers. A further 18 submissions on environment, climate change, and emissions strategies were delivered. Trade and market access saw seven submissions, and nine pieces of feedback were provided on AUSVETPLAN, supported by the Emergency Animal Disease Technical Panel.

Additionally, ACIL Allen conducted an economic analysis, highlighting the value and contribution of the industry, which informed the submissions and policy positions.

The team also produced a biogas case study to support advocacy for extended reporting periods for Australian Carbon Credit Units and encouraged producer investment in biogas and emissions reduction technologies. With the support of the Research and Innovation team, the project delivered updated National Environmental Guidelines for both Indoor and Rotational Outdoor Piggeries (NEGIP and NEGROP).

Face-to-face engagement with producers has been pivotal, ensuring our focus remains on their priorities. Notable engagements included an extension roadshow and workshops in September/October 2023 and further workshops in April/May 2024.

Focus on environmental innovation

APL's role in the development of a new industry carbon calculator.

This year, APL has been at the forefront of environmental innovation, through the development and launch of the Agricultural Innovation Australia (AIA) Environmental Accounting Platform (EAP) and its cross-commodity carbon calculator. This platform, created with investment from APL and eight other Research and Development Corporations (RDCs), simplifies the process for agricultural businesses to understand and manage their carbon footprint.

The need for carbon accounting arises from pressures exerted by retailers, supply chains, government, and financial institutions. More importantly, understanding emissions baselines is crucial for reducing emissions effectively.

This cross-sector approach aims to prevent the fragmentation, duplication, and inconsistencies

observed across other nations with multiple carbon calculators.

To support producers in using the carbon calculator, APL has provided pork-specific resources, including factsheets, how-to guides, instructions on using the calculator, understanding the results and identifying sustainability opportunities.

APL's involvement in this initiative highlights our commitment to proactive environmental policy and sustainable agricultural practices. By supporting the development of innovative tools like the carbon calculator, we continue to advocate for the pork industry and broader agricultural community, ensuring that our industry remains a leader in environmental stewardship.

APL Projects and contributions to Rural Research and Development Priorities

	Adoption of R&D	Trusted Exporter	Biosecurity	Soil, Water and Managing Natural Resources
AIA (Reduce COP+P) R&D	Yes	No	Yes	Yes
AMR and Animal Health R&D	Yes	Yes	Yes	Yes
APRI Ltd (Welfare) R&D	Yes	Yes	Yes	Yes
APRI Ltd (Reduce COP+P) R&D	Yes	Yes	Yes	Yes
Animal Welfare R&D	Yes	No	No	Yes
Benefit Cost Analysis R&D	Yes	No	No	No
Biosecurity R&D	Yes	Yes	Yes	No
Climate Friendly Farming R&D	Yes	Yes	Yes	Yes
Eating Quality R&D	Yes	Yes	Yes	Yes
Base Funding Capacity R&D	Yes	Yes	Yes	Yes
Reducing COP- Accelerated Productivity R&D	Yes	No	No	Yes
Reducing COP- Animal Health R&D	Yes	Yes	Yes	Yes
Reducing COP- Feed Costs R&D	Yes	No	No	Yes
Industry Capacity and Capability R&D	Yes	No	Yes	Yes
Feral Pig R&D	Yes	No	Yes	Yes
CRRDC Activities R&D	Yes	Yes	Yes	Yes
Comms Tools - Monitoring and Measurements R&D	Yes	No	No	No
Comms Tools - Sponsorship R&D	Yes	No	No	No
Comms Tools - Design and Publications R&D	Yes	No	No	No

	Adoption of R&D	Trusted Exporter	Biosecurity	Soil, Water and Managing Natural Resources
Comms Tools - Events and Delegates R&D	█			
Comms Tools - Digital R&D	█			
Human Resources & WH&S R&D	█	█	█	█
ICT Operation Effectiveness R&D	█	█	█	█
Ad Tracking & Development (GSPOYF) R&D	█			
Continuous Data & Advertising Tracking (Valuable Provenance) R&D	█			
Continuous Data & Advertising Tracking (Information) R&D	█			
Extension R&D	█			
Leadership R&D	█			
AHA - Special Projects R&D	█	█	█	█
Policy Professional Development and Training R&D	█			
PorkSAFE R&D	█	█	█	█

Our performance

APL is an outcome-driven organisation. The targets and performance metrics we have adopted are consistent with both the Strategic Plan and the resources available to apply to each target.

Performance metrics within APL's five strategic objectives are a mix of two types.

Our Key Performance Indicators (KPIs) are targets which APL has a high-level of control over their achievement, whilst having a lesser impact on outcomes. While our Key Results Areas (KRAs) are our strategic factors, where positive results have major impact, and help us achieve our long-term vision of a thriving pork industry.

Our practice of setting ambitious targets means that some of our KPIs and KRAs will be achieved, and some will not. A mix of KPIs and KRAs for company or industry achievement keeps the organisation focused and aligned with what is most important to our people.

The table on page 18 shows our KRAs, KPIs, and outcomes for each of the programs within the strategic objectives for the 2023-24 financial year. This provides a clear view of the activities and associated industry benefits linking back to our 2020–25 Strategic Plan.

Of the 14 metrics outlined for the 2023-24 year, 8 have been achieved and 6 have not been achieved.



Strategic theme	Strategic KRA	AOP KPI	Measure	FY 2024 Target	FY 2024 Outcome	Status
market and product differentiation	Increased diversity of products and markets	\$50m+ markets entered	Number (current includes Philippines, Vietnam & Republic of Korea)	4	3	✗
		Maintain awareness of Australian in Adelaide	% of consumers likely to buy Australian ham at a 20% premium in Adelaide	18	18	✓
manage volatility for viable farms	Cost of Production and Processing		% of program projects are on time and on budget	93	82	✗
	Price stays within historic trend range		Average price per Kilo - \$AU	3.75-4.10	4.14	✗
drive consumer demand	Fresh pork consumption		Kg HSCW per Australian	10.4	10.3	✗
		Increase "Everyday Meals" association	% of Australians making that association	35	35	✓
		Charted way forward in 2 campaigns	Agreed way forward with funding source	Exists	Exists	✓
leading community social licence	Social licence leadership positions taken		Number	2	2	✓
	Biosecurity leadership	Pig movements are reported electronically	% of movements electronic	60	16.5	✗
	New disease outbreaks		Number	0	0	✓
		Animal care credentials	% of Australians who have heard positive things of pork farming in relation to animal welfare	15*	20	✓
		Tell the story of pork	% of Australians who have heard that pork farming has a positive impact on the environment	20*	28	✓
building industry shared vision	Increased on-farm adoption		% of Members adopted some extended R&D in the last decade	40	53	✓
			% of Members who have completed industry practices survey and have been contacted at their agreed frequency	90	68	✗

* Social licence targets updated with June 2023 report base figure rather than FY2023 average

The Australian pork industry now contributes \$6b in GDP.

DRAFT REPORT ACIL Allen (2024), 2022-23 Economic Contribution of the Australian Pork Industry, Prepared for Australian Pork Limited (APL), June 2024.



An overview of our five strategic themes

APL will continue to contribute to the delivery of a thriving pork industry by focusing on five strategic themes.

Market and product differentiation

Building a broader portfolio of points of difference that are more valuable to some customers than other competing products or services.

Manage volatility for viable farms

The uncertainty that goes with all markets is particularly intense with agriculture - booms and busts. This theme is about flattening those extremes.

Drive consumer demand

Understanding what the consumer wants and providing that in a better way than our competitors, and supporting the consumer with easy meal choices that families can have the confidence to prepare as part of their weekly repertoire.

Leading community social licence

Often societal permission holds organisations to a higher standard than the law. This theme is about aiming higher than both.

Building industry shared vision

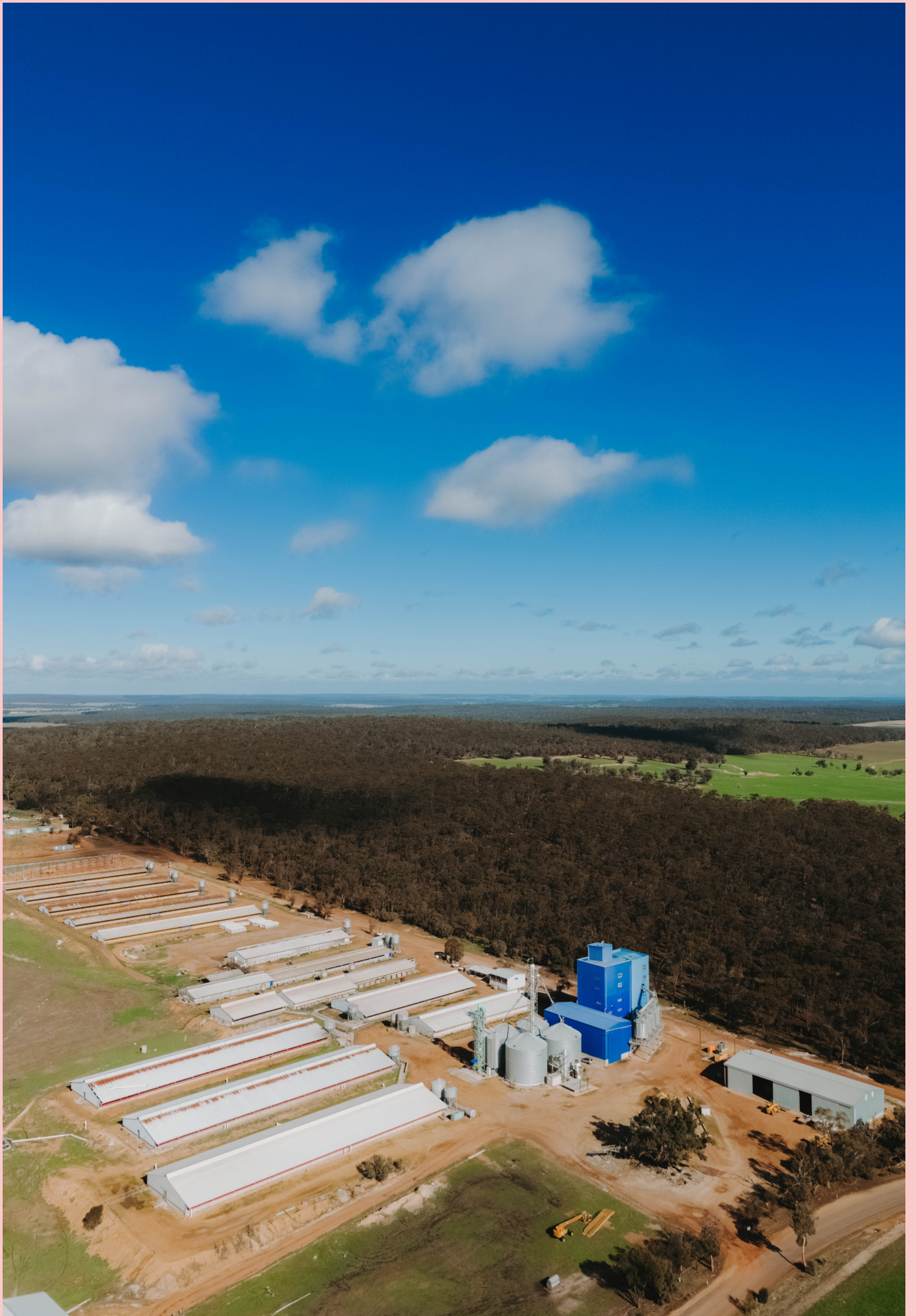
This involves creating dialogues with APL Members and finding value they can add to the

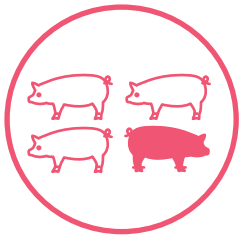
industry as well as finding value that APL can add to our organisation.

As described in APL's 2020-25 Strategic Plan, these themes have been developed to ensure strategic alignment with the national and rural R&D priorities, and maximise collaboration with Rural Development Corporations (RDCs) and the broader agriculture sector.

The focus for the fourth year of the Strategic Plan remained on biosecurity and growing demand. However, this year also extended to a focus on addressing opportunities to progress the industry's visibility through the Story of Pork communications campaign.

Extension and engagement with producers was also a major focus throughout the year - particularly around sustainability to ensure the industry has the best opportunity to celebrate our environmental credentials.





Market and product differentiation

Diversifying pork's potential among consumers for wider domestic and export markets.

Diversity of markets and products

Industry has been struggling with low labour availability, however this year we have seen a growth in labour from 32,000 full-time equivalent employees to 34,600.

The upcycling of food waste into animal feed is still progressing as a potential to reduce cost of feed, while emphasising the sustainability, or 'footprint' credentials of pork versus other proteins. Although the conversion of food waste into a feed option for pigs was halted, investigation is progressing in the use of agricultural waste.

Exploration in the fifth quartile of low value, non-meat parts of the carcass is also continuing, beyond collagen, protein and keratin powders.

Progress has been made in the experiments to enhance moisture infusion brine to improve pork eating quality.

Quality consumer eating experiences

APL market research suggests that consumers are not confident with pork recipes, at home or when dining out, and because of this we are directing research aimed at increasing the preference of pork amongst consumers.

Part of this will research improvements in the eating quality of pork, with a focus on genomic

factors impacting the quality and taste of pork.

The Horizon research project 'Genomic assessment of meat and eating quality of Australian pork and impacts of animal and carcass performance' is progressing well and is anticipated to be completed in December 2025. The project will help to identify the causes of the reported inconsistent pork quality, including variable/low pH, lack of tenderisation, and variation in drip-loss/tenderness.

Valuable Provenance of Australian pork

The goal for this year's Valuable Provenance program was to sustain the momentum achieved in Adelaide, aiming to maintain the percentage of consumers willing to pay a 20% premium for Australian ham.

An extensive advertising campaign in Adelaide was executed across various channels, including TV, radio, influencers, social media, out-of-home, and print.

The Ipsos Research agency measured positive traction:

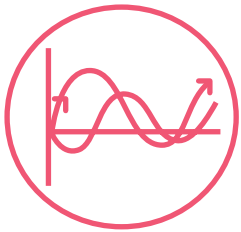
- There was heightened campaign recognition with 64% of consumers in Adelaide recognising the campaign. This was a favourable result with benchmark being at 41% for our level of spend. Message take out was clear with 82% of consumers spontaneously playing back key campaign messaging around quality, provenance and choosing products with the logo on pack.

- Whilst contextually the campaign ran across a difficult economic time, it was still able to influence positive perception shifts for Australian product. There were double digit differences in perceptions between those who saw the campaign versus those who didn't. This included perceiving ham made with Australian pork being better value, higher quality, tastier and fresher than imported pork.
- The target for FY24 was met with a 3%-point increase between pre and post campaign measures of those who would be likely to purchase Australian ham. This was despite a 20% price premium compared to imports, and confirmation of audience targeting with one of the key target segments seeing a 9% point uplift.

Off the back of seeing positive perception change and behaviour shifts across the five years of the Adelaide campaign, the plan forward will be to look at a roll out of messages (imports awareness followed by quality messaging) at a national scale.

In our ongoing commitment to support Australian pork producers, APL introduced a new consumer Mark this year with the aim to make it simpler for shoppers to identify products made with Australian pork. The updated logo, designed based on extensive consumer research, will replace the current one on all packaging and marketing materials by January 1, 2025. This new Mark not only enhances visibility, but also reinforces the quality and authenticity of Australian pork.





Manage volatility for viable farms

Mitigating challenges to reduce farm volatility is a core focus of our strategy.

Timely, relevant, through-the-chain information

Timely and relevant information from across the pork supply chain was more important than ever this year, and we continued to deliver it to evidence the industry's position in issues relating to welfare, environment, traceability, and biosecurity areas. Further, the APL team has continued to deliver a range of resources and updates to enable producers and other industry stakeholders to remain informed and supported.

During 2023-24, producers have maintained a historically high pork price compared with recent years, however, margins have remained tight due to grain prices and the cost of labour. APL continued to provide weekly pig prices, the Eyes & Ears newsletter, and slaughter data, as well as the quarterly production forecast report to support producer decision making on-farm. Our team has worked throughout the year to maintain the high quality of the data we provide, and pursued opportunities to create additional relevance and value for producers in this data space, which will continue into 2024-25.

PigPass closures within 48 hours remain consistently strong, at 98.4% for the month of June 2024. For the same period, eNVD use sat at 16.1% in June 2024. The team will continue to improve

the functionality and digital infrastructure of the PigPass system into 2024-25, to further enable real-time traceability data.

The APL website and weekly APL Update have continually supported these initiatives. This industry-centric newsletter is a primary information source for stakeholders, and in 2023-24, it achieved an average open rate of 60.67% among producer Members.

Reduce cost of production

In recent years, APL's Research & Innovation team has launched several Horizon initiatives to tackle production costs. By definition, Horizon projects are high-risk, high-reward, multi-year undertakings designed to provide long-lasting benefits for the industry.

Research areas in improved productivity are related to the continuation of the projects:

- Genetic technologies will help increase the percentage of female progeny;
- How feed and health management can contribute to healthier and more robust piglets, resulting in an increase in the number of weaned pigs per sow;
- Nutritional interventions during pre-selection of replacement gilts;
- In the area of animal health:
 - Early detection of pig enteric and respiratory diseases
 - Single shot vaccine adjuvants
 - Evaluation of smart technology for early detection of several diseases

- APL continued to support the Health4Wealth program, which delivers a standardised approach to data collection and allows for the monitoring and reporting of carcass defects at processing facilities to drive corrective action on-farm. The project is estimated to return over three times the cost to processors and producers (net present value \$109 million over two decades), helping improve profitability and animal health and welfare
- Addressing feed costs:
 - Improving outcomes during weaner transition
 - Improvements in piglet health by priming the microbiome

Diversified pig business extension opportunities

Based on consultations with producers and State Pork Organisation leaders during 2021-22, the

decision was made to deprioritise this program for 2023-24, as was the case in 2022-23. The consensus from earlier discussions was that focusing on more critical areas such as disease preparedness, research and innovation extension, and workforce availability would have greater benefits in the current context.

APL, instead, has sought to achieve progress in other areas and has been focused on increasing the adoption of biogas technology and manure management within the industry. This initiative not only reduces methane emissions from effluent ponds, but also significantly lowers energy costs on farms. Currently, 29% of the Australian pork industry uses biogas systems, with more farms identified as potential candidates for this technology.

APL is actively conducting site visits, feasibility studies, and tests to help producers determine if biogas is a viable option for them. As a result of these efforts, more producers are now considering and installing biogas systems.





Drive consumer demand

In understanding and connecting with our consumers, we are working towards positioning pork as an easy, versatile and nutritious everyday meat.

Maintain domestic fresh demand

In 2023-24, the average per capita consumption of fresh pork was 10.3 kg. Additionally, the perception of pork as an everyday option among Australians grew from 34% last year to 35%.

The focus this year was on delivering a new emotionally engaging advertising campaign that has impact, is effective, and can be used for years to come.

The new Get Some Pork on Your Fork campaign, 'Por qué?' is showing strong signs of shifting key perceptions and driving consideration of pork.

The research revealed that the 30-second ad positively shifts the appeal of pork and has strong cut-through, scoring 42% in consumer interest versus the 34% pork average. Viewers found it funny, light-hearted, and different, while also believable and relevant. Post-viewing, consumers' perceptions of pork improved significantly, highlighting its quick cooking time, kid-friendliness, ease of preparation, and suitability for everyday meals.

The campaign is rolling out nationwide, utilising a comprehensive mix of TV, radio, outdoor advertising, print, digital, social media, retail, and PR efforts. It also boasts a robust regional outreach to ensure widespread visibility.

Consumers will encounter Ramón Jamón's playful image in various settings, such as retail locations, roadside billboards, train stations, and supermarkets, all encouraging Australians to ask themselves, "Why not pork?"

PorkStar will collaborate with key influencer chefs to amplify the campaign message.

In 2023-24, foodservice continued to see pork on menus in around two in three foodservice venues. In Autumn, pork increased its rank to the 3rd most eaten meat in foodservice meals, at the expense of fish. Pork on menus grew in pubs, clubs and RSLs over the year, which are venues the foodservice program tailors communications to, and pork exceeded two in three on menu in these venues. The foodservice program engaged in a range of activities to target these specific markets, including driving the pork value proposition and seasonal, on-trend recipe booklets through trade media, as well as creating targeted content with partnership FMCG companies.

We have also worked towards future-proofing pork on menu through supporting education programs and sponsorships, such as the Nestlé Golden Chef competition, as well as engaging with TAFE to deliver a series of pork masterclasses with Darren Robertson supporting the next generation of chefs.

Grow domestic demand

APL completed consumer research designed to understand how shoppers' attitudes and behaviours changed over the last few years, which have been particularly turbulent.

Unsurprisingly, cost of living is having a big impact on how consumers shop and what they buy, with price the most important factor to purchase. This revealed the way shoppers plan pre store has become less structured or more fluid, opting to browse instore so they can shop for the best value meats and cuts that day. APL has communicated our research and these opportunities with key retailers and supply chain partners.

Grow targeted international demand

We have achieved significant growth in the international market during 2023-24, with exports increasing by 32.0% in volume and 53.6% in value. This is highlighted by the substantial growth in

exports to Singapore, which saw a 105.5% rise in volume and a 125.6% increase in value.

Looking forward, APL are prioritising growing international demand. Adopting a global brand strategy, we will build on existing growth by promoting Australian pork's credentials, clearly communicating the advantages of Australian pork over other sources for this international market.

APL will develop and communicate the Australian pork brand proposition for the Singaporean market, while maintaining the market by enhancing consumer awareness and consideration for Australian pork.





Leading community social licence

As community sentiments continue to evolve, it's important we keep our finger on the pulse, stay in touch with the issues, and demonstrate our leadership as an industry.

Leaders in animal care

The Australian pork industry continues to prioritise the highest levels of care towards our pigs, backed by world-leading science and best practice.

In 2023-24, our Research & Innovation (R&I) team assisted with the delivery of a comparative review of current scientific literature on pre-slaughter stunning methods for pigs and a project on best practice carbon dioxide stunning for pigs.

Biosecurity leadership

The Australian pork industry remains at high alert for any biosecurity threats. Diseases such as Japanese Encephalitis Virus (JEV) remain an active risk for the industry and the threat of African Swine Fever (ASF) and Food and Mouth Disease (FMD) are high given their spread to neighbouring countries. Significant investments continue to be made, with collaboration between APL, industry and government to reduce the risk of disease spread, support adoption of enhanced biosecurity management plans including building momentum for Voluntary Enhanced Biosecurity Standards (VEBS), support rapid identification of a disease outbreak, and to understand the measures needed to support recovery in case of an event.

Our Antimicrobial Stewardship program is progressing towards appropriateness of use measures to demonstrate the pork industry's high levels of stewardship and careful use of medicine to support animal health and welfare. With the global focus on actions to mitigate Antimicrobial Resistance (AMR), it is crucial the industry is able to demonstrate the processes in place to effectively manage use of antimicrobials. Ensuring our strict biosecurity standards are upheld is a crucial factor in reducing the need to manage disease outbreaks through antimicrobial use. The need for a range of alternative disease control options continues to drive investment in vaccine development for several diseases still present in Australian herds.

The R&I team is working with the seven Australian export-registered pig abattoirs to develop site-specific incident action plans (IAP) for ASF based on the AUSVETPLAN Resource document. These plans will enable an abattoir to operate in an ASF outbreak situation, by implementing a nationally agreed process.

In addition, APL developed Standard Operating Procedures (SOPs) and training materials for truck drivers to perform truck washing and disinfection.

Climate friendly farming

Our Climate Friendly Farming research program delivered important achievements during this financial year:

- The completion of the industry life-cycle assessment of the Australian pork industry, which helps better understand the environmental impacts and trends of

pork farming and delivering facts about the sustainability of Australian pork.

- The baseline of the sustainability framework, which helps to identify additional projects aiming to further improve specific KPIs related to the Australian pig industry sustainability.
- Other research projects in 2023-24 include:
 - The Effluent Monitoring for Management Advice system (EMMAs) - the real-time measurement of feed wastage, and understanding the nutrient / biogas production - which showed the potential to allow faster decisions on-farm and improve sustainable outcomes.
 - Short hydraulic retention time systems to reduce greenhouse gas emissions through the implementation of other industries' technology in manure management.
 - Mapping the generation veterinary plastic waste in our farming practices and management options.
 - Australian Pork collaborated with other RDCs and Agricultural Innovation Australia (AIA) to develop a digital platform that will allow Australian farmers to calculate their organisation's carbon footprint, especially for multi-commodity enterprises, and it's

still working to improve the calculation methods.

Industry visibility

APL continues to build community trust through our quarterly social licence tracker. In the last quarter of 2023-24, 34% of Australians heard positive things about the pork industry, down 5% from the previous year. Animal welfare remains the leading negative aspect when consumers think of the Australian pork industry. Through the Story of Pork program, we are working hard to counter and shift these perceptions to reassure consumers that Australian pork farmers care for their pigs, people and planet, and our industry is backed by ongoing investment and research into animal health and welfare.

This year, we introduced a new social media campaign for the Story of Pork strategy. This campaign aimed to build trust and enhance the public's perception of the Australian pork industry by highlighting and communicating the pork industry's positive contributions to environmental sustainability, animal welfare, and economic viability.

We engaged a team of 20 highly targeted micro-influencers, who shared common values in line with our brief, to generate content and clearly communicate our core messages to their



followers. These messages included:

- The industry is committed to creating a more sustainable future
- Australian pork is a low emissions protein aiming for zero waste by 2025
- Australian pork farmers care for their pigs, people, and planet
- Australian pork farmers care for our communities
- Over the last four decades, water consumption for the production of pork has reduced by 80%
- Over the last four decades, greenhouse gas emissions reduced by 73%

Our results for this campaign were positive, our micro-influencers reached 1,158,364 users on Instagram, influencing awareness of Australian pork through 38 pieces of content. These creators achieved an impressive engagement rate of 19.4% of their total reach, which is double the industry benchmark of 9.3%.

The high-quality content and creative recipes significantly improved the perception of Australian pork among our targeted audiences. This was reflected through the substantial number of positive engagements for the campaign.

Next year, we will continue to build on the success of this campaign, continuing to tell the positive story of the Australian pork industry, as well as incorporating the health benefits of consuming pork as part of a healthy diet.

The rebuild of our photography and video asset library has been successfully completed this financial year.

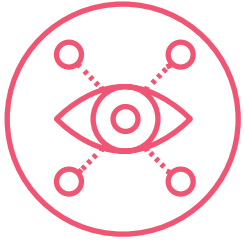
We have been focused on supporting education in schools through our strong partnership with PIEFA, seeing the redevelopment of APL's K-12 school resources launching before the start of the 2025 school year. To foster community and school engagement with the pork industry, APL sponsor the Royal Agriculture Sydney Show Commercial Pig competition, aimed at educating students on pork production, animal handling, industry practices and markets. APL are also a sponsor of the Intercollegiate Meat Judging Competition, providing university students the opportunity to learn and be part of a group of young meat industry representatives, who will contribute to the future and quality of the meat industry.

APL proudly sponsors Meat Business Women, an international organisation aiming to advance the role of women in the meat industry. This partnership reflects APL's commitment to fostering diversity and inclusion, supporting professional development, and promoting leadership opportunities for women within the sector.

Leaders in human nutrition

This aspect of our strategy was not identified as a key priority for 2023-24. Nonetheless, we anticipate making significant progress in this area in the next financial year.

	people	pigs	planet	prosperity
community goal	Increased awareness of the positive impact of the pork industry on communities	Increased community belief in good animal welfare across the Australian pork industry	Carbon positive Australian pork industry	Australian pork industry is an active and sustainable contributor to the Australian economy
producer goal	Pork production career is attractive	A leading industry implementing world's best practices in animal care	Improved adoptability of innovations to allow the industry to give back more than it takes	Reduce economic volatility for pork producers



Building industry shared vision

Collaborative engagement remains at the core of what we do. By working with industry and our people, we can continue to work towards our shared vision.

Producer relations

The APL Delegates meetings held in May and November provide an important avenue for industry discussion of the key challenges facing the industry. The discussions at the Delegates meetings build on the consultation held throughout the year with producers through face-to-face as well as online meetings, forums and workshops. The collaboration with producers and industry Members from the supply chain ensure robust discussion. APL also works closely with State Pork Organisations, supporting their advocacy work with research and data to inform strong, defensible policy positions.

Building a shared vision has been the guiding principle behind producer relations activities during the past 12 months. Providing producers with opportunities for meaningful engagement with APL and the broader pork industry has led to opportunities for open discussion as well as collaboration. The Producer Relations and Policy teams, with support from the Research and Innovation team and the State Pork Organisations, successfully ran two series of workshops with producers in all States.

Held during September/October 2023 and April/May 2024, the workshops incorporated a R&D roadshow during September and then Prohand® train the trainer workshops were held in conjunction with the events during April/May. Attendance at the workshops was good with more than 66% of production represented across the events. Industry supply chain Members including vets, nutritionists and suppliers were also welcomed to the April/May events which broadened the scope of discussions and the reach of the events.

Technology adoption

Extension and adoption remained a key focus of our Producer Relations team in 2023-24. The percentage of Members who can recall adoption of APL initiatives during 2023-24 exceeded the target with 53% of producers adopting APL R&D. This result was assisted by the extension work of our Producer Relations team who ran the R&D Extension roadshow during September 2023. The APL team have also been invited to attend and give presentations on research outcomes and adoption opportunities as part of State Pork Organisation run events.

Face-to-face events with Members are supported by physical and digital resources, such as webinars, factsheets and one-to-one coaching, designed to assist producers in the adoption and use of new technologies/techniques.

Our Pork Leadership Course and Australian Pork Emerging Leaders programs thrived during 2023-24 and have supported opportunities for

our industry leaders to share their story with Members of the pork supply chain and the wider community. The facilitation of these programs and wider producer engagement by our Producer Relations team is what encourages shared values within our industry, through peer-to-peer learning across all pork producing states in Australia. The culmination of the year was a highly successful study tour to America where Pork Leadership Course participants got to learn from a 56,000 sow piggery as well as attend the World Pork expo amongst an itinerary packed with opportunities to learn.

With support from the Communications team, Producer Relations continues to contact Members through multiple channels:

- APL website
- Email and APL Update
- Webinars
- SMS / Phone call
- Social media
- Australian Pork Newspaper
- APIQ® communications
- PigPass communications and help desk

Organisational effectiveness

While there have been some staff movements within the APL team, we have been able to maintain a strong team who have focussed on delivering outcomes for our industry. Following the successes of 2023-24, the whole APL team has been heavily involved in the development and planning for the 2024-25 Annual Operating Plan with the goal of “bringing home the bacon” for the final year of the Strategic Plan.

In the last fiscal year, we successfully completed several key IT initiatives, including upgrading Dynamics 365 to the latest version and implementing Internet Facing Deployment, which enhanced system performance and security. We deployed Sophos endpoint security to protect against cyber threats, conducted comprehensive cybersecurity and Teams training for staff to foster a security-aware culture, retired outdated shared drives to streamline data management, and rolled out modern Surface Pro devices to improve staff productivity and mobility. These efforts have significantly strengthened our IT infrastructure, enhanced data security, and improved overall operational efficiency.



“In a world that is constantly changing, it is to our advantage to learn how to adapt and enjoy something better.”

- Kenneth H. Blanchard



30 June 2024

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Australian Pork Limited

ABN 83 092 783 278

Financial Statements – 30 June 2024

Statutory report

Your Directors present their report for the year ended 30 June 2024.

Outlined below are the names and details of the company's Directors in office during the financial year and until the date of this report. Directors were in office for this entire period unless stated.

Elected Directors



Mr Edison Alvares

Mr Edison Alvares is the Chief Operating Officer of Rivalea Australia. He has more than 27 years' experience in major companies in Australia and Brazil. Mr Alvares has acquired significant experience in the global meat industry since he joined JBS in 2005 in Brazil, as part of the senior finance team. In 2007, he moved to Australia as the Chief Financial Officer & Director for JBS Australia and led the Corporate Team – Finance, Procurement, Information Technology, Legal, Payroll, Internal Audit and Operational Excellence for 15 years through an aggressive expansion phase of the business – organic & acquisition growth, before transitioning to Chief Operating Officer in 2022.

Mr Alvares graduated in Economics (Brazil 1994), with Post-Graduation in Business Administration (Brazil 1998) and completed his Master in Business Administration with QUT (Australia 2014/15). Mr Alvares has vast experience acting as a Board member for listed and non-listed companies over the last 10 years, and completed his AICD course in 2018.

In his role on the APL Board, Mr Alvares is a member of the APL Investment Committee, the APL Nominations and Remuneration Committee and the APL People and Culture Committee.



Mr Dawson Bradford

Mr Bradford is co-owner/manager of Hillcroft Farms, a family-owned mixed farming operation at Popanyinning in Western Australia. The business consists of a 1,400 sow farrow to finish operation, Ultra White sheep stud, prime lamb production and mixed cropping. A feed mill is also operated on the property to utilise the grain produced on farm. Mr Bradford is an APL Delegate and he is also a committee member of WAPPA.

In his role on the APL Board, he is a member of the APL Investment Committee and the Industry Integrity Committee.

Statutory report

Elected Directors



Mr Tim Kingma

Mr Kingma is the manager and part-owner of Gunpork Joint Venture, a 1400-sow piggery, KEPiggery, a 500-sow piggery in North Central Victoria, and Pentagon Feeds which supplies feed to these farms. During his tenure as manager, Mr Kingma has delivered improvements in productivity, genetics, health, welfare and focuses on introducing new technology into the various enterprises.

Mr Kingma is passionate and active in securing a future for rural industries, communities and families and is heavily involved in local sporting bodies, schools, business groups and the pork industry.

After graduating from the University of Melbourne with a Bachelor of Agricultural Science, Mr Kingma also participated in the Australian Rural Leadership Program, the NFF 2030 Leaders Program and completed the Australian Institute of Company Directors Course.

As well as being an Elected Director of APL, an APL Delegate, and a Member of the Swine Industry Projects Advisory Committee, Mr Kingma's other former professional responsibilities include his role as Vice President of the Victorian Farmers Federation (VFF) Pig Group, a VFF Director and a member of the APIQ Panel.

In his role on the APL Board, Mr Kingma is a member of the APL Industry Integrity Committee, the APL Nominations & Remuneration Committee and the APL People & Culture Committee.



Mr Mark McLean

Mr McLean is currently the Managing Director/Co-owner of Riverhaven Enterprises & Top Multiplier Pty Ltd, a family agricultural companies operating 2,000 sows on two independent pig farms in South Australia. Mr McLean has established a management structure and systems including reporting and management oversight to assist in the daily operations of these farm businesses.

Mr McLean has extensive experience in agribusiness, holding many roles over the past 20 years within agribusiness groups in the pork sector as well as other industry sectors. He holds an Associate Diploma in Applied Science (Farm Management) from the Adelaide University, SA.

Mr McLean remains actively involved in the pork industry and has represented other Australian pork producers as an APL Delegate since 2010.

Mr McLean has skills in agribusiness development, commodity marketing, sustainable farming and irrigation management. Consistent with his interests, he has initiated water saving irrigation infrastructure within the Riverhaven Enterprises' operation and improved sow productivity on both farms through improved farm management, genetics and staff training and development. Mr McLean also operates a feed mill, grows olives for extra virgin olive oil production, and citrus for fresh fruit production, and composts all animal manures on site as part of the company's commitment to sustainable agricultural practices.

In his role on the APL Board, Mr McLean is Chair of the APL Industry Integrity Committee and is a Member of the Industry Marketing Committee.

Statutory report

Elected Directors



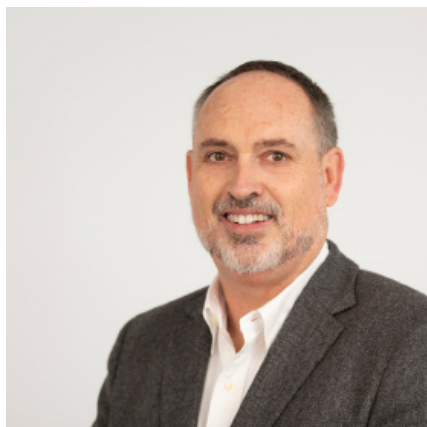
Mr Kenton Shaw
BAppScience RT (Hons)

Mr Shaw is the Executive General Manager Farms at SunPork Consolidated, which operates pork production, processing, and genetics interests across Australia.

Mr Shaw's 35-year career in Australian pig production has provided him with extensive experience and knowledge of pig production that includes family farms and large corporate farms. Prior to joining SunPork, Mr Shaw held roles in senior management at Rivalea Australia and on the Pork CRC and APRIL Boards.

In his role on the APL Board, Mr Shaw is a Member of the APL Audit, Risk and Corporate Governance Committee and the APL Investment Committee.

Specialist Directors



Mr Andrew Baxter
B.Bus (Mktg), FAMI CPM, FAICD

Mr Baxter is a Non-Executive Director of GrowthOps, Foresters Financial, Agricultural Innovation Australia, Hypetap and Nettlefold as well as a Senior Advisor at BGH Capital and the Adjunct Professor of Marketing at the University of Sydney. He has also been the Senior Advisor to KPMG's Customer, Brand and Marketing Advisory business. Prior to this he successfully led major professional services firms for over a decade, as the CEO of two of the country's largest communications agencies, Publicis, and Ogilvy, where he was a trusted counsel to many of Australia's most iconic brands, as well as State and Federal Governments.

Mr Baxter is also the Deputy Chair of the Sydney Symphony Orchestra, and a Non-Executive Director of OzHarvest, and the Queen's Fund. Furthermore, Mr Baxter has had previous Board roles at the Lord Mayor's Charitable Foundation (Chair), Deakin Business School (Chair), University of Sydney Business School, Catch Group, National Basketball League, CC Media (an HT&E company) and the Communications Council. Mr Baxter regularly writes in The Australian about the future of marketing, in a world where both consumers and technology are ever evolving. He is also the Co-Host of The Marketing Commute podcast, has been named as one of LinkedIn's Top 40 Australian influencers, and the winner of Australian Marketing Institute's Sir Charles McGrath Award for his significant contribution to the field of marketing.

In his role on the APL Board, Mr Baxter is the Board Chair, Chair of the Nominations & Remuneration Committee, Chair of the Industry Marketing Committee and a Member of the People & Culture Committee.

Statutory report

Specialist Directors



Professor Bronwyn Harch

BSc/Hons (Env) PhD (Biometrics)
FTSE FQA FAICD

Retired February 2024

Professor Bronwyn Harch has significant research and higher education leadership experience and is passionate about innovation that makes our communities more secure, resilient and sustainable.

As the Deputy Vice-Chancellor & Vice-President (Research & Innovation 2018 to 2022), Professor Harch was responsible for enhancing the University of Queensland's performance and reputation in research, commercialisation and innovation, research training, and research and innovation collaboration with external stakeholders, nationally and internationally. She led the bid for the recently successful Federal Government's Trailblazers Commercialisation Program for the Food and Beverage Accelerator (FaBA).

Whilst Executive Director of the QUT Institute for Future Environment (2014 to 2018), Professor Harch led digital transformation projects in the Agrifood sector as bid co-lead and Research Director for the Food Agility CRC. She developed engagement and commercialisation strategies with governments and industry.

Professor Harch also worked as a researcher and research leader at CSIRO (1995 to 2014). Her own research has focused on the statistical design of landscape-scale sampling protocols and monitoring programs and environmental systems.

Professor Harch's Board experience includes current membership of Queensland's Innovation Advisory Council, the Cooperative Research Centres Advisory Committee, AgResearch NZ's Science Advisory Panel and CSIRO's Oceans and Atmosphere Advisory Board. Professor Harch is also an Adjunct Professor at QUT Entrepreneurship and is part of the QUT/ Queensland Government team delivering the Queensland Connects regional entrepreneurship acceleration program.

Professor Harch was the Chair of the APL Investment Committee and a Director of Australasian Pork Research Institute Ltd (APRIL).



Mr Tony Lowings

B.Sc. (Eng), MBA

Tony Lowings is a broadly experienced global executive, having lived and worked in multiple geographies and travelled to and conducted business in 80+ countries.

He was most recently operating from the USA as the Global CEO for KFC, the world's most popular chicken restaurant brand with over US\$30B in global system sales and more than 26,000 outlets across the world, covering 148+ countries, and employing nearly a million people worldwide.

Most of Mr Lowing's 27-year career with KFC / Yum Brands was in Australia, where in his capacity as Managing Director for KFC South Pacific, Mr Lowings received the Australian Human Resources Institute award for Australian CEO of the Year in 2014.

Previously he had roles in financial management and management consulting, with organisations such as Lend Lease and Deloitte.

In his role on the APL Board, Mr Lowings chairs the People & Culture Committee and is a member of the Industry Marketing Committee.

Statutory report

Specialist Directors



Ms Gail Owen OAM
BA, LLB (Hons), LLM FAICD

Ms Owen is an experienced Chairperson and Board Member, a Fellow of the Australian Institute of Company Directors, and an Order of Australia Medal recipient.

In her role on the APL Board, Ms Owen is Chair of the APL Audit, Risk and Corporate Governance Committee and a member of the APL Industry Integrity Committee and a Director of Australasian Pork Research Institute Ltd (APRIL).

Company Secretary



Mr Damien Howse
B.Bus, CA, GAICD

Damien Howse (B.Bus, CA, GAICD) is the Chief Financial Officer and Company Secretary.

Mr Howse joined APL in 2016.

Meetings of Directors

The number of meetings of the Company's Board of Directors ('the Board') and of each Board committee held during the year ended 30 June 2024, and the number of meetings attended by each Director were:

	Full Board		Audit, Risk and Corporate Governance Committee		People and Culture and Nominations Committee	
	Attended	Eligible to Attend	Attended	Eligible to Attend	Attended	Eligible to Attend
Elected Directors						
Edison Alvares	6	8	-	-	3	3
Dawson Bradford	8	8	-	-	-	-
Tim Kingma	8	8	-	-	3	3
Mark McLean	8	8	-	-	-	-
Kenton Shaw	8	8	4	4	-	-
Specialist Directors						
Andrew Baxter	8	8	-	-	2	3
Bronwyn Harch (retired)	4	4	-	-	-	-
Tony Lowings	3	4	3	4	2	2
Gail Owen	8	8	4	4	1	1

	Industry Integrity Committee		Investment Committee		Industry Marketing Committee	
	Attended	Eligible to Attend	Attended	Eligible to Attend	Attended	Eligible to Attend
Elected Directors						
Edison Alvares	-	-	6	7	-	-
Dawson Bradford	4	4	7	7	-	-
Tim Kingma	4	4	-	-	-	-
Mark McLean	4	4	-	-	2	2
Kenton Shaw	-	-	6	7	-	-
Specialist Directors						
Andrew Baxter	-	-	-	-	2	2
Bronwyn Harch (retired)	-	-	5	5	-	-
Tony Lowings	-	-	-	-	1	2
Gail Owen	4	4	-	-	-	-

Nominations & Remuneration Committee		
	Attended	Eligible to Attend
Elected Directors		
Edison Alvares	2	2
Dawson Bradford	-	-
Tim Kingma	2	2
Mark McLean	-	-
Kenton Shaw	-	-
Specialist Directors		
Andrew Baxter	2	2
Bronwyn Harch (retired)	-	-
Tony Lowings	1	1
Gail Owen	1	1

Eligible to Attend: represents the number of meetings held during the time the Director held office or was a member of the relevant committee.

Short and long-term objectives

APL is a unique rural industry service body for the Australian pork industry – a single, producer-owned company delivering integrated services that enhance the viability of producers. The framework for the Company was established under the Pig Industry Act 2001. Operating and reporting guidelines are provided for in the Funding Agreement with the Commonwealth of Australia and the Company's constitution.

The Company's primary funding is derived from statutory pig slaughter levies collected under the Primary Industry (Excise) Levies Act 1999. The levy amounts to \$3.425 per carcass at slaughter, of which the Company receives \$3.25, consisting of \$2.25 for marketing and policy activities and \$1.00 for research and development activities. The remaining \$0.175 is for the Pig Monitoring Residue Program, which is received and managed by the National Residue Survey ('NRS'). Additional research-specific funds are also received from the Australian Government under the portfolio of the Federal Minister for Agriculture, Forestry and Fisheries formerly known as Agriculture, Water and the Environment.

The levy allows the Company to provide valuable industry services and benefits including enhancing opportunities for the sustainable growth of the Australian pork industry by delivering effective marketing, proactive policy and impactful research services through the pork industry supply chain.

The Company works closely with key industry and government stakeholders and pursues opportunities for the industry at both the domestic and international level. In order to achieve these objectives, APL operates in an efficient and effective manner, with highly motivated and professional staff delivering key services.

Strategies for achieving the objectives

The 2020-2025 Strategic Plan took effect from 1 July 2020 and will be reported against in this 2023-2024 Annual Report. This is the fourth Annual Report in which the 2020-2025 Strategic Plan will be reported against.

There are five strategic objectives making up the 2020-2025 Strategic Plan:

1. Market and product differentiation;
2. Manage volatility for viable farms;
3. Drive consumer demand;
4. Leading community social licence;
5. Building industry shared vision

The five strategic objectives govern specific programs for APL to deliver against the targeted outcome statements. The outcome statements and specific programs sought for each strategic objective are shown below.

1. *Strategic Objective 1 – Market and product differentiation*

“We add value and increase the price premium customers are prepared to pay versus other similar products or markets domestically and internationally. “

- Program 1: Diversity of markets and products
- Program 2: Quality consumer eating experiences
- Program 3: Valuable provenance of Australian pork

2. *Strategic Objective 2 – Manage volatility for viable farms*

“Better anticipate market fluctuations and flatten the peaks and troughs, making the industry more stable.”

- Program 1: Timely relevant through-the-chain information
- Program 2: Reduce cost of production and processing
- Program 3: Diversified pig business extension opportunities

3. *Strategic Objective 3 – Drive consumer demand*

“Increased volume demanded; getting more Australian pork on forks, be they at home, eating out or overseas.”

- Program 1: Maintain domestic fresh demand
- Program 2: Grow domestic fresh demand
- Program 3: Grow targeted international demand

4. *Strategic Objective 4 – Leading community social license*

“Blazing a trail for Australian agriculture to be sustainably celebrated and making our Australian investors proud of what they do.”

- Program 1: Biosecurity leadership
- Program 2: Climate friendly farming
- Program 3: Leaders in animal care
- Program 4: Leaders in human nutrition
- Program 5: Industry visibility

5. *Strategic Objective 5 – Building industry shared vision*

“Building relationships and a narrative of being a progressive, informed, informative and unified industry.”

- Program 1: Producer relations (shared values)
- Program 2: Technology adoption
- Program 3: Organisational effectiveness

Operationally, the activities of the Company are focused directly or indirectly on achieving the objectives of the 2020–2025 Strategic Plan.

Contributions on winding up

In the event of the Company being wound up, ordinary members are required to contribute a maximum of \$1 each.

The total amount that members of the Company are liable to contribute if the Company is wound up is \$149, based on 149 current ordinary members.

Auditor's independence declaration

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

Australian Pork Limited
Directors' report
30 June 2024



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

On behalf of the Directors

A handwritten signature in black ink that reads "Andrew Baxter". The signature is fluid and cursive, with a long horizontal flourish extending to the right.

Andrew Baxter
Chair

16 August 2024

RSM Australia Partners

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AUDITOR'S INDEPENDENCE DECLARATION

As lead auditor for the audit of the financial report of Australian Pork Limited for the year ended 30 June 2024, I declare that, to the best of my knowledge and belief, there have been no contraventions of:

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



RSM AUSTRALIA PARTNERS



GED STENHOUSE
Partner

Canberra Australian Capital Territory
Dated: 20 August 2024

AUSTRALIAN PORK LIMITED

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AUSTRALIAN PORK LIMITED

**STATEMENT OF PROFIT OR LOSS AND OTHER COMPREHENSIVE INCOME
FOR THE YEAR ENDED 30 JUNE 2024**

	Note	2024	2023
		\$	\$
Revenue			
Levies and other contributions	4	25,135,019	25,208,851
Share of profits of associates accounted for using the equity method		47,030	6,985
Other income	5	678,369	272,213
		<u>25,860,418</u>	<u>25,488,049</u>
Expenses			
Operations			
Marketing - Brand		(6,355,844)	(6,126,228)
Marketing - Category		(2,620,441)	(2,403,270)
Research and Innovation		(5,937,653)	(6,264,257)
Policy		(1,359,072)	(1,010,509)
Communications		(1,341,351)	(1,576,585)
Business Innovation		(309,132)	(295,965)
Producer Relations		(1,611,945)	(1,627,437)
Total Operations		(19,535,438)	(19,304,251)
Board and Executive Operations		(1,809,312)	(2,260,748)
Corporate Services		(1,862,722)	(1,644,544)
		<u>(23,207,472)</u>	<u>(23,209,543)</u>
Surplus before income tax		<u>2,652,946</u>	<u>2,278,506</u>
Income tax expense	7	-	-
Surplus/(Deficit) after income tax expense for the year attributable to the members of Australian Pork Limited		2,652,946	2,278,506
Other comprehensive income for the year, net of tax		-	-
Total comprehensive income for the year attributable to the members of Australian Pork Limited		<u>2,652,946</u>	<u>2,278,506</u>

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

AUSTRALIAN PORK LIMITED

**STATEMENT OF FINANCIAL POSITION
FOR THE YEAR ENDED 30 JUNE 2024**

	Note	2024 \$	2023 \$
Assets			
Current assets			
Cash and cash equivalents	8	6,688,735	6,194,292
Trade and other receivables	9	1,186,250	2,966,661
Investments	10	6,690,737	3,527,054
Other current assets	11	2,358,505	606,431
Total current assets		<u>16,924,227</u>	<u>13,294,438</u>
Non-current assets			
Investments accounted for using the equity method	12	204,962	157,932
Property, plant and equipment	13	982,213	1,318,707
Bank guarantees and rental bonds	17	89,652	89,652
Total non-current assets		<u>1,276,827</u>	<u>1,566,291</u>
Total assets		<u>18,201,054</u>	<u>14,860,729</u>
Liabilities			
Current liabilities			
Trade and other payables	14	3,828,419	2,748,512
Employee benefits		896,070	896,856
Leases	15	201,893	237,209
Income in advance		52,646	116,305
Accrued expenses		131,341	173,753
Total current liabilities		<u>5,110,369</u>	<u>4,172,635</u>
Non-current liabilities			
Leases	15	659,833	973,689
Employee benefits		152,824	89,328
Total non-current liabilities		<u>812,657</u>	<u>1,063,017</u>
Total liabilities		<u>5,923,026</u>	<u>5,235,652</u>
Net assets		<u>12,278,028</u>	<u>9,625,077</u>
Member Funds			
Retained surplus		<u>12,278,028</u>	<u>9,625,077</u>
Total member funds		<u>12,278,028</u>	<u>9,625,077</u>

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

AUSTRALIAN PORK LIMITED

STATEMENT OF CHANGES IN EQUITY
FOR THE YEAR ENDED 30 JUNE 2024

	Retained surplus	Total Equity
	\$	\$
Balance at 1 July 2022	7,346,571	7,346,571
Surplus after income tax expense for the year	2,278,506	2,278,506
Balance at 30 June 2023	9,625,077	9,625,077
Balance at 1 July 2023	9,625,077	9,625,077
Surplus after income tax expense for the year	2,625,946	2,625,946
Balance at 30 June 2024	12,278,028	12,278,028

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

AUSTRALIAN PORK LIMITED
STATEMENT OF CASH FLOWS
FOR THE YEAR ENDED 30 JUNE 2024

	2024	2023
Note	\$	\$
CASH FLOWS FROM OPERATING ACTIVITIES		
Receipts from Statutory Authority and Industry	27,837,131	28,098,518
Payments to suppliers and employees (inclusive of GST)	(24,402,801)	(26,619,836)
Interest paid – lease	(49,018)	(68,240)
Interest received	479,074	164,758
Net cash from operating activities	<u>3,864,386</u>	<u>1,575,200</u>
CASH FLOWS FROM INVESTING ACTIVITIES		
Payments for property, plant and equipment	(242,803)	(169,503)
Proceeds from disposal of property, plant and equipment	385,715	18,524
Investments in term deposits	(3,163,683)	(497,535)
Other investments	-	(24,199)
Net cash (used in) investing activities	<u>(3,020,771)</u>	<u>(672,713)</u>
CASH FLOWS FROM FINANCING ACTIVITIES		
Repayment of lease liability	(349,172)	(267,028)
Net cash (used in) financing activities	<u>(349,172)</u>	<u>(267,028)</u>
Net increase/(decrease) in cash and cash equivalents	494,443	635,459
Cash and cash equivalents at beginning of financial year	6,194,292	5,558,833
Cash and cash equivalents at end of financial year	8 <u><u>6,688,735</u></u>	<u><u>6,194,292</u></u>

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

AUSTRALIAN PORK LIMITED

NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 30 JUNE 2024

NOTE 1. GENERAL INFORMATION

The financial statements cover Australian Pork Limited as an individual entity. The financial statements are presented in Australian dollars, which is Australian Pork Limited's functional and presentation currency.

Australian Pork Limited is an unlisted public company limited by guarantee.

The financial statements were authorised for issue, in accordance with a resolution of Directors, on 16 August 2024. The Directors may amend and reissue the financial statements.

NOTE 2. SIGNIFICANT ACCOUNTING POLICIES

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

New or amended Accounting Standards and Interpretations adopted

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

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

Basis of preparation

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

Subsection 295 (3A)(a) of the *Corporations Act 2001* does not apply to Australian Pork Limited as the company is not required to prepare consolidated financial statements by Australian Accounting Standards.

Historical cost convention

The financial statements have been prepared under the historical cost convention.

Critical accounting estimates

The preparation of the financial statements requires the use of certain critical accounting estimates. It also requires management to exercise its judgement in the process of applying the company's accounting policies. The areas involving a higher degree of judgement or complexity, or areas where assumptions and estimates are significant to the financial statements, are disclosed in note 3.

Current and non-current classification

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

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

AUSTRALIAN PORK LIMITED

NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 30 JUNE 2024

NOTE 2. SIGNIFICANT ACCOUNTING POLICIES (continued)

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

Deferred tax assets and liabilities are always classified as non-current.

Investments and other financial assets

Investments and other financial assets, other than investments in associates, are initially measured at fair value. Transaction costs are included as part of the initial measurement, except for financial assets, at fair value through profit or loss. They are subsequently measured at either amortised cost or fair value depending on their classification. Classification is determined based on the purpose of the acquisition and subsequent reclassification to other categories is restricted.

Financial assets are derecognised when the rights to receive cash flows from the financial assets have expired or have been transferred and the Company has transferred substantially all the risks and rewards of ownership.

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 carried at amortised cost using the effective interest rate method. Gains and losses are recognised in profit or loss when the asset is derecognised or impaired.

Impairment of financial assets

The Company assesses at the end of each reporting period whether there is any objective evidence that a financial asset or group of financial assets is impaired. Objective evidence includes significant financial difficulty of the issuer or obligor; a breach of contract such as default or delinquency in payments; the lender granting to a borrower concessions due to economic or legal reasons that the lender would not otherwise do; it becomes probable that the borrower will enter bankruptcy or other financial reorganisation; the disappearance of an active market for the financial asset; or observable data indicating that there is a measurable decrease in estimated future cash flows.

The amount of the impairment allowance for loans and receivables carried at amortised cost is the difference between the asset's carrying amount and the present value of estimated future cash flows, discounted at the original effective interest rate. If there is a reversal of impairment, the reversal cannot exceed the amortised cost that would have been recognised had the impairment not been made and is reversed to profit or loss.

Impairment of non-financial assets

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

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

Value-in-use is the depreciated replacement cost of an asset when the future economic benefits of the asset are not primarily dependent on the asset's ability to generate net cash inflows and where the Company would, if deprived of the asset, replace its remaining future economic benefits.

Finance costs

Finance costs attributable to qualifying assets are capitalised as part of the asset. All other finance costs are expensed in the period in which they are incurred.

AUSTRALIAN PORK LIMITED

NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 30 JUNE 2024

NOTE 2. SIGNIFICANT ACCOUNTING POLICIES (continued)

Provisions

Provisions are recognised when the Company has a present (legal or constructive) obligation as a result of a past event, it is probable the Company will be required to settle the obligation, and a reliable estimate can be made of the amount of the obligation. The amount recognised as a provision is the best estimate of the consideration required to settle the present obligation at the reporting date, taking into account the risks and uncertainties surrounding the obligation. If the time value of money is material, provisions are discounted using a current pre-tax rate specific to the liability. The increase in the provision resulting from the passage of time is recognised as a finance cost.

Employee benefits

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

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

Goods and Services Tax (GST) and other similar taxes

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

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

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

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

AUSTRALIAN PORK LIMITED

NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 30 JUNE 2024

NOTE 3. CRITICAL ACCOUNTING JUDGEMENTS, ESTIMATES AND ASSUMPTIONS

The preparation of the financial statements requires management to make judgements, estimates and assumptions that affect the reported amounts in the financial statements. Management continually evaluates its judgements, estimates and assumptions on historical experience and on other various factors, including expectations of future events, management believes to be reasonable under the circumstances. The resulting accounting judgements and estimates will seldom equal the actual results. The judgements, estimates and assumptions that have a significant risk of causing a material adjustment to the carrying amounts of assets and liabilities (refer to the respective notes) within the next financial year are discussed below.

Estimation of useful lives of assets

The Company determines the estimated useful lives and related depreciation charge for its property, plant and equipment. The useful lives could change significantly as a result of technical innovations or some other event. The depreciation charge will increase where the useful lives are less than previously estimated lives, or technically obsolete or non-strategic assets that have been abandoned or sold will be written off or written down.

Industry biosecurity

Judgement has been exercised in considering the impacts of various biosecurity risks including African swine fever and foot and mouth disease amongst others.

All levels of the Australian government, industry and producers are actively working to prevent exotic diseases from entering Australia and preparing to manage disease in the event a disease becomes present in Australia. APL is signatory to the Emergency Animal Disease Response Agreement (EADRA) which puts in place arrangements in the event of a declared Emergency Animal Disease (EAD) outbreak.

High standards of biosecurity on farm are a priority for the pork industry and provide a level of protection against the risk of new diseases or an outbreak of one the diseases already present within Australia. Where diseases are being managed effectively, there does not appear to be any significant impact on the financial statements. APL continues to actively monitor disease risk to reduce any significant uncertainties with respect to events or conditions which may impact the company unfavourably. As at the reporting date there had been no significant EAD event.

AUSTRALIAN PORK LIMITED

NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 30 JUNE 2024

	2024	2023
	\$	\$
NOTE 4. LEVIES AND OTHER CONTRIBUTIONS		
Levies - marketing	12,995,816	12,731,701
Levies - research	5,775,916	5,658,533
Government contributions - matching	5,623,704	5,982,757
Other industry contributions and grants	739,583	835,860
	<u>25,135,019</u>	<u>25,208,851</u>

Accounting policy for income recognition

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

Levies

The Company recognises levy revenue when it is received except for the June quarter which is accrued. The revenue accrued in June is calculated using information provided by processors.

Government contributions

Government contributes to approved research and development expenditure at 50 percent of the approved research and development project expenditure, up to a cap of the lower of research and development levy received or 0.5 percent of the gross value of annual pig production as determined by the Minister for Agriculture, Forestry and Fisheries. Government matching funds are recognised as income as the eligible research and development program expenditure is incurred.

AUSTRALIAN PORK LIMITED

NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 30 JUNE 2024

	2024	2023
NOTE 5. OTHER INCOME	\$	\$
Interest	479,074	164,758
Royalties	3,378	3,281
Other income	195,917	104,174
	<u>678,369</u>	<u>272,213</u>

Accounting policy for other income recognition

Interest

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

Royalties

Royalties are received from the sale of publications and the commercialisation of intellectual property charged by license fees. Royalty revenue is recognised when received.

Other income

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

NOTE 6. EXPENSES

Surplus / Deficit before income tax includes the following specific expenses:

Superannuation expense

Defined contribution superannuation expense	<u>626,282</u>	<u>611,181</u>
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Accounting policy for defined contribution superannuation expense

Contributions to defined contribution superannuation plans are expensed in the period in which they are incurred.

NOTE 7. INCOME TAX

Accounting policy for income tax

The Company is exempt from income tax under the provisions of Section 50-40 of the Income Tax Assessment Act 1997, as amended. Under these provisions, the Company is considered to be classified as an entity established for the purpose of promoting the development of various Australian resources, including agricultural resources and not carried on for the profit or gain of its individual members. The Australian Taxation Office has issued a Private Binding Ruling as formal confirmation.

AUSTRALIAN PORK LIMITED

**NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 30 JUNE 2024**

	2024	2023
	\$	\$
NOTE 8. CASH AND CASH EQUIVALENTS		
Cash at bank	6,688,735	6,194,292
	<u>6,688,735</u>	<u>6,194,292</u>

Accounting policy for cash and cash equivalents

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

NOTE 9. TRADE AND OTHER RECEIVABLES

Trade receivables	689,728	1,941,884
Other receivables	496,522	1,024,777
	<u>1,186,250</u>	<u>2,966,661</u>

Impairment of receivables

The Company has recognised a loss of \$nil (2023: nil) in expenses in respect of impairment of receivables for the year ended 30 June 2024.

Accounting policy for trade and other receivables

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

Collectability of trade receivables is reviewed on an ongoing basis. Debts which are known to be uncollectable are written off by reducing the carrying amount directly. A provision for impairment of trade receivables is raised when there is objective evidence that the Company will not be able to collect all amounts due according to the original terms of the receivables. The amount of the impairment allowance is the difference between the asset's carrying amount and the present value of estimated future cash flows, discounted at the original effective interest rate. Cash flows relating to short-term receivables are not discounted if the effect of discounting is immaterial.

Other receivables are recognised at amortised cost, less any allowance for expected credit losses.

NOTE 10. INVESTMENTS

Term deposits	<u>6,690,737</u>	<u>3,527,054</u>
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Term deposits accrue interest at rates between 4.25% and 5.15% (2023: rates between 3.65% and 4.60%).

AUSTRALIAN PORK LIMITED

NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 30 JUNE 2024

	2024	2023
	\$	\$
NOTE 11. OTHER CURRENT ASSETS		
Accrued levy income	1,975,357	282,116
Prepayments	383,148	324,315
	2,358,505	606,431

NOTE 12. INVESTMENTS ACCOUNTED FOR USING THE EQUITY METHOD

Investment in associate - PorkScan Pty Ltd		
	204,962	157,932
	204,962	157,932

Interests in associates

Information relating to associates that are material to the Company are set out below:

Name	Principal place of business / Country of Incorporation	Ownership interest	
		2024	2023
		%	%
PorkScan Pty Ltd	Australia	49.00	49.00

Contingent liabilities

PorkScan Pty Ltd has no contingent liabilities at 30 June 2024 or 30 June 2023.

Commitments

PorkScan Pty Ltd has no commitments at 30 June 2024 or 30 June 2023.

Accounting policy for associates

Associates are entities over which the Company has significant influence but not control or has joint control. Investments in associates are accounted for using the equity method. Under the equity method, the share of the profits or losses of the associate is recognised in profit or loss and the share of the movements in equity is recognised in other comprehensive income. Investments in associates are carried in the statement of financial position at cost plus post-acquisition changes in the Company's share of net assets of the associate. Goodwill relating to the associate is included in the carrying amount of the investment and is neither amortised nor individually tested for impairment. Dividends received or receivable from associates reduce the carrying amount of the investment.

When the Company's share of losses in an associate equals or exceeds its interest in the associate including any unsecured long-term receivables, the Company does not recognise further losses, unless it has incurred obligations or made payments on behalf of the associate.

The Company discontinues the use of the equity method upon the loss of significant influence over the associate and recognises any retained investment at its fair value. Any difference between the associate's carrying amount, fair value of the retained investment and proceeds from disposal is recognised in profit or loss.

AUSTRALIAN PORK LIMITED

NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 30 JUNE 2024

	2024	2023
	\$	\$
NOTE 13. PROPERTY, PLANT AND EQUIPMENT		
Leasehold improvements - at cost	815,786	628,308
Less: accumulated depreciation	<u>(618,471)</u>	<u>(563,504)</u>
	<u>197,315</u>	<u>64,804</u>
Work in progress - at cost	-	134,463
	<u>-</u>	<u>134,463</u>
Office furniture and equipment - at cost	117,233	121,909
Less: accumulated depreciation	<u>(114,702)</u>	<u>(117,271)</u>
	<u>2,531</u>	<u>4,638</u>
Computer equipment - at cost	320,444	446,334
Less: accumulated depreciation	<u>(231,240)</u>	<u>(362,414)</u>
	<u>89,204</u>	<u>83,920</u>
Right of use assets (office lease)	1,569,486	1,820,421
Less: accumulated depreciation	<u>(876,323)</u>	<u>(789,540)</u>
	<u>693,163</u>	<u>1,030,881</u>
	<u>982,213</u>	<u>1,318,706</u>

AUSTRALIAN PORK LIMITED

**NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 30 JUNE 2024**

NOTE 13. PROPERTY, PLANT AND EQUIPMENT (continued)

Reconciliations

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

	Leasehold improvements	Office furniture and fittings	Computer equipment	Right of use assets	Total
	\$	\$	\$	\$	\$
Balance at 1 July 2023	199,267	4,638	83,920	1,030,881	1,318,706
Additions / (Disposals)	59,282	-	48,742	(250,935)	(142,911)
Depreciation expense	(61,234)	(2,107)	(43,458)	(86,783)	(193,582)
Balance as at 30 June 2024	<u>197,315</u>	<u>2,531</u>	<u>89,204</u>	<u>693,163</u>	<u>982,213</u>

Accounting policy for property, plant and equipment

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

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

Leasehold improvements	Term of lease
Office furniture and equipment	3 to 10 years
Right of use assets (office lease)	Term of lease
Computer equipment	3 years

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

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

	2024	2023
	\$	\$
NOTE 14. TRADE AND OTHER PAYABLES		
Trade payables	3,464,158	2,204,056
Other payables	364,261	544,456
	<u>3,828,419</u>	<u>2,748,512</u>

Accounting policy for trade and other payables

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

AUSTRALIAN PORK LIMITED

NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 30 JUNE 2024

	2024	2023
	\$	\$
NOTE 15. LEASES		
Lease liability - current	201,893	237,209
Lease liability – non current	659,833	973,689
	<u>861,726</u>	<u>1,210,898</u>

Assets pledged as security

The lease liabilities are effectively secured as the rights to the leased assets, recognised in the statement of financial position and revert to the lessor in the event of default.

APL took up the option to extend the ACT premise lease for a further 5 year term. At 31 December 2023, the lease liability was reassessed in line with the market rate based on the lease agreement. The lease liability was assessed as lower and an adjustment was made to reduce both the lease liability and corresponding asset resulting in a significant movement in the closing balance. Please refer to Note 18 for further details on the commitment.

Accounting policy for leases

Leases

The determination of whether an arrangement is or contains a lease is based on the substance of the arrangement and requires an assessment of whether the fulfilment of the arrangement is dependent on the use of a specific asset or assets and the arrangement conveys a right to use the asset.

A distinction is made between finance leases, which effectively transfer from the lessor to the lessee substantially all the risks and benefits incidental to the ownership of leased assets, and operating leases, under which the lessor effectively retains substantially all such risks and benefits.

Finance leases are capitalised. A lease asset and liability are established at the fair value of the leased assets, or if lower, the present value of minimum lease payments. Lease payments are allocated between the principal component of the lease liability and the finance costs, so as to achieve a constant rate of interest on the remaining balance of the liability.

Leased assets acquired under a finance lease are depreciated over the asset's useful life or over the shorter of the asset's useful life and the lease term if there is no reasonable certainty that the Company will obtain ownership at the end of the lease term.

NOTE 16. FAIR VALUE MEASUREMENT

The carrying amounts of trade and other receivables and trade and other payables are assumed to approximate their fair values due to their short-term nature.

The fair value of financial liabilities is estimated by discounting the remaining contractual maturities at the current market interest rate that is available for similar financial liabilities.

Accounting policy for fair value measurement

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

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

AUSTRALIAN PORK LIMITED

NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 30 JUNE 2024

	2024	2023
	\$	\$
NOTE 17. BANK GUARANTEES AND RENTAL BONDS		
Bank guarantee	<u>89,652</u>	<u>89,652</u>
	<u>89,652</u>	<u>89,652</u>

The Company has provided bank guarantees in relation to its Canberra and Sydney head office lease agreements. The funds for the guarantee are held in an interest-bearing term deposit in the name of the company.

NOTE 18. COMMITMENTS

Research and development (R&D) expenditure commitment

Committed at the reporting date but not recognised as liabilities, payable:

Within one year	2,913,229	5,047,729
One to five years	<u>2,111,040</u>	<u>2,925,077</u>
	<u>5,024,269</u>	<u>7,972,806</u>

R&D expenditure

These R&D expenditure commitments relate to several research and innovation projects which align with the following Commonwealth Governments Science and Research Priorities: Food; Soil and Water; Transport; Energy; Environmental Change; Health; and also with the National Agricultural Innovation Priorities.

Operating

The ACT premises rental term expired on the 15/01/2024, APL had an option to enter into a new lease on the same terms as the existing lease for a further five-year period where a market review of any incremental rental increase will apply. APL have taken up that option and entered into a new lease agreement which expires on the 15/01/2029.

The NSW premises term expires in Feb 2025. There are no further options to renew the lease at the end of the term. APL are currently conducting a market review with the expectation of signing a 3 year lease.

AUSTRALIAN PORK LIMITED

NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 30 JUNE 2024

	2024	2023
	\$	\$
NOTE 19. KEY MANAGEMENT PERSONNEL DISCLOSURES		
<i>Compensation</i>		
The aggregate compensation made to directors and other members of key management personnel of the company is set out below.		
Aggregate compensation	<u>1,696,585</u>	<u>1,623,615</u>

NOTE 20. RELATED PARTY TRANSACTIONS

Associates

Interests in associates are set out in note 12.

Key management personnel

Disclosures relating to key management personnel are set out in note 19.

Significant influence

The following directors including retired directors have interests in or are associated with organisations which are related parties:

Andrew Baxter – Director of Agricultural Innovation Australia Ltd.

Dawson Bradford – Committee Member of West Australian Pork Association.

Kenton Shaw – Executive General Manager – Farms, SunPork Consolidated Pty Ltd.

Gail Owen – Director - Australasian Pork Research Institute Pty Ltd (APRIL).

Edison Alvares – Chief Operating Officer – Rivalea Australia Pty Ltd (JBS Foods)

The Company's Chief Executive Officer, Margo Andrae is a Director of the Australasian Pork Research Institute Ltd (APRIL).

The Company's Technical Science Advisor, Heather Channon, is currently a Director of PorkScan Pty Ltd.

AUSTRALIAN PORK LIMITED
NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 30 JUNE 2024

NOTE 20. RELATED PARTY TRANSACTIONS (Continued)

Transactions with related parties

The following transactions occurred with related parties:

	2024	2023
	\$	\$
Income:		
Australasian Pork Research Institute Ltd		
- Management Fees	63,500	55,000
PorkScan Pty Ltd		
- Management Fees	20,000	20,000
Rivalea (Australia) Pty Ltd		
- Miscellaneous Fees	12,876	8,003
Project and program expenditure:		
Agricultural Innovation Australia		
- Project Expense	81,000	125,000
Australasian Pork Research Institute Limited		
- Project Expense	1,003,213	1,000,000
Rivalea Australia Pty Ltd		
- Basefunding and Project Expense	662,397	510,535
SunPork Farms		
- Basefunding, Sponsorship and Project Expense	656,229	535,001
West Australian Pork Association		
- Sponsorship Expense	5,000	3,688
<i>Receivable from and payable to related parties:</i>		
The following balances are outstanding at the reporting date in relation to transactions with related parties:		
Current receivables:		
Trade receivables from related parties	11,629	23,669
Current payables:		
Trade payables to related parties	426,580	449,290

NOTE 21. EVENTS AFTER THE REPORTING DATE

No matter or circumstance has arisen since 30 June 2024 that has significantly affected, or likely to significantly affect the Company's operations, the results of those operations, or the Company's state of affairs in future financial years.

AUSTRALIAN PORK LIMITED

NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 30 JUNE 2024

NOTE 22. CLIMATE CHANGE

The company acknowledges the significant role the environment and climate play in ensuring a sustainable profitable and productive Australian pork industry.

There is a risk that climate change will impact the number of pigs slaughtered in Australia each year. In the event that pig slaughters numbers are impacted; APL levy revenue would also be impacted.

To ensure risks associated with environmental and climate factors are adequately understood and mitigated where possible, APL identified Climate Friendly Farming as a strategic imperative within the APL strategic plan 2020 to 2025.

Substantial investments are made across all areas of the business, guided by the annual operating plan (AOP), including Research and Development, Policy and Producer Relations. These investments aim to support producers to understand, prepare for and mitigate the impacts of Climate Change on the production systems.

AUSTRALIAN PORK LIMITED
DIRECTORS DECLARATION
FOR THE YEAR ENDED 30 JUNE 2024

In accordance with the resolution of the Directors of Australian Pork Limited, the Directors declare that:

- the financial statements and notes comply with the Corporations Act 2001, the Australian Accounting Standards - Simplified Disclosure Requirements, the Corporations Regulations 2001 and other mandatory professional reporting requirements;
- the financial statements and notes give a true and fair view of the company's financial position as at 30 June 2024 and of its performance for the financial year ended on that date; and
- there are reasonable grounds to believe that the company will be able to pay its debts as and when they become due and payable.



Andrew Baxter
Chair

16 August 2024

RSM Australia Partners

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INDEPENDENT AUDITOR'S REPORT
TO THE MEMBERS OF
AUSTRALIAN PORK LIMITED

Opinion

We have audited the financial report of Australian Pork Ltd. (the Company), which comprises the statement of financial position as at 30 June 2024, the statement of comprehensive income, the statement of changes in equity and the statement of cash flows for the year then ended, and notes to the financial statements, including a material accounting policy information, 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 2024 and of its financial performance for the year then ended; and
- (ii) complying with Australian Accounting Standards – *Simplified Disclosures* under AASB 1060 *General Purpose Financial Statements – Simplified Disclosures for For-Profit and Not-for-Profit Entities*.

Basis for Opinion

We conducted our audit in accordance with Australian Auditing Standards. Our responsibilities under those standards are further described in the *Auditor's Responsibilities for the Audit of the Financial Report* section of our report. We are independent of the Company in accordance with the auditor independence requirements of 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 included in the Company's annual report for the year ended 30 June 2024, 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 accordingly 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 this other information, we are required to report that fact. We have nothing to report in this regard.

Responsibilities of the Directors 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 – *Simplified Disclosures* under AASB 1060 *General Purpose Financial Statements – Simplified Disclosures for For-Profit and Not-for-Profit Entities* 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 ability of the Company to continue as a going concern, disclosing, as applicable, matters related to going concern and using the going concern basis of accounting unless the directors either intend to liquidate the Company or to cease operations, or have no realistic alternative but to do so.

Auditor's Responsibilities 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 Auditing and Assurance Standards Board website at: http://www.auasb.gov.au/auditors_responsibilities/ar4.pdf. This description forms part of our auditor's report.



RSM AUSTRALIA PARTNERS



GED STENHOUSE
Partner

Canberra, Australian Capital Territory
Dated: 20 August 2024

Income and expenses statement

2023-24

(excluding grant revenue and grant expenditure)

Revenue		
	Revenue - Levies	18,771,732
	Revenue - R&D Matching Funds	5,623,704
	Revenue - Other	725,399
		25,120,835
Expenditure		
Market and Product Differentiation	Diversity of Markets	428,783
	Quality Consumer Eating Experience	662,071
	Valuable Provenance of Australian Pork	2,269,229
		3,360,082
Manage Volatility for Viable Farms	Timely Relevant Information	919,420
	Reduce COP+P	2,435,649
	Diversified Business Improvement Options	-
		3,355,068
Drive Consumer Demand	Maintain Domestic Fresh Demand	7,303,444
	Grow Domestic Demand	-
	Grow Targeted International Demand	211,009
		7,514,453
Leading Community Social Licence	Biosecurity Leadership	1,144,043
	Climate Friendly Farming	2,070,343
	Leaders in Animal Care	1,228,843
	Leaders in Human Nutrition	-
	Industry Visibility	534,138
	4,977,367	
Building Industry Shared Vision	Producer Relations (Shared Values)	1,042,850
	Technology Adoption	645,736
	Organisational Effectiveness	1,581,371
		3,269,957
	Total Direct Project Costs	14,251,921
	Total Corporate Costs	8,518,468
	Total Expenditure	22,770,389
	Surplus / (Deficit)	2,350,445

Appendix A

Material variations to budget.

	Initial Budget \$,000	Actual Result \$,000	Variation Over/(Under) \$,000	Comments and/or Explanation of Major Variations
Income				
Levies	18,038	18,772	734	226k pig slaughters more than forecast
Government contributions - matching claims	5,861	5,624	(237)	R&D matching expenditure claim cap reached
Other industry contributions	595	740	145	Grants from the Department of Agriculture
Net other revenue	373	725	352	Significant increase in interest rates plus value of term deposits and unbudgeted event income
Expenditure				
Project	15,859	14,305	1,554	Underspend in projects
Operations	9,518	8,460	1,058	Underspend compared to budget across various areas
Other industry expenses	655	442	213	Grant expenses were less than budgeted

Appendix B

Funds spent on each significant research and development activity allowing identification of expenditure of matching payment.

APL expends funds on eligible research, development and innovation activities that then form the basis of matching contributions by the Australian Government. Expenditure that is eligible for matching comprises:

- Research and Innovation Division expenditures, excluding select items;
- Specific project expenditures from other divisions that satisfy R&D expenditure criteria; and
- Attribution of Corporate Services and Board/ CEO division expenditures.

APL has established a detailed methodology by which eligibility of matching expenditure is determined. For the 2023–2024 financial year, the significant expenses that were the basis for calculating the matching claim were as follows:

Research and Development Expenditure by Strategic Theme	
Market & Product Differentiation	\$
Diversity of Markets	428,783
Quality Consumer Eating Experience	94,121
Valuable Provenance of Australian Pork	646,012
Manage Volatility for Viable Farms	
Timely Relevant Information	919,420
Reduce Cost of Production & Processing	2,435,649
Drive Consumer Demand	
Maintain Domestic Fresh Demand	1,029,207
Leading Community Social Licence	
Biosecurity Leadership	764,650
Climate Friendly Farming	1,936,077
Leaders in Animal Care	1,182,297
Industry Visibility	301,252

Research and Development Expenditure by Strategic Theme	
Building Industry Shared Vision	\$
Producer Relations	966,407
Technology Adoption	645,736
Organisational Effectiveness	456,304
Unallocated	125,731
Total research and development expenditure	11,931,644
Adjustments - accruals and other non-eligible research and development expenditures	(\$684,234)
Total matchable expenditure	11,247,410
Maximum Claim Allowable to GVP cap	8,407,277
Australian Government contributions – matching (at 50 percent)	5,623,705

Appendix C

Funds spent on marketing and significant strategic policy development activity as well as other industry issues.

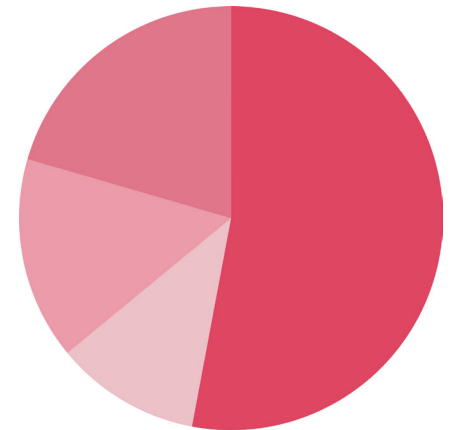
In addition to eligible research, development and innovation activities expenditure (per Appendix B), the company expends project funds on marketing and strategic policy development activities and other industry issues. Expenditure incurred on marketing and strategic policy development activities and other industry issues and attributed to each of the key core objectives, is summarised below:

Marketing and Strategic Policy Development Expenditure by Strategic Theme	
Market & Product Differentiation	\$
Quality Consumer Eating Experience	567,950
Valuable Provenance of Australian Pork	1,623,217
Drive Consumer Demand	
Maintain Domestic Fresh Demand	6,274,237
Grow Targeted International Demand	211,009
Leading Community Social Licence	
Biosecurity Leadership	379,393
Climate Friendly Farming	134,266
Leaders in Animal Care	46,546
Industry Visibility	232,886
Building Industry Shared Vision	
Producer Relations	76,443
Organisational Effectiveness	1,125,067
Total	10,671,013
Unallocated	162,804
Total Funds Spent on Marketing and Significant Strategic Policy Development Activity as well as Other Industry Issues	10,833,817

Appendix D

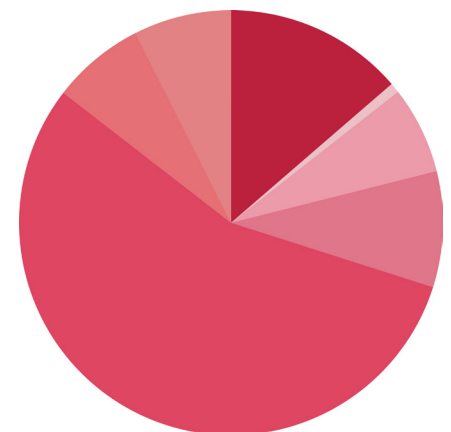
National Research Priorities

Rural Research, Development and Extension Priorities		
Priorities	Actual Expenditure (\$)	%
Adoption of R&D	6,318,087	52.95
Trusted exporter	1,322,194	11.08
Biosecurity	1,845,093	15.46
Soil, water and managing natural resources	2,446,270	20.50
Total	11,931,644	100.00



- Adoption of R&D
- Trusted exporter
- Biosecurity
- Soil, water and managing natural resources

National Science and Research Priorities		
Priorities	Actual Expenditure (\$)	%
Advanced manufacturing	1,632,059	13.68
Cybersecurity	88,927	0.75
Energy	794,310	6.66
Environmental change	1,052,499	8.82
Food	6,630,480	55.57
Health	5,178	0.04
Resources	839,579	7.04
Soil and water	888,611	7.45
Transport	-	0.00
Total	11,931,644	100.00



- Advanced manufacturing
- Cybersecurity
- Energy
- Environmental change
- Food
- Health
- Resources
- Soil and water

Efficiency and efficacy of our investments

Evaluation of outcomes for industry and the community

APL undertakes ex-ante and ex-post analysis of programs and projects. The ex-ante and ex-post evaluations of programs and projects are spread across the spectrum of industry deliverables by APL including marketing, policy and R&D.

APL has recently increased its focus on ex-ante evaluations to support the process of ranking and prioritising potential projects to be invested in. For ex-post evaluations, APL measures and reports KRAs and KPIs throughout the year to evaluate the progress and impact of the program and project objectives.

Further, APL undertakes a deeper dive into selected programs and projects by undertaking a cost benefit analysis (CBA). This dual focus on ex-ante and ex-post ensures APL makes investment decisions based on the best possible ex-ante information and measures the performance of our investment decisions ex-post. APL is also identifying ex-post performance measurement and reporting for long term projects and programs.

APL evaluations will include traditional quantitative measurements and where relevant, qualitative evaluations.

The increasing pool of potential projects, and limited funds available to invest in projects has increased the need to use ex-ante evaluations to rank and prioritise projects within the pool of projects competing for funding.

This prospective approach is one way APL identifies projects which are likely to have the greatest prospective outcomes for the Australian pork industry.

One way APL has increased its focus on ex-ante evaluations is by increasing consultation with industry, industry R&D organisations and appointing

independent experts to the APL Committees.

APL has identified a number of ex-post evaluations, which will measure the investment performance and impact to industry in both quantitative and qualitative terms.

There are two drivers to this current direction of measuring performance and impact qualitatively and quantitatively. Measuring and reporting qualitative financial measures of performance are important as they influence the direction of future investment decisions.

Concurrently considering qualitative measures and outcomes with financial performance also influences the direction of future investment decisions. This enables APL to ensure the outcomes to the Australian pork industry are balanced between maximising direct financial outcomes, and concurrently delivering qualitative outcomes, which underpin ongoing financial sustainability of the industry.

An example of which is measuring in-the-field awareness, adoption and retention which are indirect drivers of underpinning a sustainable Australian pork industry. The primary filter currently being used to identify programs and projects for ex-post evaluation is to identify projects which leverage resources across the industry and have long term ongoing impacts.

One of these projects to be measured and reported will be the ongoing base funding model which is funded by APL and leverages industry and academic resources.

Funding agreement

Reporting obligations

Under APL's Funding Agreement with the Commonwealth, APL's Annual Report must comply with the financial reporting and other reporting requirements in Chapter 2M of the Corporations Act and include the following items:

Reporting Requirements (Funding Agreement Clause 12.1)	Section
(a) sources of income allowing for separate identification of Levy Funds, Matching Funds and Voluntary Contributions;	Notes to financial statements (Note 4)
(b) significant R&D Activities and transactions undertaken in the year in the conduct of APL functions as the Industry Services Body;	Appendix B
(c) the full cost of the R&D Activities and Marketing Activities;	Financial Summary table and Appendices A & B
(d) progress made in implementing the Strategic Plan and Performance Principles including progress against any key performance indicators;	Report on 'Our performance'
(e) key RD&E and marketing deliverables and associated outcomes achieved;	Report on 'Our performance'
(f) an assessment of the efficiency and effectiveness of APL's investments;	Outcome evaluation
(g) material changes to APL's membership;	No material changes to report
(h) how APL responded to any directions or Rural Research and Development Priorities given by the Minister under the Agreement or the Guidelines;	No directions to report
(i) consultation with Levy Payers and Industry Representative Bodies on: a. APL's Strategic Plan; and b. RD&E and Marketing Activities;	Report on 'Our Performance' and Appendices B & C
(j) APL's contributions to relevant Industry sectoral and cross-sectoral strategies, including the strategies under the Guidelines;	Appendix D
(k) details of senior executive and Board remuneration in the format required by the Australian Accounting Standards;	Notes to financial statements (Note 19)
(l) Research and Development and marketing agreements entered into by APL with third parties;	Strategic Themes
(m) corporate governance practices in place during the Financial Year;	Overview
(n) the rationale for the mix of projects included in the Balanced Portfolio; and	Report on 'Industry outcomes'
(o) other matters notified to APL by the Commonwealth.	No matters to report



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