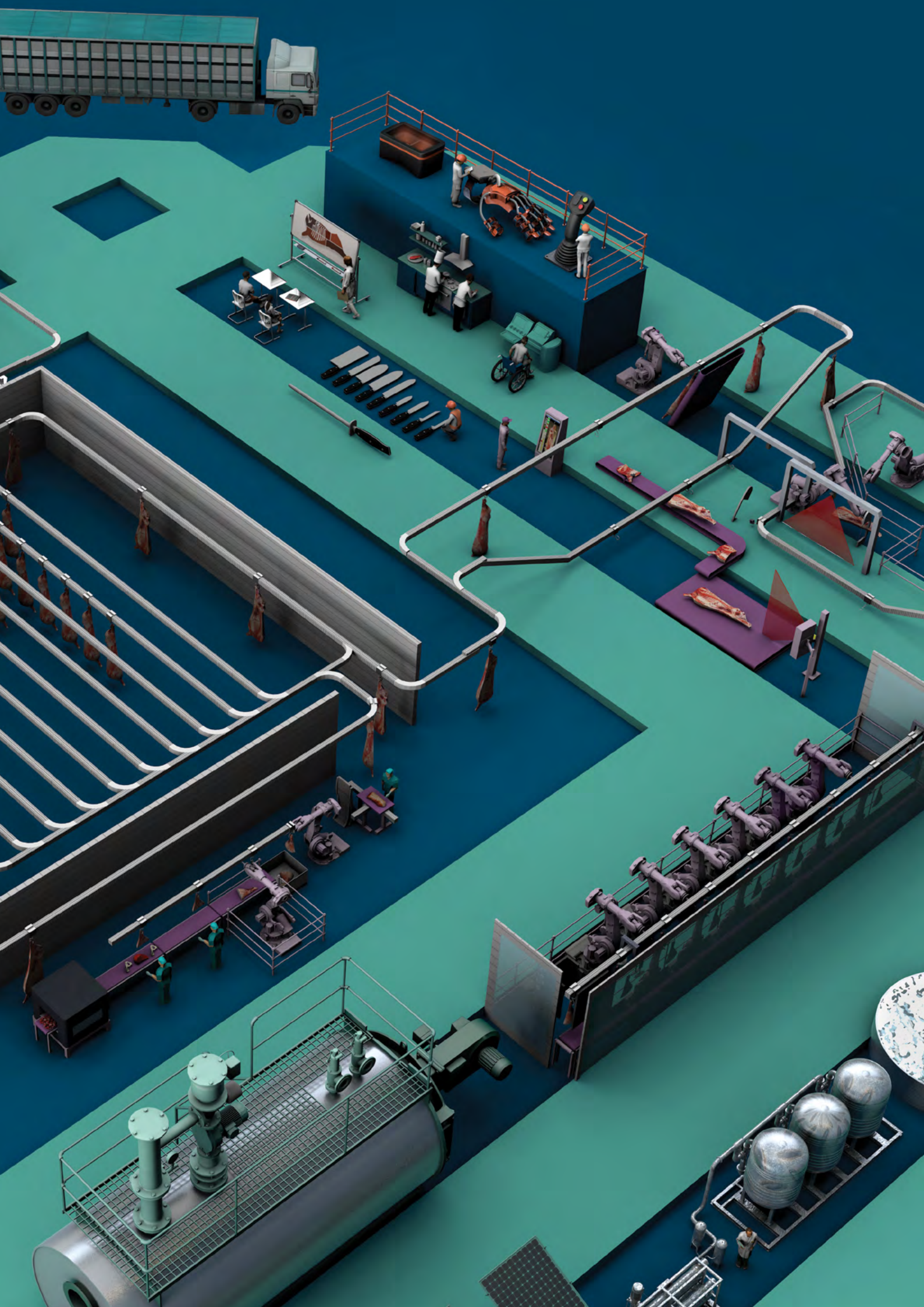


Annual report 2020–2021  
Building resilience through innovation







# About AMPC

The Australian Meat Processor Corporation (AMPC) is the specialist research and development (R&D) provider for Australian meat processors — wherever they are, whatever their markets, no matter their size.

As the Research and Development Corporation (RDC) for the red meat processing industry in Australia, it runs programs that are funded from red meat processors levies, private contributions, and the Australian Government.

AMPC provides research, development and extension services that improve the sustainability and efficiency of the sector.

Red meat processor levies are strategically invested in programs that deliver a range of benefits for the industry and the broader Australian community.

AMPC engages leading research organisations and funds joint activities with our value-chain partner, Meat and Livestock Australia, that address the priorities of the red meat processing sector.

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

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## Chairman's report

The Australian Meat Processor Corporation (AMPC) has been clearly focused on its strategic investment in sustainability research throughout the 2020–21 financial year. Through this practical industry research, AMPC has identified and provided workable and cost-effective solutions to the uptake of potable recycled water, a practical energy technology guide and delivering new models for outsourcing energy efficient refrigeration at a lower cost. AMPC is actively tracking and reporting on our industry's environmental performance with the latest report released in FY21.<sup>1</sup>

AMPC's core value adding role is to provide practical and relevant research and extension services that improve the sustainability, competitiveness, and profitability of the sector.

The AMPC portfolio of activities are directed by the Strategic Plan 2020-25, which was developed with our members to ensure relevance, practical application, ownership, and accountability for broader adoption of results.

Throughout 2020–21, AMPC has achieved significant business growth and the highest contracted volume of Plant-Initiated Projects (PIPs). Members are working to grow their in-house innovation capability with AMPC funding 29 innovation managers across 20 plants.

The board has committed to ensuring our levy reserves are actively and considerably invested. The cornerstone of our strategic plan is our target to align our income and expenditure to achieve a reserves balance that is commensurate with member expectations. In 2020-21 the business delivered an operating deficit, reducing our reserves by \$9.2m or 22% which you will see reflected in our financial report.

Our Annual Operating Plan for 2020–21 outlines a balanced portfolio of investment for the year across five key strategic themes — advanced manufacturing, sustainability, people and culture, technical market access and markets, and product and process integrity. Again, this portfolio, developed with industry members, reflects the key areas faced by our industry — people, skills and capabilities, technology, increased revenue and profitability.

I am proud to present AMPC's annual report which outlines our progress on our activities in these key areas across the past year.



**AMPC has been transforming and continues to do so. A survey of AMPC members demonstrates this, reporting a 100% satisfaction rating with AMPC services.**

There was also positive views expressed in this survey on the direction of the company and the quality of engagement with members, with 95% of respondents rating engagement as good or above. Importantly, members have high levels of trust in AMPC with 70% of them describing their level of trust as high.

During the year, AMPC entered into a new Statutory Funding Agreement (SFA) with the Federal Government spanning 2020-2030. In anticipation of the new SFA, a performance review was undertaken during 2020 which highlighted areas for improvement covering governance, company structure, company operations, project planning and delivery, and engagement and consultation. I am pleased to report that each recommendation has been addressed over the past year.

COVID-19 has again presented challenges for our industry and the domestic and international markets in which we operate over the past year. AMPC has not been distracted by this with its team continuing to engage with members and deliver commercially viable R&D outcomes for both individual companies and members alike.

Australia, and the world, will emerge from COVID-19. We need to continue to focus on competitiveness in a global protein market. AMPC will continue to focus on identifying, undertaking, promoting and supporting the uptake of innovation through access to world-class research and development.

Australia remains well placed with a high-quality product in grain and grass-fed beef and lamb, strong animal welfare and food safety standards and domestic and international customers demanding our quality product and brands.

I look forward to 2021-22 and the professional support AMPC will continue to provide to its members. As Chair of AMPC, working together with the Board and the AMPC team, we will drive real business outcomes in partnership with and for the benefit of members and the Australian meat processing industry.

**John K Berry**  
Chairman

<sup>1</sup> [www.ampc.com.au/2021/07/2020-Environmental-Performance-Review-for-the-red-meat-processing-industry](http://www.ampc.com.au/2021/07/2020-Environmental-Performance-Review-for-the-red-meat-processing-industry)



## CEO's report

The 2020-21 financial year was the first of five years covered under our Strategic Plan 2020-25, and the focus for the AMPC team has been on setting strong foundations through building closer relationships with processors and expanding our network of research partners.



Our vision is to be a trusted partner in innovation for our processors, and to support that vision a team of co-innovation managers was appointed during the year to support relationships with processors, and to directly facilitate their involvement in R&D, extension, and adoption activities.

While 2020-21 has seen a challenging operating environment for Australia's processors, with COVID-19, reduced livestock availability, and labour supply front of mind, I am delighted that processors have engaged enthusiastically with AMPC throughout the year.

Our team managed 92 visits to 37 processors, generating 106 plant-initiated projects and resulting in 57 processors participating in core investment activities. We undertook formal consultation on a list of 100 innovation ideas which has helped shape our investment portfolio, and have involved AMIC in our investment due diligence process. We embraced digital communications platforms during the year, running 24 workshops during the year.

We trialled new ways of engaging with research and development partners to support our strategic aspirations and to deliver the breadth and depth of activity required to deliver value for our member segments. 32 innovation competitions, inspired by the US Defense Advanced Research Projects Agency (DARPA), were undertaken via LinkedIn, attracting 36 new local and international research providers.

A real highlight of the year was our attendance at Beef Week in Rockhampton, where processors and other supply chain participants had the opportunity to interact hands-on with new technologies including shadow robots, exo-skeletons and participated in 'gamified' beef scribing training.

In addition to our growth in our engagement with processors and research providers, the past year has included significant business growth in line with our strategy. We invested \$47.6 million during the year, compared to an average of \$20.9 million over the previous five years. Through growing the business, we are better positioned to achieve our strategic aspirations, and to resource innovation activities that resonate with processors.

Innovation themes receiving significant focus during the year included digitisation, virtual reality, assisted robotics, water recycling, refrigeration energy efficiency, workforce safety, and employee retention. The application of new technologies and trialling new approaches in-plant will have implications across processing businesses, spanning production, human resources, sustainability and more.

**2020-21 has marked a transformation for AMPC and for innovation in the Australian processing industry. I want to express my gratitude to all AMPC staff, directors, members, and research partners in contributing to our progress during the year.**

In this annual report I am pleased to provide an overview of our activities and achievements, as well as the value delivered to Australian processors during the year. It is the culmination of the hard work of the AMPC team, and they are to be commended on their tenacity during this challenging year.

I wish all our members continued resilience and prosperity for the year ahead.

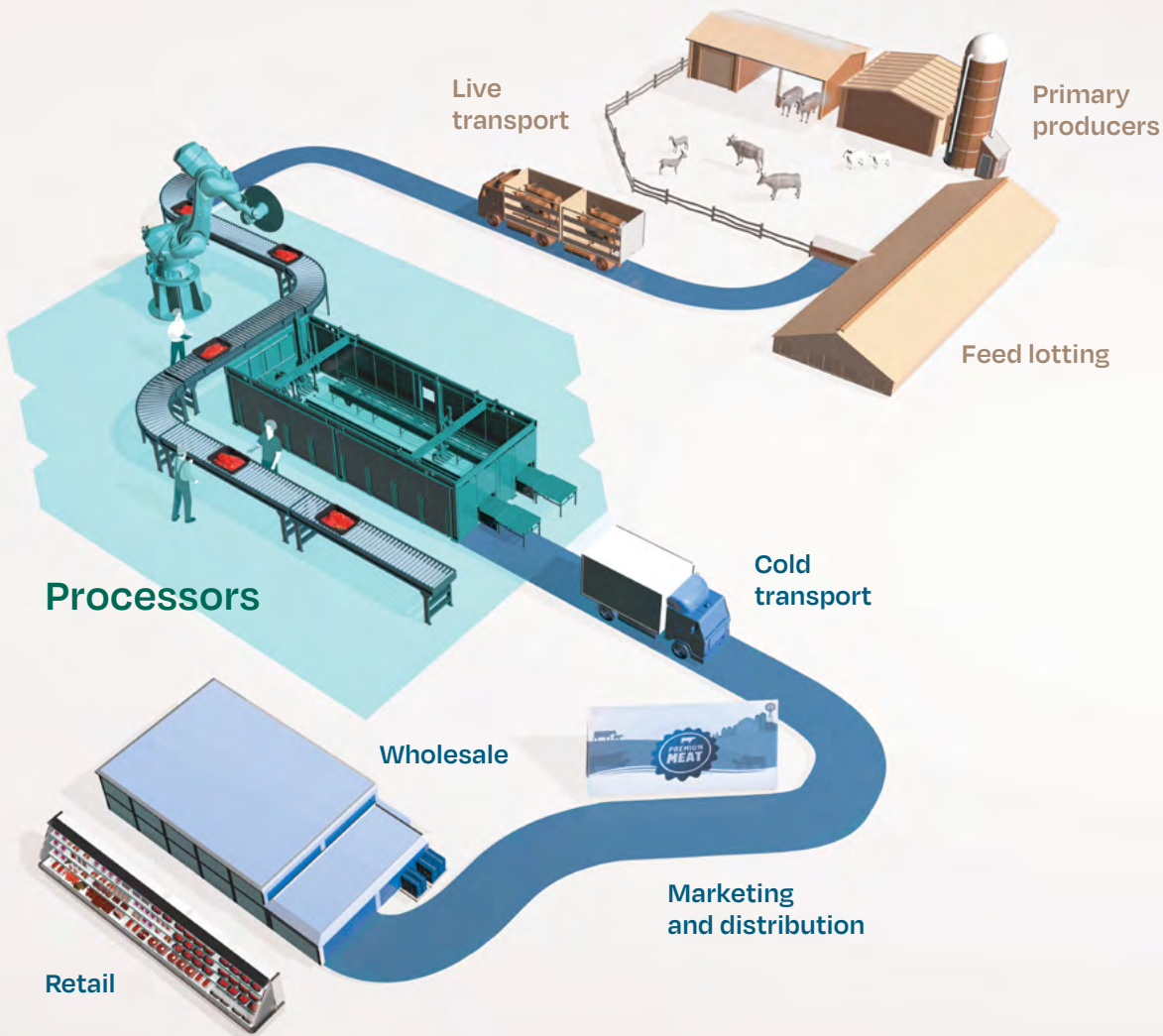
Chris Taylor  
CEO





# Our industry

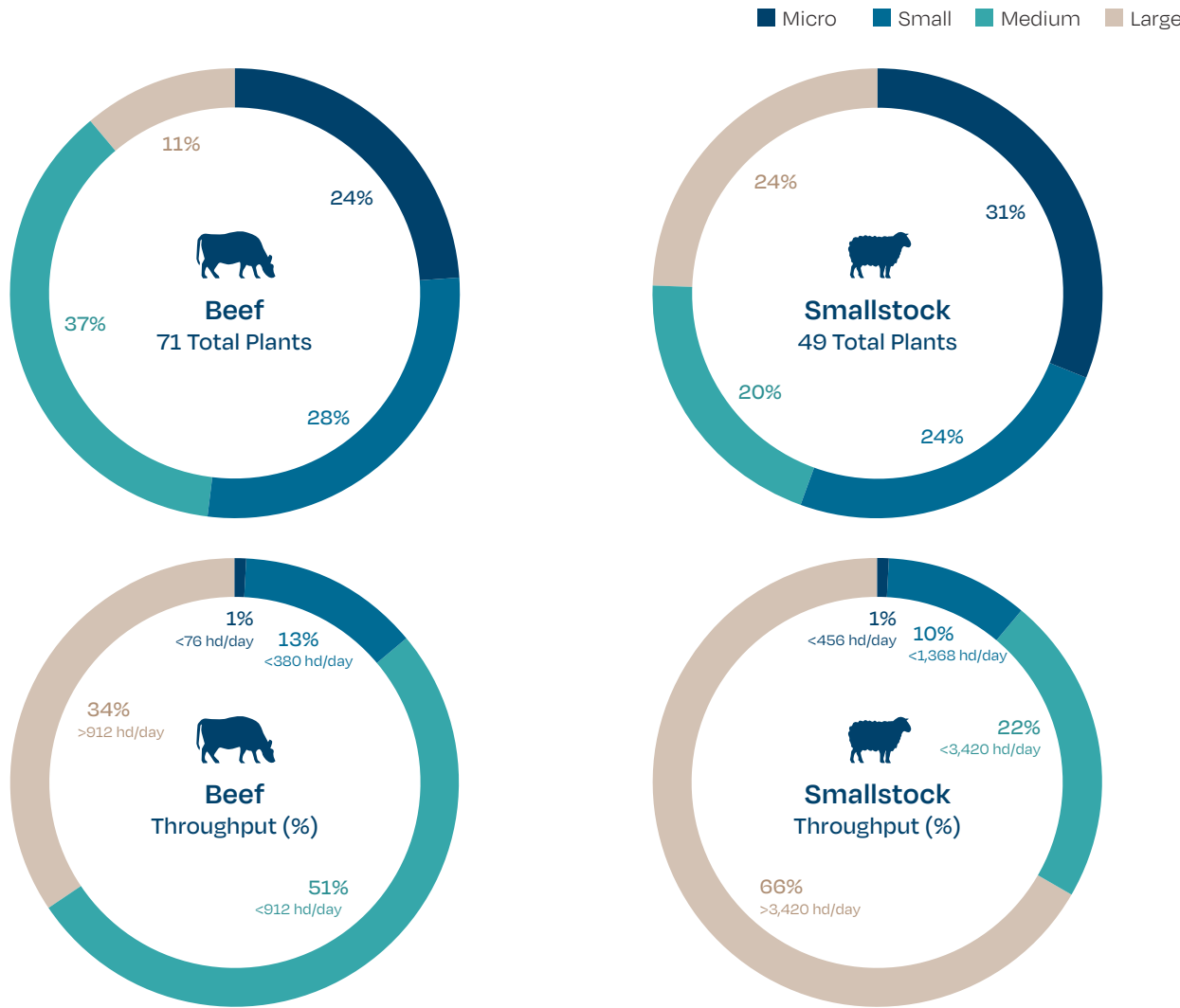
## A thriving value chain



Australia is a <b>key exporter</b> in global red meat markets	In 2020, Australia was the <b>second largest</b> beef exporter after Brazil	In 2020, Australia was the <b>world's largest</b> sheep and goat meat exporter
Australia's red meat and livestock industry value add <b>\$17.1 billion</b> in 2019–20	<b>30,900</b> people employed by processors	
Processors account for <b>30%</b> of total direct employment in the agriculture, forestry, and fishing sector	Nearly <b>80%</b> of meat processing employment is located outside capital cities	
<b>\$11.3 billion</b> domestic sales	<b>\$17.2 billion</b> of red meat exports per year	

# Our members

**106** members operating  
**135** processing facilities across Australia



<b>Significant employers</b> <ul style="list-style-type: none"><li>AMPC members range in size from two to 2,000 employees</li><li>Half the AMPC membership have less than 200 employees</li></ul>	<b>Varied product focus</b> <ul style="list-style-type: none"><li>A range of processing sizes and systems</li><li>Covering beef, sheep and goat</li><li>Cattle processing is the most common activity, representing 83% of all member sites</li></ul>	<b>Geographically diverse</b> <ul style="list-style-type: none"><li>Members are spread throughout Australia, particularly in rural and regional areas</li><li>AMPC members are primarily located in medium-sized rural areas of between 10,000 to 50,000 people, where they are typically one of the largest employers</li></ul>
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# Our vision and strategy

## Our vision

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

## Our mission

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

## Our purpose

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

## Our five strategic pillars and aspirations



### Advanced manufacturing

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



### Sustainability

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



### People and culture

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



### Technical market access and markets

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

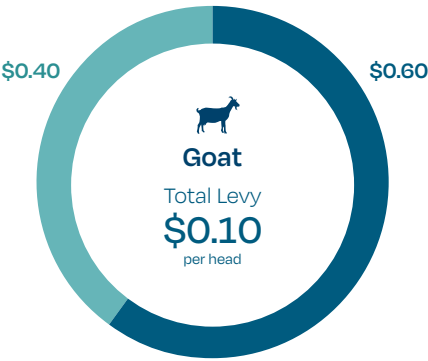
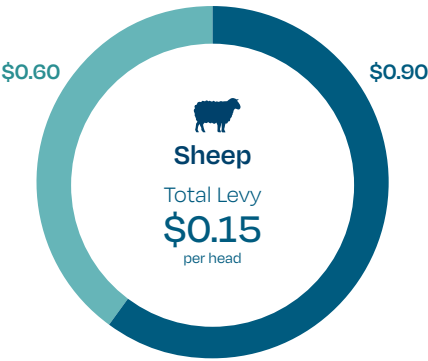
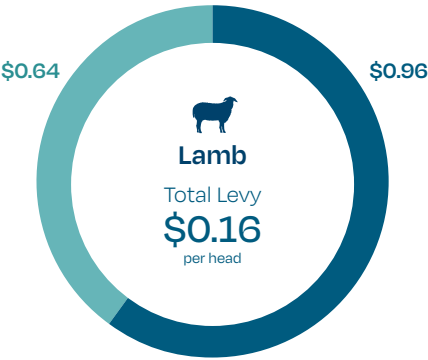
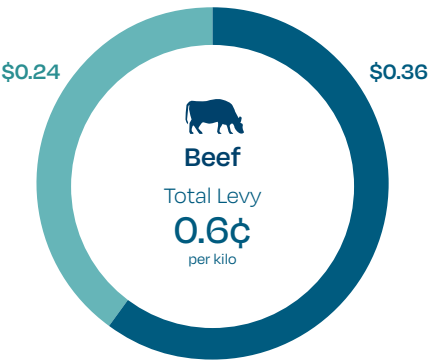


### Product and process integrity

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

## Beef production and livestock slaughter levies

■ Marketing ■ Research & development



## Project types and funding

**Core** projects provide benefit to the meat processing industry. They address industry-wide issues covering productivity, profitability, sustainability, integrity, and capability. Core projects go through a robust industry-wide consultation process. Funding comes from processor levies and matched government funding (where applicable).



**50% Levy**  
**50% Matched government funding**

**Plant Initiated Projects (PIP)** enable meat processing plants to identify and undertake R&D projects in their plant that generate whole-of-industry benefits. This is by trialling and adopting new technologies at their plant. They are funded by the plant, levies, and matched government funding.



**25% Levy**  
**25% Processor co-funding**  
**50% Matched government funding**

**Joint projects** deliver supply chain improvements. Projects are completed in the areas of food safety, data integrity, eating quality, and support increased demand for red meat domestically and internationally. These projects are funded by AMPC and Meat and Livestock Australia, using both processor and producer levies, as well as matching government funds for eligible activities.



Split between **MLA** and **AMPC**  
using joint \$R dollars or joint \$M

## Government matched funding cap

The matched funding mentioned above is provided by the government to research and development corporations each year and is capped based on total industry turnover.

- For red meat industry participants, the 2020–2021 matched funding cap was **\$91m**.
- Eligible R&D initiatives attracted matched funding up to **50%** of project expenditure.
- The processing sector accesses matched funding through our supply chain innovation partner, Meat and Livestock Australia.
- AMPC invested **\$20.5** million of cap in 2020–21.



# Service delivery

We recognise the size of a processor's operations affects engagement with R&D priorities and the adoption of innovations.

Service delivery is a priority and provides better value to all members. This customer service mindset is key for connecting insights to outcomes and increasing industry adoption.

## 3 Extension and adoption

AMPC works with processors in Australia to help them adopt various R&D. It is done through ongoing relationships, training, information sessions, webinars, events, and discussions.

## 2 Research and development

From insights, AMPC progresses to research and development. R&D can solve a specific issue, help to define a new product, or process, or create or refine a service. It helps to maximise efficiency and reduce costs of operating. AMPC partners with research organisations, technology providers and universities to conduct research.

## 1 Insights

The first stage of any project is insights. AMPC gathers insights from processors, research, experience, industry knowledge, data, and analysis.



Shadow robotics on display at Beef Week 2021

# Our performance

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

AMPC evaluated the economic returns from a sample of five AMPC projects completed in the 2020–2021 financial year. Evaluations were completed in line with the Council of Rural Research and Development Corporations (CRRDC) Impact Assessment Program: Guidelines (2018). They were informed by a review of project outputs, and consultation with researchers, industry representatives and other relevant stakeholders.

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



All assessed projects demonstrated a positive economic return



6.5  
Weighted average benefit to cost ratio across examined projects



2.8 to 14.4  
Benefit-cost ratios range



These results are indicative and rely on a range of assumptions. Benefit-cost ratio equals the ratio of the present value of investment benefits to the present value of investment costs.



# Performance evaluation


## Assessment projects




Advanced  
manufacturing




Sustainability



People and culture



Technical market  
access and markets



Product and  
process integrity

Project 1

Remote operations — shadow robots

Shadow robotics and tele-remote operated robots present an opportunity to remove the risks of injuries from processing lines. Operators have the capability to control robots to complete these tasks reducing the likelihood of injuries caused by sharp equipment, such as knives and saws, and reducing the stress and fatigue caused by heavy duty tasks. The technology is still in the early development stage with considerable work required to refine and tailor uses for commercial meat processing.

The purpose of the project was to develop and showcase a solution to allow staff to tele-remotely operate high-risk processing operations. The technology involved the procurement and programming of a haptic controller to enable the remote control of a robot. This robot was presented to the industry at Beef Week 2021 for demonstration purposes and to receive feedback.

Investment performance



\$ 2.8

Benefit-cost ratio

Project 2

Aggregated Waste to Energy (W2E)

Waste to Energy (W2E) technologies provide opportunities for processing plants to convert a wide range of organic waste materials into thermal (biogas) and electrical energy. The key potential benefits from this technology include reduced power and thermal energy costs, reduced waste disposal costs and improved environmental outcomes.

The purpose of the project was to assess the economic and technical viability of waste to energy (W2E) investments for processors, feedlots, and other streams.

Investment performance



\$ 4.6

Benefit-cost ratio


Project 3

Working towards an ideal red meat industry visa program — stage 2

In 2020, AMPC commissioned stage 1 of the Working towards an ideal red meat industry visa program (2019-1047) which involved a review of the use of visa labour by the Australian red meat processing sector to understand the efficiency and efficacy on the workforce and businesses. Through data collection, literature review and stakeholder consultation, the project established a suite of 11 recommendations aimed at better informing policy development for visa use in the red meat sector.

The policy recommendations were made available for the consideration of members and the Australian Meat Industry Council.

Investment performance



\$ 7.9

Benefit-cost ratio

Project 4

Export certification framework project

The red meat processing sector identified an opportunity to work more collaboratively with government to deliver efficient export services and achieve more cost-effective export inspection fees, charges, and associated costs.

In 2019 AMPC commissioned a review of the Australian Export Meat Inspection Service (AEMIS) which included a series of 12 recommendations to make the AEMIS more effective and efficient.

The purpose of the project was to provide a process to enhance relationships and engagement between the industry and government. The project outlined observations and priority actions to reframing the industry's engagement with the government to give the meat industry the opportunity to shape export service delivery, cost recovery arrangements and broader reform agendas.

Investment performance



\$ 6.9

Benefit-cost ratio

Project 5

Development of a COVID marshal training package

The COVID-19 pandemic is having significant impacts on the Australian meat processing industry, with state governments mandating policy frameworks to control COVID-19 within workplaces.

In Victoria, the meat processing industry was identified as a high-risk industry, and all facilities were required to have a delegated COVID marshal on each shift, whose role is to monitor compliance with health directions (e.g. social distancing, personal protective equipment, and mask wearing). In other states the COVID marshal role was also recommended.

AMIC and AMPC developed a COVID marshal online course tailored to the meat processing sector. The course materials were designed to satisfy the requirements of the Victorian Government, while also being applicable for processors in other states.

Investment performance



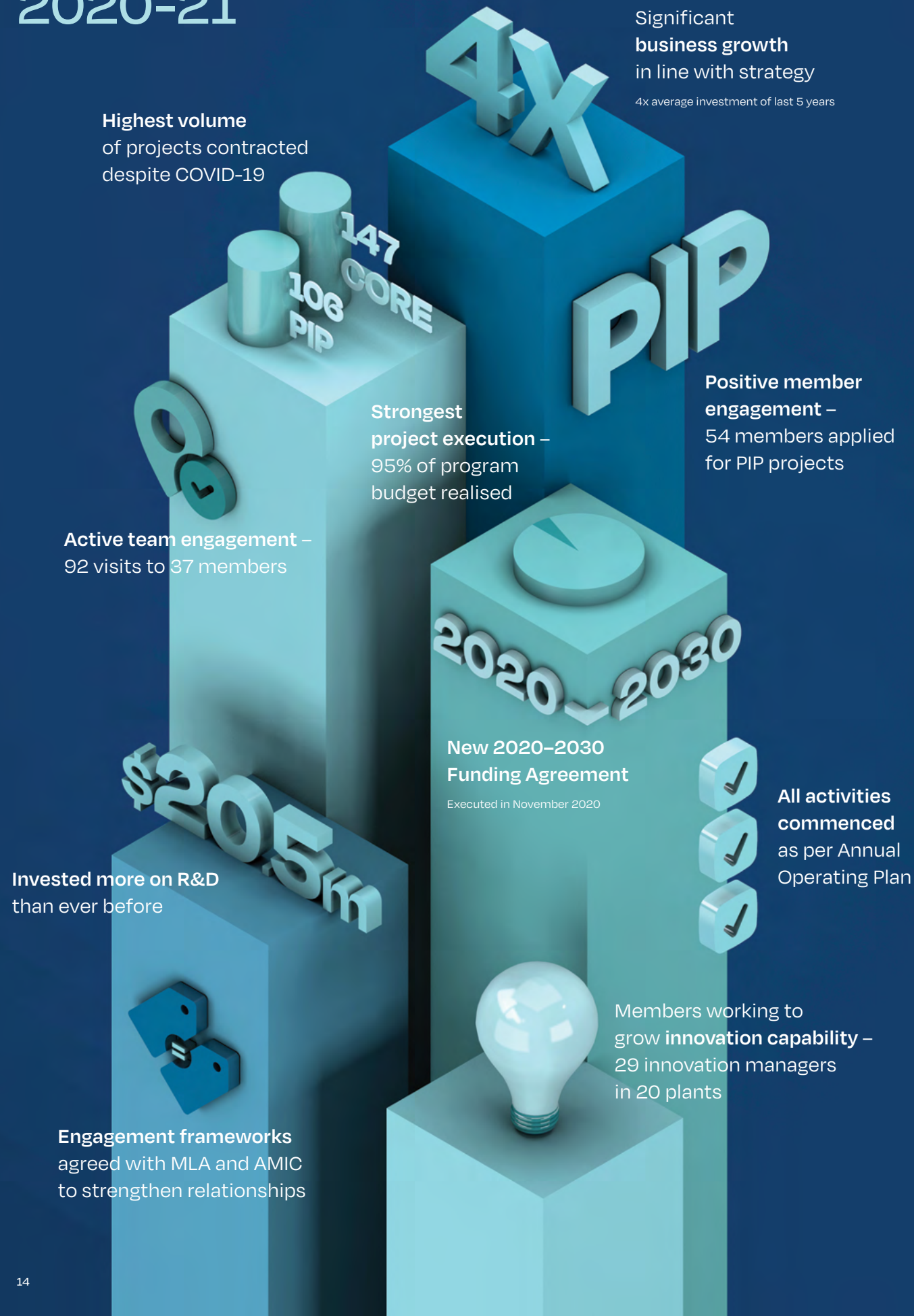
\$ 14.4

Benefit-cost ratio

- The evaluated benefits from the five projects included:
- reduced operating costs due to reduced staff requirements, increased staff retention, reduced injury time and increased yield
  - reduced power costs, thermal energy costs and waste disposal costs
  - improved access to visa workers to fill skill shortages
  - reduced regulatory costs associated with export certification
  - reduced financial losses due to COVID-19 outbreaks in processing plants.



# Year in review 2020-21



## Collaboration

AMPC members are red meat manufacturers that play a specialised role in the supply chain. Its focus is on finding the right opportunities for collaboration with stakeholders where there is a direct benefit for processors and the communities in which they operate.

AMPC became a founding member of **Agricultural Innovation Australia (AIA)** in the 2020–2021 financial year with an investment of \$65k. AIA is a new company targeting transformational innovation across agriculture and with all 15 RDC's being members. AIA's priorities align with AMPC's R&D portfolios in the areas of trade and export, climate resilience and digital agriculture.

AMPC is a foundation member of the **growAG** innovation platform — the online gateway to Australia's agrifood innovation system. AMPC sees growAG as a vehicle to identify and collaborate with new global partners in research and commercialisation. AMPC already has several advanced manufacturing opportunities listed on the growAG website.

AMPC joined forces with natural resource management groups, government departments, educational institutions and other RDC's under the leadership of the University of Southern Queensland to become a member of the **Southern QLD/Northern NSW Drought Resilience Adoption and Innovation Hub**. With more than 60 percent of AMPC's members being Queensland-based, it plays an important role in supporting drought resilience solutions for regional communities and farmers. AMPC has committed to \$35k p.a. in financial and in-kind support to the Hub. AMPC is looking at options to build relationships with other similar key hubs.

AMPC co-invested \$6.6m, or 41 percent of its levy income, on projects with **Meat and Livestock Australia (MLA)** to address issues in the red meat supply chain. Those projects are seeking to find solutions in the areas of product and packaging innovation, international and domestic markets, objective measurement, and integrity systems.



# Consultation with members and stakeholders

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

A review, undertaken by AMPC's independent internal auditor in June 2021, of AMPC's stakeholder engagement found that AMPC is "meeting the expectations of all stakeholders" and that members and industry stakeholders felt "very connected and engaged with AMPC."

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

AMPC's plant-initiated projects program (PIP) is one of the most effective ways for AMPC to engage directly with processor members. It enables processors to co-fund and participate in R&D on their own plant and adopt solutions which meet their unique set of needs.

The PIP program is an important mechanism for the adoption of R&D into processing plants.

In the 2020/2021 financial year, AMPC made 92 visits to 37 members resulting in more than 50 percent of members applying for the PIP program and \$6m investment by them in R&D activities. Members have also responded by growing their innovation capability with 29 plants now employing full-time innovation managers on site. For micro and small companies, AMPC is currently working on a new engagement strategy to ensure its funding model is fit for purpose for them.

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

In the 2020/2021 financial year AMPC undertook extensive consultation on the 'Top 100' advanced manufacturing priorities for the industry with organisations that make up 89 percent of beef and 93 percent of smallstock throughput.

AMPC's 2021 member survey showed strong member satisfaction with a Net Promoter Score of 35 and member satisfaction at 100%.

# Extension, engagement and communication



**24 webinars**  
1003 registrations 671 attendees



**6 member newsletters**



**92 visits**  
to 37 members



**Beef Week**  
May 2021

AMPC hosted a stand at the May 2021 Beef Week event held in Rockhampton. It focussed on providing visitors with a **visual glimpse** into what the **future** of the red meat processing industry looks like.



**More than 800 people**  
engaged with the **technology** on display



**More than 700 people**  
tasted **AMPC beef jerky**



**More than 12 school groups**  
visited and **interacted** at the site



## Innovative approaches



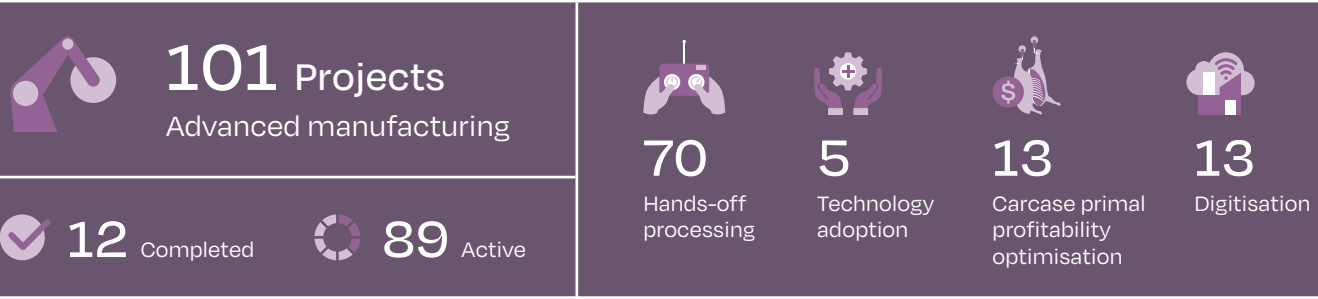
AMPC has trialled and tested a new approach to engaging global innovation companies outside agriculture and the processing industry to help find solutions to industry issues. AMPC used the professional social network LinkedIn and changed the traditional language used in seeking out providers for R&D projects.

In the 2020/2021 financial year, it issued 32 innovation challenges with 11,000 views of the challenges within a 6-month period. As a result, AMPC has spoken with more than 100 domestic and global companies during FY21 which has resulted in 36 new partners and substantially increased AMPC's network of international researchers and solution providers for 69 projects.

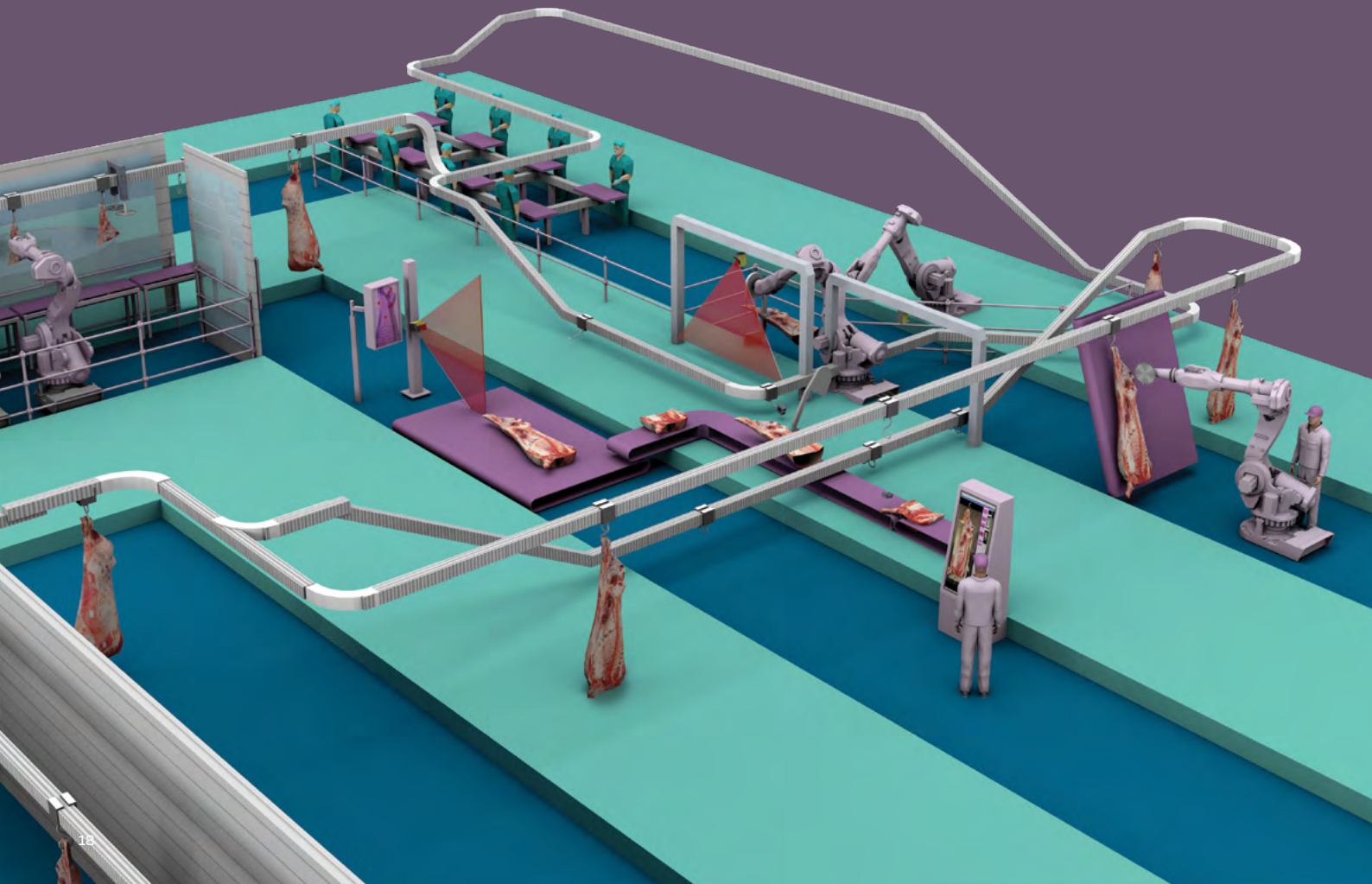


# Advanced manufacturing

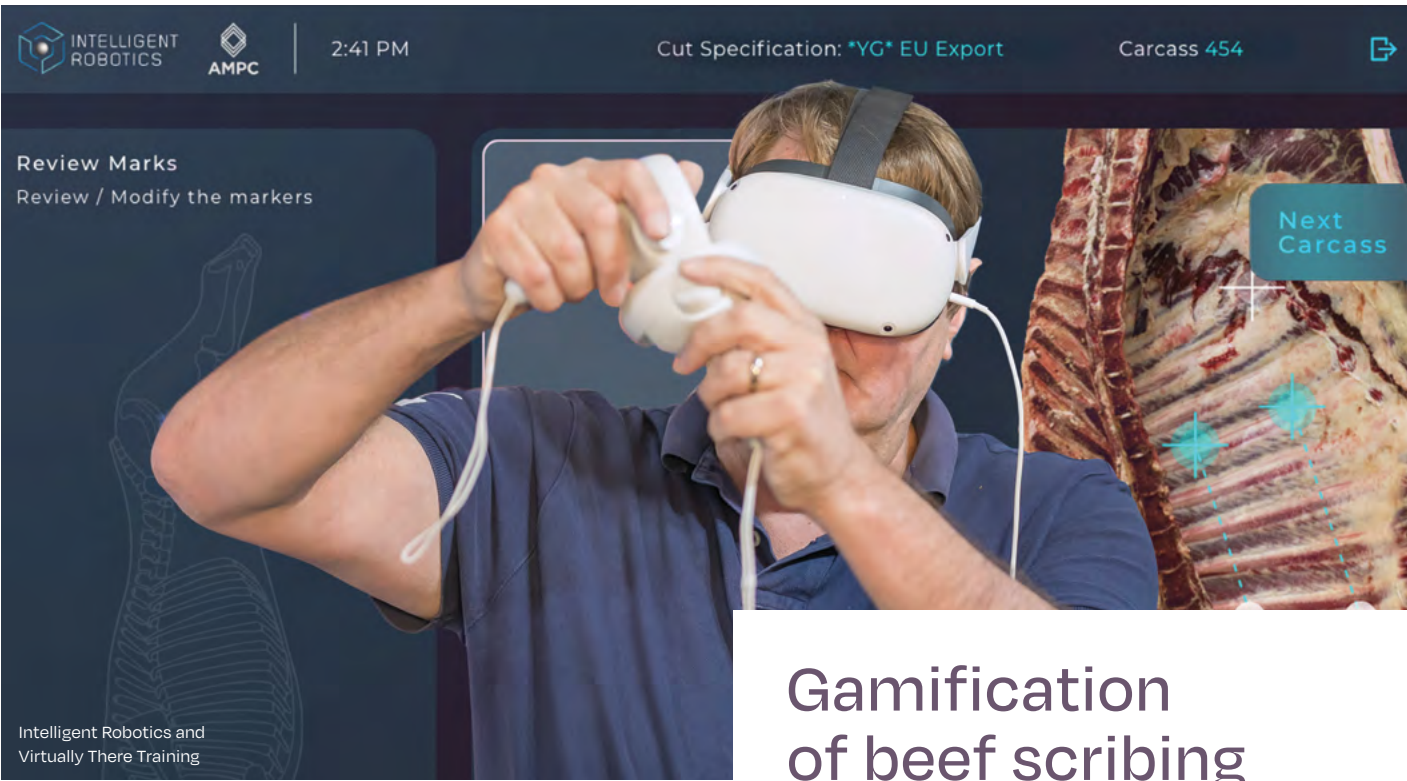
Human product handling is halved through technology advancement to reduce injury rates, maximise yield and processing efficiency by 2030.



Excludes MLA managed projects.



## Completed projects



### Gamification of beef scribing

The project involved the design and development of a fully immersive virtual reality training module that taught participants skills required for beef scribing.

The objectives of the project were to drive public engagement around potential careers in the meat processing industry; provide immediate benefits to industry through innovative training aimed at improving skills and worker health and safety; and to contribute to the future development of semi and full automation solutions for the meat processing industry.

It demonstrated the ability to deliver immediate and long-term benefits to the meat processing industry. Interest from key stakeholders within the industry has been sparked by the exhibition of this technology. The next phase is to partner with key industry players to develop a suite of training modules. These modules and the data they will collect can then be used to inform and shape future automation initiatives.

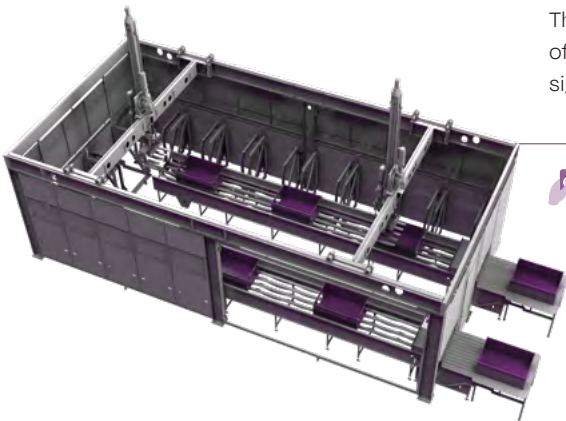
## Salted hide handling system

This project developed a prototype system that can collect, transfer and place hides onto pallets and into bins, and was installed and proven in a meat processing facility.

This project looked at how to reduce cost and risk in one of the labour-intensive heavy lifting components of the process by automating the palletisation of hides.

The project has been an overall success with over 1.1 million hides being processed through the plant since the start of the project. One of the main objectives of the project was to improve safety in the hide plant. Since the installation of the facility there has been a 100% reduction in injuries and there have been significant labour savings.

The design process and integration of hide tracking technology has seen significant efficacies through the plant.



 Hands-off processing **PIP**

 Hands-off processing **CORE**



Active projects

Shadow robots

AMPC explored the potential of pairing an employee with a ‘shadow’ robot-enabled device in the production room. This leveraged the skills of operational staff while removing their hands from the dangerous tasks such as bandsaw operations.

The purpose of the project was to develop and showcase a solution to allow staff to tele-remotely operate high-risk processing operations. The technology involved the procurement and programming of a haptic controller to enable the remote control of a robot.

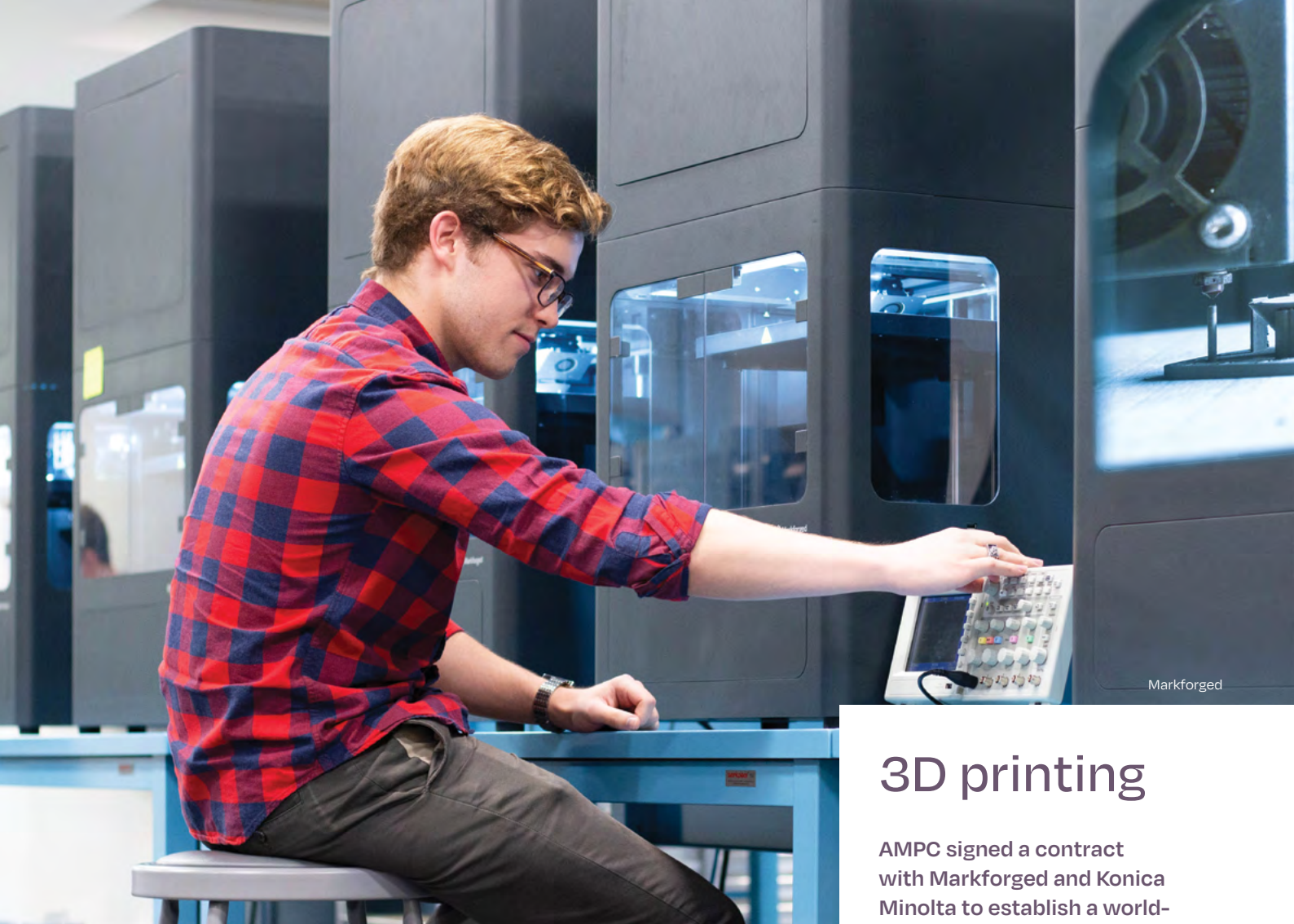
This robot was presented to the industry at Beef Week 2021 for demonstration purposes and to receive feedback.

The hope is that this technology may see processors adopt this type of approach at all Australian processing facilities. It could even go further, with those operational staff eventually housed in control rooms away from the processing floor.

The next phase of the project will involve additional laboratory development work. Following on from this the shadow robot solution will be trialled at processing plants.

 Hands-off processing

CORE




3D printing

AMPC signed a contract with Markforged and Konica Minolta to establish a world-first, industry-owned additive manufacturing (3D printing) service model to help red meat processors across Australia to print equipment parts.

AMPC is at the start of this three-year program, and it will see two mobile non-metal industrial 3D printers shipped to Australian processing plants. Processing staff will be trained to use them so they can assess whether buying a permanent unit would be a good investment. The units will remain on site for four to eight weeks before rotating to another plant.

As part of the program, a metal printing 3D industrial unit will be set-up at Konica Minolta's Sydney location dedicated for red meat processing part manufacturing. Plastic prototypes made at each processing location can be sent to this hub to be made from stainless steel and other metals.



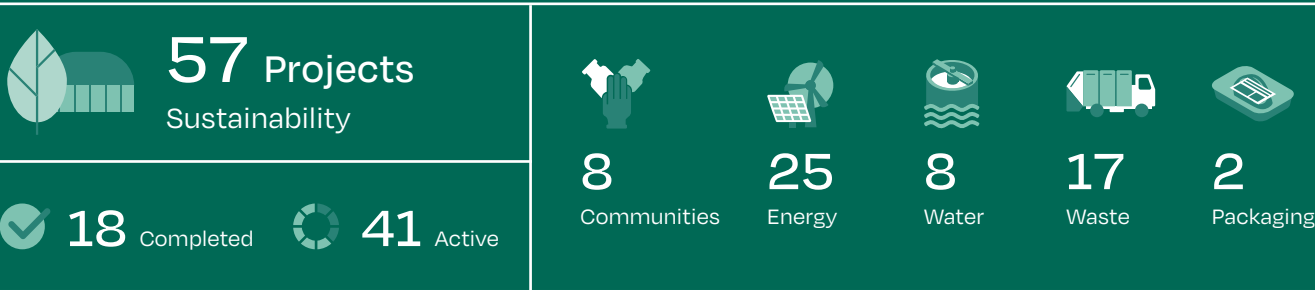
 Technology adoption

CORE



# Sustainability

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



Excludes MLA managed projects.



## Completed projects



### Heat Pump Technology Selection Guide

**This project involved a series of heat pump information sessions. The project aimed to improve awareness and build confidence around using industrial heat pumps as an alternative to fossil fuels.**

Heat pumps can use renewable energy and therefore are good for the environment. The final output from the project was the Heat Pump Technology Selection Guide.

The next step for this project will be a dedicated webinar and assessment tool for meat processing plants on process heating.



Energy

CORE

## Water Reference Group

**This project identified barriers to the uptake of Direct Planned Potable Recycled Water (DPPRW).**

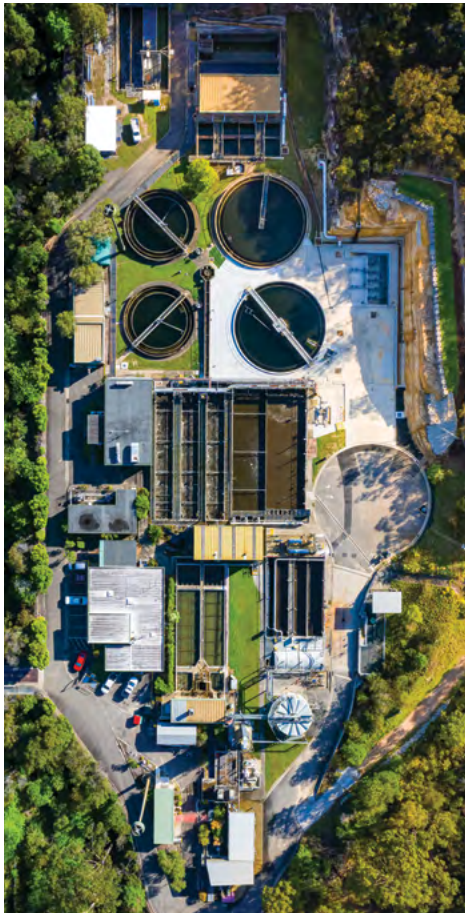
The objectives were:

1. Form a Water Reference Group (WRG) comprising industry and government representatives to inform and advise the project.
2. Consult industry on water reuse/recycling and identify barriers to adoption.
3. Facilitate discussions with the WRG to design trial projects for possible implementation at a later stage.
4. Deliver a position paper on future pilot trial designs related to DPPRW and other reuse/recycling initiatives.

Discussions with industry personnel identified four major impediments to implementing reuse/recycling initiatives:

1. Regulatory requirements are stringent and layered, involving several authorities.
2. Compliance framework documents could be harmonised for clarity
3. The risk assessment required by regulatory authorities is complex.
4. The business and investment cases needed to justify initiatives, particularly DPPRW, are difficult to achieve.
5. There are still negative public perceptions around using recycled water as DPPRW.

There were several recommendations made in the report. One of the recommendations AMPC is proceeding with is the Low-Cost Class A Water Recycling pilot project. More information on this is on the following pages.



Water

CORE



Completed projects



Refrigeration energy efficiency

AMPC delivered a series of refrigeration energy efficiency workshops that included handbooks, guidebooks, calculation tools and customised reports for each participant.

An additional presentation was provided around a new out-sourcing model enabling the adoption of energy efficient industrial refrigeration at a lower cost, known as Refrigeration as a Service (RaaS).

RaaS is a capital funding and equipment servicing model that reduces lifetime costs by putting the ownership and performance of the refrigeration system into the hands of a specialist.

It allows meat processing plants that have adopted the service to focus on their core business and not get distracted by the complexities of running energy efficient refrigeration.



2020 Environmental Performance Review

The 2020 Environmental Performance Review for red meat processors is part of a series of sectoral environmental performance reviews which began 20 years ago.

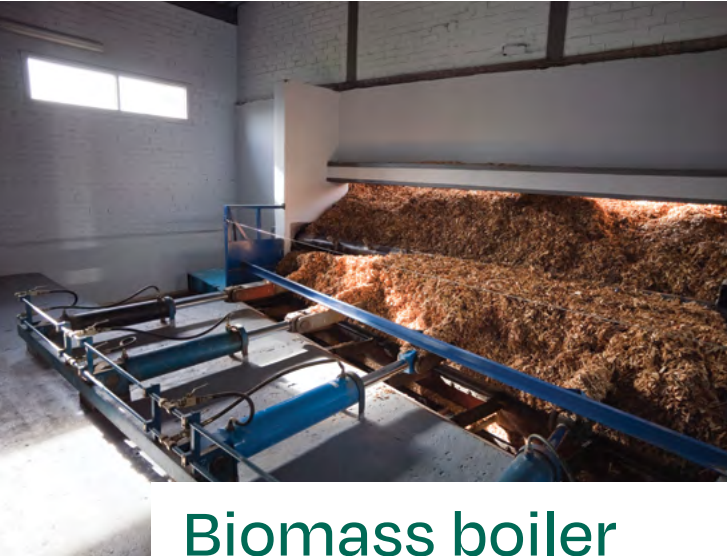
The reviews happen every five years. AMPC contacted Australian red meat processing businesses and invited their voluntary participation in this project.

A value-add for participants was a plant energy and water benchmarking session with recommended projects to help improve performance.

The review found the Australian red meat processing industry:

- is continuing to achieve reductions in water intensity (8% reduction since 2015)
- has shown an increase in energy intensity (due to additional water management and refrigeration)
- continues to make reductions in greenhouse gas emissions (8% reduction since 2015)
- has shown an increase in solid waste landfill intensity [noting COVID-19 challenges such as additional waste being Personal Protective Equipment (PPE)]
- has had very few noise complaints
- made a 46% reduction in odour complaints compared to 2015.

Active projects

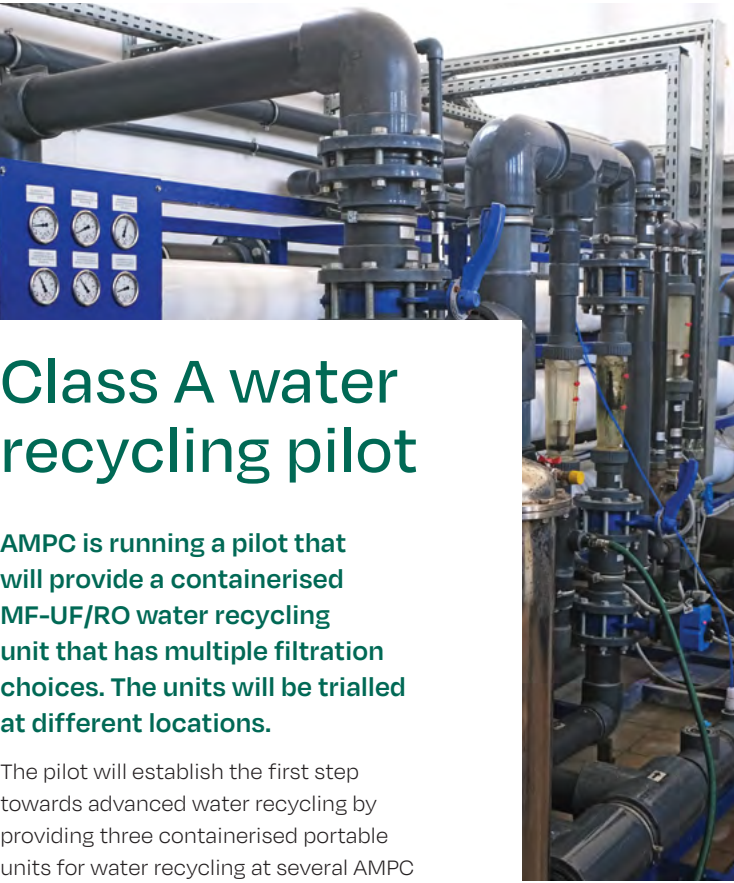


Biomass boiler

AMPC is conducting a pilot for processors to help reduce emissions by demonstrating multi-fuel biomass alternatives to the use of fossil fuel boilers.

The pilot will test biomass combinations in a portable multi-fuel biomass boiler. The objective is to build confidence and capability when members consider renewable solid fuels for thermal energy.

One of the project opportunities for members will be to consider the sustainable disposal of paunch, as well as the use of adjacent agricultural wastes as renewable fuels.



Class A water recycling pilot

AMPC is running a pilot that will provide a containerised MF-UF/RO water recycling unit that has multiple filtration choices. The units will be trialled at different locations.

The pilot will establish the first step towards advanced water recycling by providing three containerised portable units for water recycling at several AMPC member processing facilities.

The research will first identify the most efficient and economic water treatment with the objective of achieving low-cost Class A recycled water for re-use in heating and cooling assets such as boiler make-up water, condensers, and cooling towers.

The containerised units will target suitable sub-process water streams such as from the slaughter floor and viscera table, filtered for re-use in non-food production areas such as for heating and cooling.

The output of the pilot study will include preliminary design, feasibility and business cases that outline the best uses for such recycled water within processing plants.

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

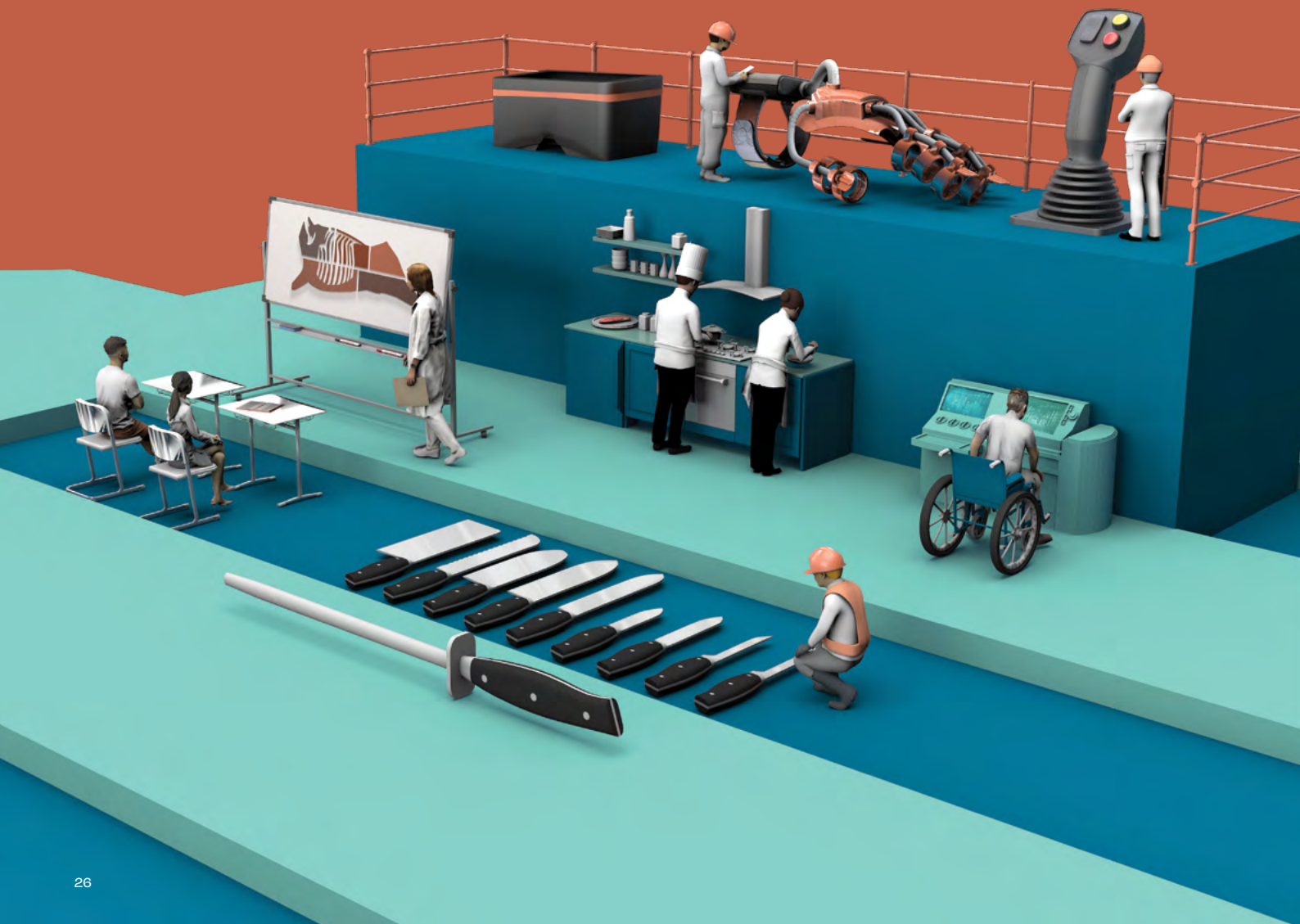


# People and culture

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



Excludes MLA managed projects.



## Completed projects

### Employee retention

The purpose of this project was to develop a theoretical model representing best practice for retention of employees within the Australian meat processing industry.

The issue of employee retention in the meat processing industry is a complex topic and is impacted by many factors. These include the nature of the industry, the work itself, geographic considerations (access to labour), organisational and managerial factors, and those relating to individual employees.



Best practice recommendations included:

- Induction processes that include a clear description of what the job involves, pictures and videos, physical assessments and information on training to get to the next career level.
- Training should be widely communicated together with each employee having a development plan.
- Communication with employees should be a focus together with creating a good culture.
- Reward and recognition programs and social activities should be implemented.
- Review competitors and ensure remuneration and working conditions are competitive.
- All efforts should be made to maintain adequate day-to-day task rotation.
- Conduct exit interviews to gather information on why employees are leaving.

 Retention

CORE




### Guardian 900 Bandsaw

The project objectives were to use existing Guardian Bandsaw intellectual property and technology to design, manufacture, test and install a larger 900mm bandsaw.

Guardian Bandsaws have safety systems to detect operators' hands. When the systems detect the operators hands the bandsaw stops the blade in a few milliseconds.

The project findings were that the Guardian Bandsaw intellectual property and technology successfully scales with increasing bandsaw size and a 900mm bandsaw was designed, built, tested, and installed at a meat processing site.

This means that safety on bandsaws can be increased through use of the Guardian Bandsaw technology on all the sizes of bandsaws used in meat processing operations.

 Safety and wellbeing

PIP



Active projects



COVID-safe support

Empowering red meat processors to be capable of dealing with significant events, such as an infectious disease outbreak, is essential for the long-term viability of the industry.

Recent events in Australia have shown that sudden COVID-19 outbreaks across states have led to swift shutdowns and enforced isolations.

AMPC is encouraging its members to be prepared and put robust risk management frameworks in place now to mitigate the potential impact of outbreaks on their businesses and the industry in general.

Support for implementing plant-specific infectious disease management plans, including vaccination support, is provided through AMPC’s Plant Initiated Project (PIP) program.

The PIP program is designed to support plants and their respective facilities to implement a COVID-safe framework that meets the expectations of the relevant regulatory departments and minimises the regulatory costs and burden to the company.

Five processing plants took up this opportunity in the 2020/2021 financial year.



Exo-skeletons

The possibility of using exo-skeletons in meat processing is being tested as part of an AMPC innovation challenge, with developers being called-on to demonstrate their exo-skeleton technology in a real processing environment.

Providing plant operational staff with devices that either increase their strength or reduce the effort required will minimise workplace health and safety incidents to extend the working life of staff and making highly physically demanding roles available to a wider range of candidates.

AMPC will evaluate the technology with multiple providers and how the different approaches benefit the processing industry.



Ekso Bionics



Beef Week 2021



# Technical market access and markets

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



27 Projects

Technical market access and markets

 7 Completed

 20 Active

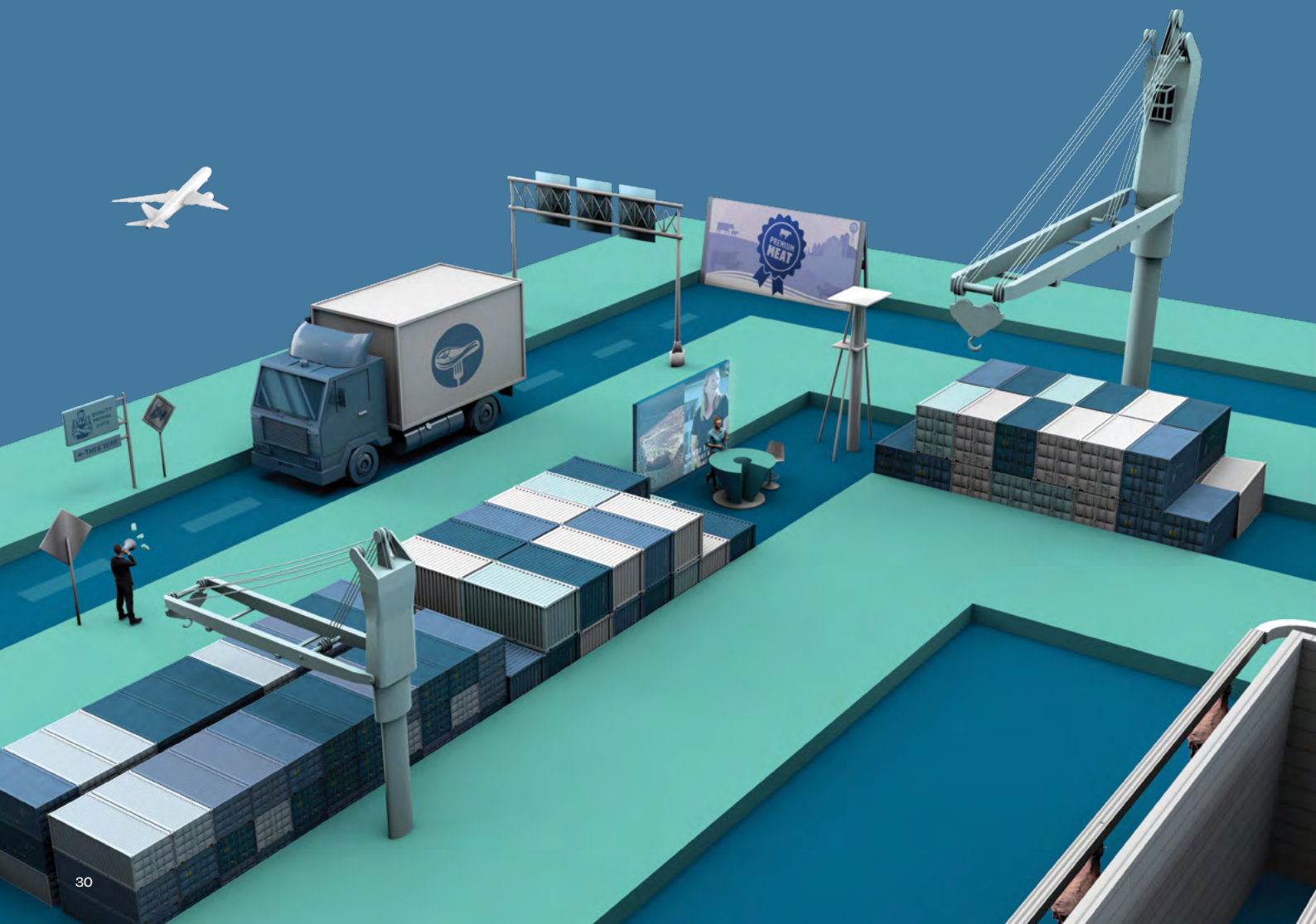
 1 Marketing and promotion

 8 Market access

 11 Products

 7 International competitiveness

Excludes MLA managed projects.



## Completed projects



## Digital transformation road map for meat export reforms

**A joint government-industry meat modernisation working group was convened in 2020 to accelerate the modernisation of the Australian Export Meat Inspection System (AEMIS).**

The working group commissioned a high-level digital transformation roadmap, co-funded by government and industry through the Australian Meat Processor Corporation (AMPC), to leverage technology and improve data capture, sharing and analysis, and recommend a path ahead for investment by both industry and government.

The roadmap sets a compelling vision for modernisation and how digital transformation will support risk- and performance-based, data-informed regulation, and unlock further potential of the Australian export meat sector as a trusted, competitive, and forward-thinking supplier to growing markets.

The roadmap was submitted to the federal government to complement a broader report on meat modernisation.

The roadmap outlines:

- Real-time, relevant data capture, objective analysis, and feedback enables risk profiling tailored to establishments and their product target markets. This delivers efficient regulation by government and proactive quality management systems by industry.
- Paper-based and manual processes and outdated technology are replaced for administrative simplicity, operational efficiency.
- Technology reduces handling and human presence, supports food safety and integrity outcomes, enables business continuity, and efficiently uses labour.
- Processor data and systems are part of an integrated supply chain for continuous improvement and added value.
- Improved and integrated data and systems with inbuilt analytics enable more proactive and confident market access negotiations and issues resolution.
- The regulatory framework enables rapid uptake of technology that delivers equivalent outcomes and ensures appropriate data governance to facilitate improved data sharing.



Australian Beef  
'Feed Your Greatness'

### MLA Joint Investment Marketing and market access

AMPC provides funding to MLA as part of a joint industry investment program to fund important industry and product marketing, promotion, and market access activities. For FY21, \$3.7 million was provided to MLA for marketing activities that encompass domestic and international market research and promotion, technical market access matters and business development activities both domestically and abroad.

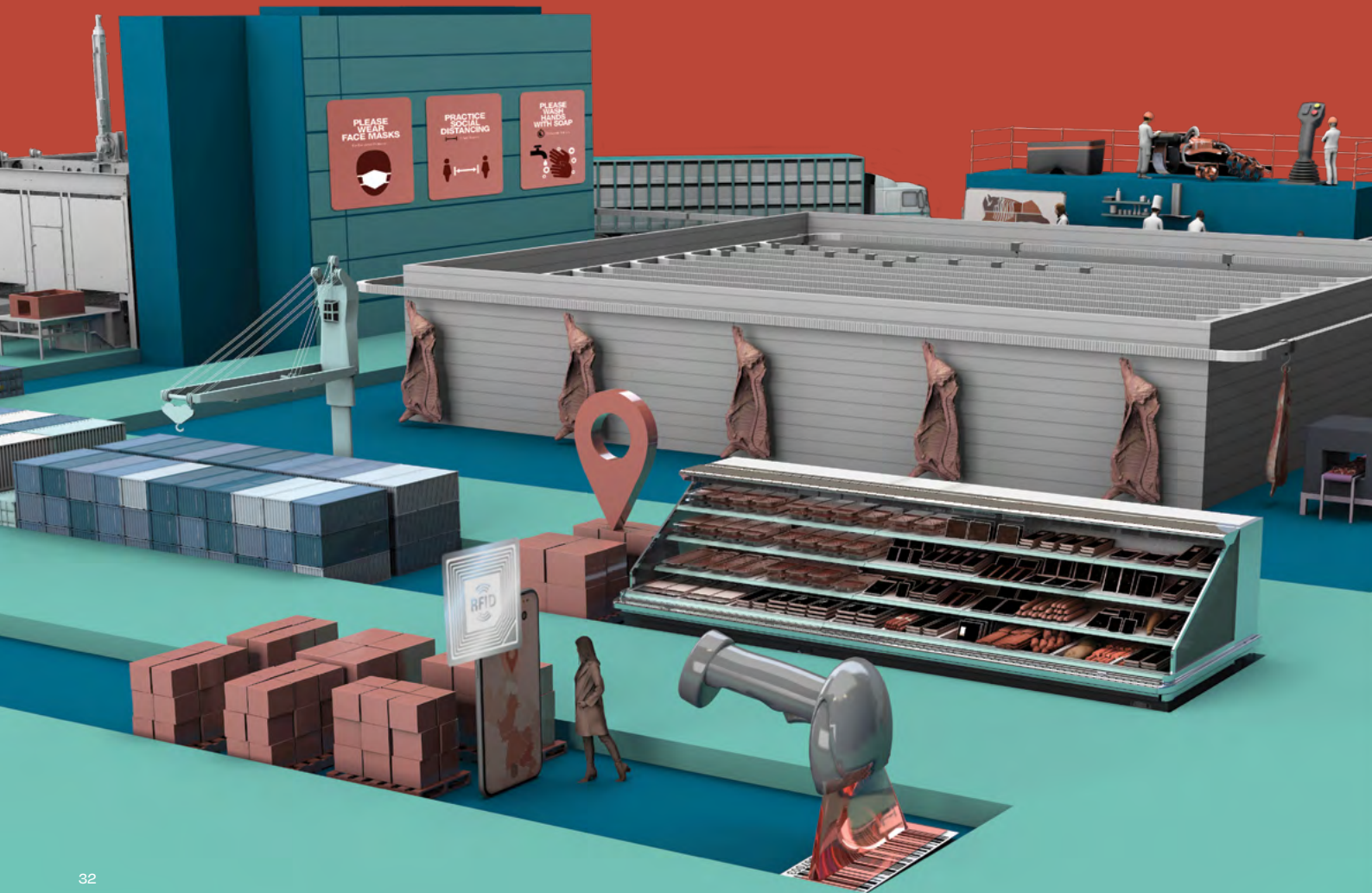


# Product and process integrity

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



Excludes MLA managed projects.



## Completed projects

### Smart label solution

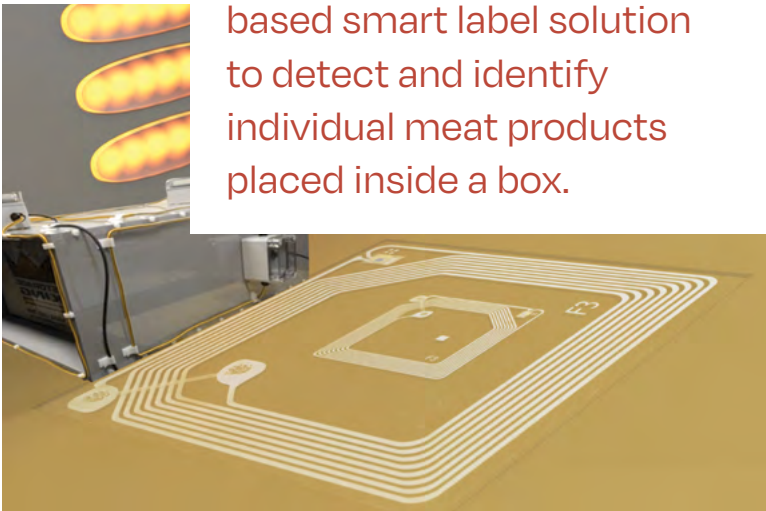
This project developed and trialed a low-cost labelling solution that introduced industrial internet of things (IoT) technologies to address issues related to the inconsistency of labelling in red meat processing operations.

An IoT-based system, called Radio Frequency Identification (RFID), was developed which uses current state-of-the-art technologies to ensure consistency in labelling of products from primal vacuum packaging to boxes.

The RFID solution uses paper-based labels with embedded RFID readers. Labels are placed on meat packaging and on boxes for export.

Meat packaged boxes travel through an RFID reader tunnel which verifies that the type and quantity of products is consistent with the information presented in the outer label. Any information mismatch between the meat products in the box and the outer label will raise an alert.

An in-plant trial successfully validated the effectiveness and feasibility of the RFID based smart label solution to detect and identify individual meat products placed inside a box.



 Traceability and integrity systems

CORE PIP



### COVID marshal training

COVID marshals at red meat processing plants have an important role to play in keeping their essential workforces safe and ensuring compliance with their COVID-safe Plans.

AMPC developed training for the red meat industry. It included specific examples of operational procedures as they relate to red meat processing plants, assisting in better learning outcomes for participants.

The course is free for AMPC members and plants may nominate up to three employees per plant to complete the training.

With further COVID outbreaks occurring, this course remains extremely important for the red meat industry.

The project has been extended, communicated, and adopted within industry with over 50 individuals taking up training using the online course.

 Food safety

CORE





MLA Joint Investment  
Integrity systems

AMPC provides funding to MLA as part of a joint industry investment program to fund important industry integrity functions that include product assurance and traceability systems. For FY21, \$2 million was provided towards integrity functions including MLA's wholly-owned subsidiary Integrity Systems Company, and SAFEMEAT. SAFEMEAT is dedicated to promoting Australia's best practice management systems that ensure when customers purchase red meat or livestock from Australia, they can be confident in the quality and safety of their choice.

Active projects



Meat  
messaging  
USA


Manual marking services for missing or ruined shipping marks in the USA will cease to be provided from 30 November 2021.

AMPC started a project that is funding work to assist meat processors to update their programs for meat messaging such as export software systems to include a 'GS1 system' which allows GS1 bar codes to be used when marks are missing or ruined for Australian meat products.

The program is in its pilot phase and will be administered by AUS-MEAT through a cloud portal and is managed by a committee comprising of industry representatives including Department of Water, Agriculture and the Environment, AMPC, AMIC and MLA.

The industry developed program has had many trials so far that have resulted in the recognition of Australian meat messaging by the US Department of Agriculture Food Safety and Inspection Service.

The program is being rolled out progressively with a provider working with meat processing software vendors for AMPC members who adopt the program.

 Traceability and integrity systems

CORE

R&D agreements 2020-21

Investments paid to providers in 2020/21 financial year

Project Code	Name of project	Service provider name	Investment paid \$
Advanced manufacturing			
Hands-off processing			
2020-1034	Whole of site integrated AGV strategy and deployment — Zero Manual Handling (Stage 1 — Design Evaluation)	Midfield Meat International Pty. Ltd.	61,500
2020-1035	Push / Pull Automated Smallstock Chillers with CIP (Stage 1 — Design Evaluation and Pilot Modules)	Midfield Meat International Pty. Ltd.	81,500
2020-1036	Rapid Chill Primal solution for 5 cpm equivalent chilled primals — Stage 1	G. A. Gathercole Pty. Ltd.	140,000
2020-1059	Automated Beef Splitting and DEXA Beef Scribing — Stage 1	Australian Meat Group Pty Ltd	20,000
2021-1009	Advanced Trim Measurement and Blending Automation	Midfield Meat International Pty. Ltd.	628,182
2021-1060	Brownfield Micro Bovine Boning Room Design (Stage 1)	Jimbour Beef and Bacon	12,000
2021-1067	Easi-Load (Tru-Dock) Container to Building integration innovation	V&V Walsh Meat Processors & Exporters	283,000
2021-1077	Beef striploin fat removal (Stage 2A) — twin-head laser and ultrasonic 3D fat-lean boundary profiling subsystem	Business and Manufacturing Consultancy UK	194,400
2021-1100	B216722 ReaJet DOD2.0 Ink Jet Printers for Carcass Marking	Result Group of Companies	10,880
2021-1121	First production prototype automation for deboning lamb shoulder — Stage 3	Business and Manufacturing Consultancy UK	30,300
2021-1125	Astech PW Bandsaw (hands Free) set weight	Bindaree Beef	447,285
2021-1127	Esko Bionics Exo-skeletons (powered and unpowered) evaluation and development requirements	Ekso Binonics Holdings Inc	66,000
2021-1128	Bovine IMF Measurement Production Prototype (Stage 1)	inMR Measure Ltd	30,000
2021-1134	Remote Operations (Gamification) — Stage 1	Wunderman Thompson	117,000
2021-1136	Remote Operations (Gamification) — Stage 1	Company-X Ltd	30,000
2021-1137	Remote Operations (Gamification) — Stage 1	Virtually There Training Pty Ltd	143,195
2021-1146	Remote Operations — Shadow Robots	Intelligent Robotics	190,876
2021-1154	Remote Operations (Gamification) – Stage 1	Strategic Engineering Pty Ltd	20,000
2021-1155	Remote Operations — Remote Guided Robots — Stage 1	Strategic Engineering Pty Ltd	20,000
2021-1156	Automated Beef Scribing — Stage 2	Intelligent Robotics	120,600
2021-1158	Remote Operations — Shadow Robots (Stage 1)	Mimeo Industry Ltd	101,600
2021-1165	Advanced Electric Stunning Box for Beef	Jarvis ANZ Pty Ltd	120,000
2021-1180	Electric Stunning Box for Beef	Usinch Pty Limited, trading as E C Throsby Pty Limited	132,000
2021-1183	Waterless Mechanical Lamb Frenching — Stage 3 — Alpha prototype	Scott Automation & Robotics	225,098
2021-1191	Review of slaughter floor, chiller and boning room RFID deployments in industry (Stage 1)	RAMP RFID Pty Ltd	20,000
2021-1193	Remote Operations — Beef Deboning Shadow Robot (Stage 1)	Intelligent Robotics	137,514
2021-1194	Remote Operations (Gamification) — Stage 1	Intelligent Robotics	117,240
2021-1195	Beef Anti-Sway Concept and Trial Study	Intelligent Robotics	113,525
2021-1200	Hot Beef Cutting Trial Study	Intelligent Robotics	64,025
2021-1206	Trial of New Lamb Gambrel RFID hooks at JBS Bordertown	JBS Australia Pty Limited	41,464
2021-1209	Magnetic Overhead (Rail) Conveyor Study — Stage 1	Intelligent Robotics	13,029
2021-1218	Collaborative Robots Evaluation and Deployment Strategy Development — Stage 2	Intelligent Robotics	90,500
2021-1219	Robotic Hydraulic Saw Cutting Trials	Intelligent Robotics	90,829
2021-1220	Robotic X-ray Cable Dynamic Stress Testing Trials	Intelligent Robotics	32,443
2021-1221	Beef Carcass Orientation Control Study	Intelligent Robotics	15,300
2021-1225	Magnetic Planar Conveyors — Stage 1 — Environmental Testing	Intelligent Robotics	189,186



Project Code	Name of project	Service provider name	Investment paid \$
Advanced manufacturing (continued)			
Hands-off processing (continued)			
2021-1232	Food Safety: End-of-line Ovine Carcase Inspection/Contamination Management prototype	Veritide Limited	68,925
2021-1243	Collaborative Robots Evaluation and Deployment Strategy Development — Stage 2	TME Systems Pty Ltd	53,500
2021-1245	AGVs (with optional integrated collaborative robots) — Stage 2	TME Systems Pty Ltd	52,500
2021-1252	Automated Beef Slaughter Splitting Translation Project [Greenham]	H W Greenham & Sons Pty Ltd	646,400
2021-1253	Automated Beef Slaughter Splitting Translation Project [AMG]	Australian Meat Group Pty Ltd	646,400
2021-1270	AGVs (with articulated legs) — Stage 2 & 3 — Part 1 of 2	Rocos Global Limited	244,865
2021-1271	AGVs (with articulated legs) — Stage 2 & 3 — Part 2 of 2	Rocos Global Limited	44,835
2021-1272	Identification of Naked Lamb Racks using Machine Learning Algorithms	MEQ Probe Pty Ltd	85,000
2021-1273	AI/ML Modular (and relocatable) Computer Vision and Sensing Cell	MEQ Probe Pty Ltd	57,200
2021-1274	Identification of Naked Loins Using Machine Learning Algorithms	MEQ Probe Pty Ltd	85,000
2021-1275	Identification of Bagged Lamb Racks Using Machine Learning Algorithms	MEQ Probe Pty Ltd	85,000
2021-1276	Smallstock Carton Handling and Storage Best Practice Guide	NIRAS Australia Pty Ltd	86,800
2021-1277	Beef and Veal Carton Handling and Storage Best Practice Guide	NIRAS Australia Pty Ltd	86,800
2021-1278	Study on the Automation of Offal sorting and transportation systems	NIRAS Australia Pty Ltd	19,200
Technology adoption			
2021-1076	Time and motion investigation of beef boning room operations (Methodology Development)	University of Southern Queensland (USQ)	36,676
2021-1166	Advanced Manufacturing CRC Bid Management	Peacock Consulting Pty Ltd	20,000
2021-1177	High Level Business Case Analysis of Innovation Themes	Greenleaf Enterprises Pty Ltd.	23,005
2021-1217	A CFO evaluation of why adoption of past R&D is lagging behind expectations	A Lasting Tale Pty Ltd (Trading as Gapstep Partners)	25,000
Carcase primal profitability optimisation			
2020-1098	Optimising carcass fat depth measurement	Dardanup Butchering Company	126,022
2021-1083	Carcase Marking Stage 2 — On Plant Proof of Application (Lamb) Under Provider Supervision	Scott Automation & Robotics	176,950
2021-1148	Hide shredding for rendering plant	Australian Meat Group Pty Ltd	523,700
2021-1157	Small Footprint DEXA — Stage 2	Intelligent Robotics	114,170
2021-1171	Implementing CCC&O into Toustone BI tool — Stage 1 Integration Design	Toustone	19,200
2021-1222	Artificial Intelligence (AI) — Non-X-ray Beef Cutting — Stage 2 (Intelligent Robotics)	Intelligent Robotics	148,279
2021-1263	Measuring Water Holding Capacity using NMR technology — Stage 1	inMR Measure Ltd	10,000
Digitisation			
2020-1031	China (and other) meat product and carton labelling validation — Stage 1 Evaluation of possible RFID solutions	RAMP RFID Pty Ltd	21,200
2021-1039	Digital Transformation Program — Industry 4.0 (Stage 1)	John Dee Warwick Pty. Ltd.	1,740,000
2021-1085	Boning Room Meat Primal Disassembly Track and Trace Module (Stage 2)	Lumachain Operations Pty. Ltd.	420,280
2021-1120	Primal Proof of Load RFID On-Site (Stage 2) Trials — Improved Traceability and Quality Control for Meat Products	RAMP RFID Pty Ltd	164,879
2021-1159	Traceability — Primal to Steak/Steak to Primal (Stage 2)	Cellr Pty Ltd	50,743
2021-1197	Digital Transformation Program — Industry 4.0 — Stage 1	Australian Country Choice	97,500
2021-1234	Industry 3D Printing Evaluation — Part 1 of 4 (Stationary metal printing unit)	Konica Minolta Business Solutions Australia Pty Ltd	248,626
2021-1235	Industry 3D Printing Evaluation — Part 2 of 4 (Mobile non-metal printing units)	Konica Minolta Business Solutions Australia Pty Ltd	220,000
2021-1236	Industry 3D Printing Evaluation — Part 3 of 4 (Mobile non-metal printing units on-site support and R&M)	Konica Minolta Business Solutions Australia Pty Ltd	87,650
2021-1237	Industry 3D Printing Evaluation — Part 4 of 4 (Establishment of industry 3D printing hub and metal printer operations)	Konica Minolta Business Solutions Australia Pty Ltd	36,856
2021-1269	Industry 4.0 — Evaluation of Digital Twins — Stage 1	Virtual Method	43,501

Project Code	Name of project	Service provider name	Investment paid \$
Sustainability			
Communities			
2020-1081	Supply Chain Assurance Program — Stage 1 Investigation	Australian Lamb (Colac) Pty Ltd	8,430
2021-1074	Climate Research Strategy for Primary Industries	AgriFutures Australia	10,000
2021-1130	Industry Strategic Narrative	Anecdote International Pty Ltd	19,750
2021-1246	Carbon Supply Chain Program Development (Stage 1 PoC)	JBS Australia Pty Limited	24,798
Energy			
2020-1073	IoT LED Energy Saving (and safety) — Stage 1 Smallstock slaughter	V&V Walsh Meat Processors & Exporters	77,520
2020-1080	Services Insights, Reduction and Optimisation (Stage 1 — Electricity Consumption Evaluation)	Midfield Meat International Pty. Ltd.	67,000
2021-1006	ISO50001 Energy Management System (Stage 1 — Evaluation)	Australian Country Choice	5,520
2021-1007	Services Insights, Reduction and Optimisation	Gundagai Meat Processors (GMP)	20,000
2021-1010	Services Insights, Reduction and Optimisation	Western Meat Exporters Pty Ltd	131,5734
2021-1012	Services Insights, Reduction and Optimisation	V&V Walsh Meat Processors & Exporters	30,000
2021-1020	Services and Waste Insights, Reduction and Optimisation	Australian Country Choice	41,750
2021-1022	Services and Waste Insights, Reduction and Optimisation	Ararat Meat Exports	20,000
2021-1025	Services and Waste Insights, Reduction and Optimisation	Dardanup Butchering Company	237,000
2021-1049	Benchmarking tool upgrade — Stage 1 & 2	Energetics Pty Ltd	40,000
2021-1052	Services & Waste Insights, Reduction and Optimisation (along with WHS data value add)	The Wagstaff Trust	163,853
2021-1167	AMPC Helpline	Ndevr Environmental Pty Ltd	10,500
2021-1211	Multifuel Biomass Boiler Pilot	All Energy Pty Ltd	859,192
Water			
2020-1091	Aerobic Wastewater Pond Trickling Filter (TF)	Stanbroke Beef Australia	69,951
2021-1048	Assisting industry in adopting Direct Planned Potable Recycled Water for use in abattoirs	University of Adelaide	85,375
2021-1050	Water Reference Group	University of New South Wales (UNSW)	11,525
2021-1168	Wastewater Regeneration via Reverse Osmosis	WAMMCO International	550,000
2021-1212	Low-Cost Class A Water Recycling — Pilot	All Energy Pty Ltd	2,574,279
Waste			
2020-1032	Zero Waste from Site — Liquid Stream (Stage 1 — Concept design and unit operation identification)	Midfield Meat International Pty. Ltd.	65,000
2020-1052	Waste Management System — Stage 1 (Process design study)	Ryan Meat Company	30,000
2020-1072	State of the Art Waste Water Treatment Strategy (Stage 1 — Data Collection & Analysis and Stage 2a - Recommendations & Design)	Northern Co-Operative Meat Company (NCMC)	195,632
2020-1085	Waste 2 Energy BIOHUB (Phase 0 — Feasibility & Strategic Business Case)	Northern Co-Operative Meat Company (NCMC)	105,000
2021-1046	Zero Waste to Landfill — RMP Challenge	All Energy Pty Ltd	27,530
2021-1053	Preliminary Feasibility Review — Hide Collagen Processing Options	Australian Country Choice	44,800
2021-1055	Bio-active Processing Options	Australian Country Choice	37,476
2021-1078	Novel Wastewater Treatment Project — Stage 1 (High Level Design and Budget development)	L. & G. Meats Pty. Ltd. T/A Westside Meats Pty. Ltd	230,000
2021-1142	Digital model for assessment and design of integrated wastewater treatment & resource recovery	Tessele Consultants Pty Ltd	67,500
2021-1149	Innovation Manager — Environmental Sustainability & Systems	Beaufort River Meats (BRM)	18,529
2021-1226	Front-end Engineering Design (FEED) and Implementation Feasibility for an Integrated Wastewater, Biogas and Biofertilizer Plant	V&V Walsh Meat Processors & Exporters	16,000
Packaging			
2021-1036	Rotary Vacuum Packaging Integrated Solution Innovation	Australian Lamb (Colac) Pty Ltd	1,842,196
2022-1013	Novel 'Waste Reducing' Eco Flow Packaging	Bindaree Beef	380,000



Project Code	Name of project	Service provider name	Investment paid \$
People and culture			
Development			
2020-1024	JBS Innovation Manager	JBS Australia Pty Limited	308,792
2020-1077	AMG MENA-Asia Value Added Retail Ready Export Innovation Manager	Australian Meat Group Pty Ltd	250,000
2020-1078	NCMC Innovation Manager	Northern Co-Operative Meat Company (NCMC)	187,500
2020-1082	Midfield Innovation Manager	Midfield Meat International Pty. Ltd.	200,000
2020-1095	Increasing student and teacher understanding and engagement of the Australian meat processing sector and the career opportunities	Primary Industries Education Foundation Limited	26,250
2021-1002	AMG Innovation Manager (Part Time)	Australian Meat Group Pty Ltd	108,000
2021-1014	Fletcher WA Innovation Manager	Fletcher International Exports Pty Ltd	173,212
2021-1016	JBS Innovation Manager — Value Adding (Further Processing)	JBS Australia Pty Limited	125,000
2021-1018	V&V Walsh Innovation Manager	V&V Walsh Meat Processors & Exporters	187,500
2021-1019	Fletcher Dubbo Innovation Manager	Fletcher International Exports Pty Ltd	119,700
2021-1032	Australian Rural Leadership Program — Course 28	Australian Rural Leadership Foundation Limited	50,000
2021-1033	JBS Innovation Manager — Productivity	JBS Australia Pty Limited	170,625
2021-1034	Wodonga Innovation Manager (0.35 FTE)	Wodonga Rendering Pty Ltd	70,800
2021-1035	WAMMCO Supply Chain & Objective Measurement Innovation Manager	WAMMCO International	112,500
2021-1037	Everson Food Processors Innovation Coordinator	Eversons Food Processors	34,000
2021-1056	HR Innovation Manager — Culture and People Systems	Australian Country Choice	108,750
2021-1057	Project Innovations Officer	Australian Country Choice	36,250
2021-1062	JBS Innovation Manager — Sustainability	JBS Australia Pty Limited	170,625
2021-1063	JBS Innovation Manager — Value Adding — Processing	JBS Australia Pty Limited	84,844
2021-1084	KPC Strategic Processing Innovation Lead	Kilcoy Pastoral Company Limited	172,296
2021-1126	Supply Chain Digital Systems Innovation Officer	Australian Country Choice	48,750
2021-1203	Immersive Reality — Meat Cuts Packing Training Platform	Virtually There Training Pty Ltd	40,000
2021-1204	Immersive Reality — Online Scribing Training Module	Virtually There Training Pty Ltd	30,000
2021-1205	Immersive Reality — Processing plant maintenance task training module	Virtually There Training Pty Ltd	60,000
2021-1228	Micro-Small R&D Program — Development Phase	People & Performance International	35,000
2021-1240	Immersive Reality — Beef Offal Packing	Virtually There Training Pty Ltd	40,000
2021-1241	Immersive Reality — Sheep Meat Cuts Packing	Virtually There Training Pty Ltd	40,000
2021-1242	Immersive Reality — Sheep Meat Offal Packing	Virtually There Training Pty Ltd	40,000
Safety and wellbeing			
2020-1062	Bandsaw safety program — optimising new and old saws with operator safety on rotations (Stage 1)	Nolan Meats Pty. Ltd.	217,000
2020-1088	Time in Motion efficiency (and innovation seed) program (cost of absenteeism and break even understanding)	John Dee Warwick Pty. Ltd.	166,000
2021-1028	True Cost of Absenteeism (Stage 1)	Gundagai Meat Processors (GMP)	85,000
2021-1038	WH&S Review and 10-year program — Stage 1	Australian Country Choice	185,000
2021-1066	WH&S Data Collection, Insights and Innovation Program	Western Meat Exporters Pty Ltd	124,050
2021-1089	COVID-Safe Support for the Red Meat Industry — Part B (MC Herd Pty Ltd)	M. C. Herd Pty Ltd	59,500
2021-1090	COVID-Safe Support for the Red Meat Industry — Part C (HW Greenham & Sons Tasmania)	H W Greenham & Sons Pty Ltd	12,500
2021-1124	Data Metric Baseline Establishment	Toustone	100,000
2021-1138	Review of Q-Fever register	KPMG Australia	67,826
2021-1141	Improving productivity and reducing workplace injuries though knife sharpening — Part C	Response Research Pty Ltd	80,000
2021-1147	Guardian 900 Bandsaw Australian Sales and Marketing Demonstration and Commercialisation Unit — Stage 1	kanDO Innovation Ltd (Guardian Bandsaws Ltd)	205,000
2021-1162	Meat Industry COVID-19 Vaccination Education awareness, Communication strategy and Support Plan to improve uptake of the vaccine	Respond Global	169,000
2021-1201	Wellbeing assessment of the Red Meat Industry Phase 1	Corporate Wellbeing Hub	61,000

Project Code	Name of project	Service provider name	Investment paid \$
Technical market access and markets			
Market access			
2021-1230	Meat Messaging — Adoption	Management for Technology Pty Ltd	17,000
Products			
2019-1062	RnD4Profit Developing and commercialising advanced measurement technologies and feedback systems into globally competitive Australian meat value chains	Murdoch University	550,000
2020-1087	Hide Cooker (Pressurised Batch Cooker)	Carey Bros	216,790
2020-1089	Development of Persian soups/meat dishes from Australian Lamb for Export Markets	Cabbage Truck Design Pty Ltd	433,012
2021-1070	Retail and Development protein solutions centre	Kilcoy Pastoral Company Limited	570,000
2021-1075	Rapid Cooling of Hot Boned Trimmings	Usinch Pty Limited, trading as E C Throsby Pty Limited	53,000
International competitiveness			
2021-1043	Digital Transformation Road Map for Meat Export Reforms	Palladium International Pty Ltd	166,732
2021-1051	The Economic and Policy Implications of COVID-19 on the Red Meat Processing Sector	BIS Oxford Economics	148,400
2021-1093	Productivity of the Red Meat Processing Sector	McKinsey & Company	328,750
Product and process integrity			
Traceability and integrity systems			
2020-1070	Hide Marking proof of concept evaluation — Stages 1 & 2	Australian Country Choice	125,000
2021-1059	NLIS Interface Development for SMEs	Carey Bros	130,000
2021-1072	C.L.I.C (Carton Label Integrity Check) — Phase 1 & 2	Fletcher International Exports Pty Ltd	109,298
2021-1131	Review of Traceability outcomes from electronic tagging of sheep — implications for small stock processors outside Victoria	Bill O'Halloran	19,200
2021-1153	Traceability — Primal to Steak (Stage 2)	Latitude Produce Ltd	71,000
2021-1160	Traceability — Primal to Steak/Steak to Primal (Stage 2)	FreshChain Systems Pty Ltd	27,500
2021-1172	Traceability — Primal to Steak/Steak to Primal (Stage 2)	Unova	81,000
2021-1268	Traceability — Primal to Steak (Stage 2)	Griffith University	24,469
Animal welfare			
2021-1185	AAWCS — Publishing of New Standard, Extension and Training	Dr L Hewitt	12,873
Food safety			
2019-1045	Proof of Concept: Sensing for Offal Grading and Enablement of Automation	AgResearch Limited	399,499
2020-1050	UV wet conveyor product belt sterilisation	Australian Meat Group Pty Ltd	373,320
2021-1086	Development of a COVID Marshal training package	Response Research Pty Ltd	71,500
2021-1092	The data-based confirmation of chilled lamb (held for up to 20 weeks) quality and safety, using novel smart packaging and spectroscopic technologies	Department of Primary Industries (NSW)	137,336
2021-1094	Business continuity unit — Developing a Human transmissible disease management plan	Respond Global	219,313
2021-1099	Infectious Disease Management Plan	Respond Global	223,601
2021-1113	Smart Verification Technologies	Bondi Labs Australia Pty Ltd	349,069
2021-1161	Food Safety — PoC End of Line Bovine Carcase Inspection/Contamination Management Prototype	Veritide Limited	93,925
2021-1169	Rapid Cooling of Hot Boned Trimmings Stage 2 (Bulk processing)	Usinch Pty Limited, trading as E C Throsby Pty Limited	50,000
2021-1174	Food Safety — End-of-line Carcase Inspection — Stage 2	Rubens Technologies Pty Ltd	1,300
Other			
2021-1044	AMPC Impact Assessment Program — FY20-24	GHD Pty Ltd	70,750
2021-1108	AMPC Digital Platform Redevelopment: Design, Develop, Deploy	Devotion	202,517
2021-1187	What Strategic Policy Framework and Settings will Support the Sustainability of Red Meat Processors?	KPMG Australia	200,000

The list only includes new agreements entered into. i.e. If a project was originally entered into in a previous FY, and a variation was signed in FY21, it will not appear on the list since it was originally executed in another year. If the project was originally executed in FY21 and subsequently varied it will appear on the list.



# Financial report

For the year ended 30 June 2021

Australian Meat Processor Corporation Ltd  
ABN 67 082 373 448

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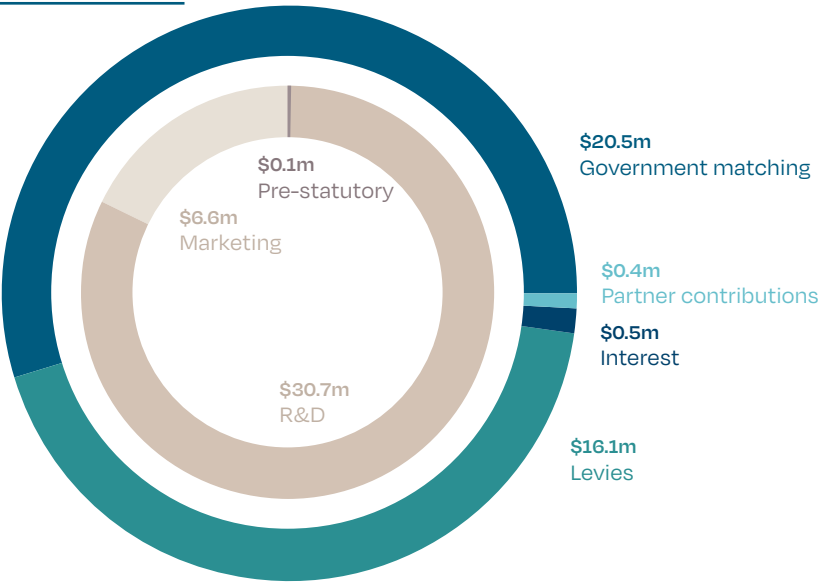




# Financial highlights

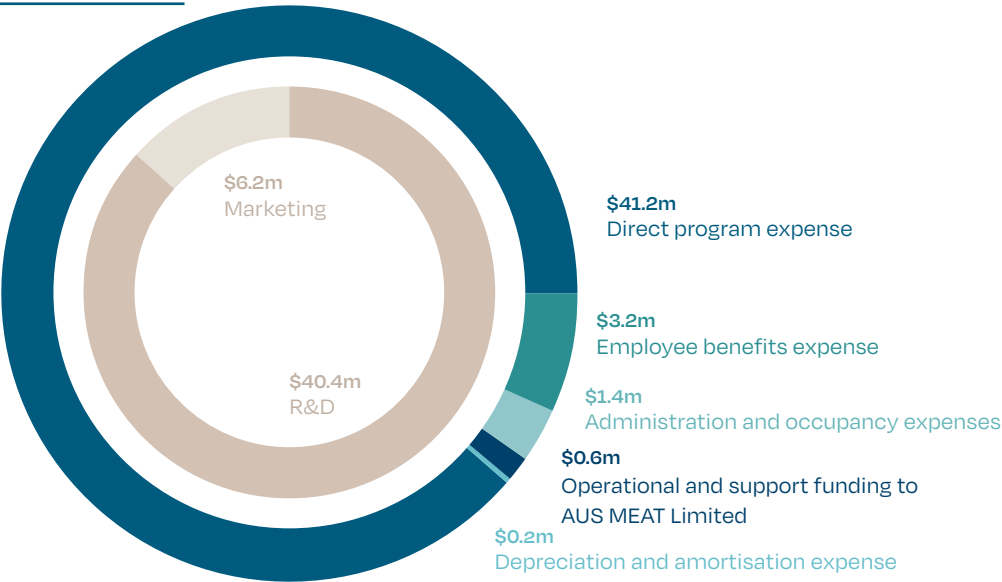
## Total income

\$37.5m



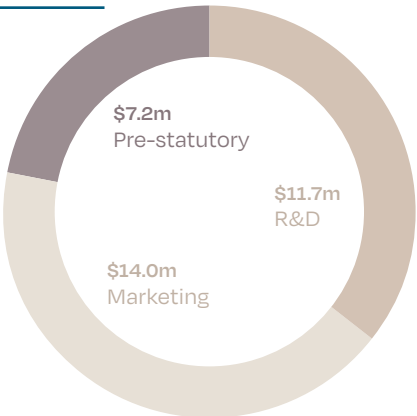
## Total expenditure

\$46.6m



## Closing reserves

\$32.9m



# Directors' report

Directors have been in office since the start of the financial year to the date of this report unless otherwise stated. The directors present their report together with the financial report of the Australian Meat Processor Corporation Ltd (the Company) for the financial year ended 30 June 2021 and auditor's report thereon.

## Directors

The names of each person who has been a director during the year and to the date of this report are:



**John Berry**  
Chairman

John K Berry, Director and Head of Corporate and Regulatory, JBS Australia Pty Limited. JBS is the largest meat and food processing company in Australia and New Zealand.

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

He is a member of the executive team and also a Board member of JBS Australia Pty Limited. He is also Chairman of the Australian Meat Processor Corporation.

John has lead responsibility for corporate and government relations, industrial relations, sustainability and environmental within the JBS Australia business. He also has extensive operational and business strategy experience including merger and acquisitions and business integration.

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

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



**Melissa Fletcher**  
Deputy Chairman

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

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

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



**Bruce Rathie**  
Special Qualifications Director  
(Independent Director)

Bruce is a professional Non-Executive Director of nearly 20 years standing having completed successful prior careers in law and finance. He holds degrees in law (LLB), commerce (B. Commerce) and business (MBA Geneva). He is particularly strong in governance being a Fellow of the AICD and holding its Diploma Company Director, a Fellow of Australian Institute of Managers & Leaders and a Fellow of the Governance Institute and holding its Diploma Company Secretarial Practice (Governance).

Bruce has been a professional Director since 2000 in roles with ASX listed and unlisted companies predominantly in the financial services, biotechnology and technology sectors. He is currently a Non-Executive Director of ASX 200 PolyNovo Limited (biotechnology), ASX listed Cettire Limited (e-commerce), Capricorn Society Limited (financial services) and Australian Meat Processor Corporation Limited (research & development). He is also Chairman of ASX listed 4DMedical Limited (biotechnology) and Capricorn Mutual Limited (financial services).

Bruce was elected to the AMPC Board for his second term in November 2020.





**Leanne Heywood OAM**  
Special Qualifications Director  
(Independent Director)

Leanne is an experienced ASX non-executive director, Audit and Risk committee and Nominations and Remuneration committee chair with broad general management experience gained through an international career in the mining sector, including 10 years with Rio Tinto.

Her experience includes strategic marketing, business finance and compliance and she has led organisational restructures, disposals and acquisitions.

Additionally, she has had significant experience in complex cross-cultural negotiations and international customer and stakeholder relationship management (including governments, communities, and investment partners).

Leanne holds a Bachelor of Business (Accounting) from Charles Sturt University and an MBA from the Melbourne Business School, University of Melbourne. She is a member of the Australian Institute of Company Directors and CPA Australia.

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



**Dean Goode**  
Processor Director

Dean was appointed Chief Executive Officer of Kilcoy Pastoral Company Limited (KPC) on 1 July 2012. He has worked for KPC for over 12 years, including as General Manager of Operations.

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

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

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

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



**Tom Maguire**  
Processor Director

Post graduation in Economics, Industrial Relations and Human Resources Management. Completed Master of Business Administration (MBA) from University of Queensland.

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

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



**Noel Kelson**  
Processor Director

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

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

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

Noel was elected to the AMPC Board in November 2020.



**Brad Teys**  
Processor Director

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

Tey's Australia is the second largest beef processing company in Australia with six processing sites, three feedlots and value added and wholesaling businesses throughout the Country's eastern seaboard. Teys Australia employees 4,700 people across three states.

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

Brad was elected to the AMPC Board in November 2020.



**James Hardwick**  
Processor Director

James Hardwick is a senior manager of Hardwicks Meatworks Pty Ltd, a multi species Tier One export plant situated in Kyneton, Victoria.

Additionally, he is a joint Owner/Director of the Kyttoy & BCM Motor Group, with five car dealerships situated in Victoria.

He has served as Treasurer of the Victorian Wholesale Butchers Association since 2009 and is currently a Director of MIESF Superannuation Fund.

James completed a Bachelor of Business (Accounting) degree at University.

James was elected to the AMPC Board for his first term in November 2020.





**Gary Hardwick**  
Processor Director

Gary Hardwick is the Founder and Executive of Hardwick's Meatworks Pty Ltd located in Kyneton, Victoria.

Gary is a qualified Accountant, a Member of the National Processor Council (NPC), Director of Australian Meat Industry Superannuation Trust (AMIST), Director of Red Meat Advisory Council (RMAC) and the Chairman of the Australian Meat Industry Council (AMIC).

With over 40 years' experience in the processing industry, he is a strong advocate for the industry and has extensive knowledge of each aspect including the production, processing and retail sectors.

Gary was on the AMPC Board until November 2020.



**Simon Stahl**  
Processor Director

Bachelor of Commerce (Accounting major) from University of Southern Queensland.

Simon Stahl has been working in the red meat industry for over 30 years and currently holds the position Chief Executive Officer, Northern Co-operative Meat Company Ltd (NCOMC).

Simon began his career at KR Darling Downs, before working with NH Foods Australia Pty Ltd in a variety of roles including Managing Director (TBS Mackay) and Group Innovation Manager.

Simon was on the AMPC Board until November 2020.

Company Secretary



**Sara Stebbing**  
Company Secretary

Sara Stebbing was appointed as Company Secretary on 11 February 2021. Sara is a qualified lawyer (England and Wales) who has been providing advice to public and private companies for over 10 years. Sara holds a Bachelor of Science with honours (Geography) from Bristol University and Graduate Diploma in Law (GDL) and Legal Practice Course (LPC).

**Natalie Climo**  
Company Secretary

Natalie Climo ceased to be Company Secretary on 10 February 2021. Natalie is an experienced company secretary and holds both a Bachelor of Law and a Diploma of Corporate Governance.

Principal activities

AMPC is responsible for promoting:

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

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

AMPC's goals are to provide Research, Development, Extension and Marketing services that:

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

AMPC manages activities across key programs that include Advanced Manufacturing; Sustainability; People and Culture; Technical Market Access & Markets; and Product & Process Integrity.

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

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

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

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

Short term and long term objectives

The objectives for which the Company is established are:

- to promote, protect and further the interests of the Company and its Members in any lawful manner;
- to act as a Meat Processor Body, including by providing services, and procuring and providing leadership in the provision of services, relating to Research, Development and Marketing in the meat processing industry for the benefit of its Members and Meat Processors and the community in general;
- where a Statutory Levy Regime applies, enter into a Funding Agreement or similar arrangement with the Commonwealth of Australia relating to the payment to, and application of Statutory Funds, by the Company;
- where no Statutory Levy Regime applies or Statutory Levies are set at zero, enter into Contribution Contracts with Members for the payment of Company Contributions;
- to collect payments or Company Contributions from Meat Processors for the purpose of investing in and financing projects, undertakings or enterprises of any kind either severally or jointly with any meat Industry corporation, body or entity; Research and Development corporation, body or entity; marketing corporation, body or entity; or other person, body or entity; in each case in the interests of and for the benefit of Meat Processors and/or the meat processing industry;
- to receive Statutory Funds and apply those Funds in accordance with the Statutory Funding Agreement (SFA), the Red Meat Memorandum of Understanding (MOU) and the Australian Meat and Live-stock Industry Act 1997 (Cth);



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

Incorporation

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

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

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

Memorandum of Understanding

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

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

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

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

Wind-up costs

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

- (a) the payment of the debts and liabilities of the Company which were contracted by the Company before the Member ceased to be a Member; and

- (b) the costs, charges and expenses of winding up, and for the adjustment of the rights of the contributors among themselves,

such amount, as may be required, not exceeding one hundred dollars (\$100).

Operating results

The deficit of the Company amounted to \$9,168,111 for FY21. (2020: surplus of \$4,016,622).

Funding agreement — review of performance

During the financial year ended 30 June 2021, AMPC and Department of Agriculture, Water and the Environment entered into a ten-year Funding Agreement 2020-2030.

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

Meetings of directors

During the financial year, 16 meetings of directors (including committees of directors) were held. Attendances by each director during the year were as follows:

Director	Directors' meetings		Nomination and Remuneration Committee		Audit and Risk Committee	
	Eligible to attend	Attended	Eligible to attend	Attended	Eligible to attend	Attended
John Berry	8	8	—	—	—	—
Melissa Fletcher	8	8	—	—	—	—
Bruce Rathie	7	7	4	4	4	4
Leanne Heywood	7	7	4	4	4	3
Dean Goode	8	8	—	—	—	—
Tom Maguire	8	8	1	1	—	—
Noel Kelson	8	8	—	—	—	—
Brad Teys	5	5	—	—	—	—
James Hardwick	5	5	—	—	—	—
Gary Hardwick	3	3	—	—	2	2
Simon Stahl	3	3	3	3	—	—

Auditor's independence declaration

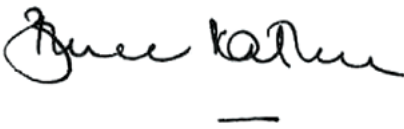
A copy of the auditor's independence declaration as required under section 307C of the *Corporations Act 2001* is set out immediately after this directors' report.

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

On behalf of the directors:



Director  
John Berry



Director  
Bruce Rathie

Dated 14 September 2021



# Corporate governance statement

For the year ended 30 June 2021

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

## Corporate Governance Policy

The Board of AMPC has maintained a Corporate Governance Policy during the year ended 30 June 2021.

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

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

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

## The Board of Directors

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

- the Members elect the Processor Directors every three years;
- the Special Qualifications Directors (Independent Directors) are elected by the Processor members of the Board;
- the Chairman and Deputy Chairman are elected by the Board;
- the Directors should possess a broad range of skills, qualifications and experience;

- the Directors are expected to act independently of any associate activities that may cause a conflict;
- the Board should meet on a regular basis; and
- all available information in connection with items to be discussed at a meeting of the Board is provided to each Director prior to that meeting.

As at the date of this Directors' report, the Board consisted of seven Processor Directors and two Special Qualifications Directors (Independent Directors). Details of the Directors are set out in the Directors' report.

The primary responsibilities of the Board include:

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

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

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

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

## Independent professional advice

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

## Audit and Risk Committee

- Bruce Rathie (Chair)
- Leanne Heywood OAM
- Noel Kelson

The Audit & Risk Committee met four times in the financial year ended 30 June 2021.

The Audit and Risk Committee oversight responsibilities include:

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

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

## Risk management

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

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

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

## Nomination and Remuneration Committee

- Leanne Heywood (Chair)
- Bruce Rathie
- Tom Maguire

A Nomination & Remuneration Committee has been established to assist the Board to:

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

The Nomination & Remuneration Committee met four times in the financial year ending 30 June 2021.

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

## Code of Conduct

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

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

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





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w nexia.com.au

To the Board of Directors of Australian Meat Processor Corporation Limited

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

As lead auditor for the audit of the financial statements of Australian Meat Processor Corporation Limited for the financial year ended 30 June 2021, I declare that to the best of my knowledge and belief, there have been no contraventions of:

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

Yours sincerely

  
**Nexia Sydney Audit Pty Limited**

  
**Lester Wills**  
Director

Date: 14 September 2021  
Sydney

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# Statement of profit or loss and other comprehensive income

For the year ended 30 June 2021

	Note	2021 (\$)	2020 (\$)
Revenue	3	37,005,026	26,857,526
Interest revenue		460,617	837,472
<b>Total revenue</b>		<b>37,465,643</b>	27,694,998
Direct program expense		(41,233,781)	(18,930,336)
Employee benefits expense		(3,224,623)	(2,546,466)
Administration and occupancy expenses		(1,397,153)	(1,414,400)
Operational and support funding to AUS-MEAT Limited		(550,000)	(550,000)
Depreciation and amortisation expense	4	(228,197)	(237,174)
<b>Total expenses</b>		<b>(46,633,754)</b>	(23,678,376)
<b>(Deficit)/surplus for the year</b>		<b>(9,168,111)</b>	4,016,622
Other comprehensive income for the year		—	—
<b>Total comprehensive income for the year</b>		<b>(9,168,111)</b>	4,016,622



# Statement of financial position

As at 30 June 2021

	Note	2021 (\$)	2020 (\$)
<b>ASSETS</b>			
<b>Current assets</b>			
Cash and cash equivalents	7	41,805,397	41,870,875
Trade and other receivables	8	28,049,888	10,184,323
Other assets	9	84,183	13,353
<b>Total current assets</b>		<b>69,939,468</b>	52,068,551
<b>Non-current assets</b>			
Property, plant and equipment	10	498,892	727,089
<b>Total non-current assets</b>		<b>498,892</b>	727,089
<b>Total assets</b>		<b>70,438,360</b>	52,795,640
<b>LIABILITIES</b>			
<b>Current liabilities</b>			
Trade and other payables	11	34,322,557	9,217,161
Contract liabilities	12	2,511,595	752,132
Lease liabilities	13	175,602	159,931
Provisions	14	178,476	112,541
<b>Total current liabilities</b>		<b>37,188,230</b>	10,241,765
<b>Non-current liabilities</b>			
Lease liabilities	13	255,923	431,524
Provisions	14	100,383	60,416
<b>Total non-current liabilities</b>		<b>356,306</b>	491,940
<b>Total liabilities</b>		<b>37,544,536</b>	10,733,705
<b>Net assets</b>		<b>32,893,824</b>	42,061,935
<b>EQUITY</b>			
Retained surpluses	20	32,893,824	42,061,935
<b>Total equity</b>		<b>32,893,824</b>	42,061,935

# Statement of changes in equity

For the year ended 30 June 2021

	Accumulated Funds (\$)	Total equity (\$)
<b>2021</b>		
Balance at 1 July 2020	42,061,935	42,061,935
Deficit for the year	(9,168,111)	(9,168,111)
Other comprehensive income for the year	—	—
Total comprehensive income for the year	(9,168,111)	(9,168,111)
<b>Balance at 30 June 2021</b>	<b>32,893,824</b>	<b>32,893,824</b>
<b>2020</b>		
Balance at 1 July 2019	38,045,313	38,045,313
Surplus for the year	4,016,622	4,016,622
Other comprehensive income for the year	—	—
Total comprehensive income for the year	4,016,622	4,016,622
<b>Balance at 30 June 2020</b>	<b>42,061,935</b>	<b>42,061,935</b>



# Statement of cash flows

For the year ended 30 June 2021

	Note	2021 (\$)	2020 (\$)
<strong>CASH FLOWS FROM OPERATING ACTIVITIES</strong>			
Receipts from statutory levies		17,547,390	19,971,499
Other receipts and recoveries		5,257,061	10,776,149
Payments to suppliers and employees		(23,315,733)	(30,424,282)
Interest received		628,222	701,493
Interest and other finance costs paid		(22,488)	(29,281)
Net cash from operating activities		94,452	995,578
<strong>CASH FLOWS FROM INVESTING ACTIVITIES</strong>			
Payments for property, plant and equipment	10	—	(5,815)
Net cash used in investing activities		—	(5,815)
<strong>CASH FLOWS FROM FINANCING ACTIVITIES</strong>			
Repayment of lease liabilities		(159,930)	(145,170)
Net cash used in financing activities		(159,930)	(145,170)
Net (decrease)/increase in cash and cash equivalents held		(65,478)	844,593
Cash and cash equivalents at the beginning of the financial year		41,870,875	41,026,282
Cash and cash equivalents at the end of the financial year	7	41,805,397	41,870,875

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

# Notes to the financial statements

For the year ended 30 June 2021

## 1 Significant accounting policies

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

### New or amended Accounting Standards and Interpretations adopted

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

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

### Basis of preparation

These general purpose financial statements have been prepared in accordance with *Australian Accounting Standards — Reduced 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.

### Historical cost convention

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

### Critical accounting estimates

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

### Revenue recognition

The company recognises revenue as follows:

#### Revenue from contracts with customers

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

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

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

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



Contributions from Plant-Initiated Projects are recognised as revenue as the Intellectual Property or Research is pro-vided to the participant. Where the participant is also the research provider, the revenue is netted off against project expenses.

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

Income tax

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

Current and non-current classification

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

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

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

Cash and cash equivalents

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

Trade and other receivables

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

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

Contract assets

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

Property, plant and equipment

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

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

Fixed asset class	Depreciation rate
Furniture, fixtures and fittings	5 years
Office equipment	4 to 5 years
Computer equipment	2.5 years

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

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

Impairment of non financial assets

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

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

Trade and other payables

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

Contract liabilities

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

Lease liabilities

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

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



Employee benefits

Short-term employee benefits

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

Other long-term employee benefits

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

Fair value measurement

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

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

Investment in AUS-MEAT Limited

AUS-MEAT Limited ('AUS-MEAT') was incorporated on 17 June 1998, and the Company is one of two Members of AUS-MEAT. As AUSMEAT is a tax exempt public Company limited by guarantee, it cannot distribute its surpluses to its Members; however, upon the event of the wind up of AUS-MEAT, the entity would be entitled to receive 50% of the net assets of AUS-MEAT. As there is no right by the entity to participate in a share of the ongoing results of AUS-MEAT, the use of equity accounting is not appropriate. Therefore, the equity accounting requirements have not been applied. Details of the investment in AUS-MEAT are included in Note 19 to the financial statements.

Goods and Services Tax (GST) and other similar taxes

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

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

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

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

2 Critical accounting judgements, estimates and assumptions

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

3 Revenue

	2021 (\$)	2020 (\$)
Statutory levies	16,124,326	19,728,082
Government matching	20,505,965	7,064,674
Partner contributions	374,735	64,770
Total revenue	37,005,026	26,857,526

Total contributions received from partners was \$6,206,745. Partner contributions have been reduced for statutory accounts presentation purposes by \$5,832,010 for research projects where the participant is the research provider. There is a corresponding reduction in program expenditure expense.

4 Depreciation and amortisation

Depreciation of non-current assets		
— furniture, fixtures and fittings	42,832	42,776
— office equipment	1,153	1,275
— computer equipment	13,906	22,817
— right-of-use assets	170,306	170,306
	228,197	237,174

5 Auditors' remuneration

Audit services	40,000	40,000
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6 Key management personnel compensation

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

Directors		
Short-term benefits (directors' fees)	361,473	348,792
Post-Directorship benefits (superannuation)	34,340	33,135
	395,813	381,927
Executives		
Short-term employee benefits (salary)	337,340	237,596
Post-employment benefits (superannuation)	23,399	20,867
	360,739	258,463



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

J K Berry	M Fletcher	B Rathie	L Heywood
G F Hardwick	D Goode	J Hardwick	T J Maguire
S R Stahl	N Kelson	B Teys	

Other Key Management Personnel include:

— Chris Taylor appointed as Chief Executive Officer on 23 March 2021 (formerly Executive General Manager from 1 October 2019).

Total aggregated out-of-pocket costs including travel and related expenses incurred by Directors during the year was \$6,314 (2020: \$29,654).

7 Cash and cash equivalents

	2021 (\$)	2020 (\$)
<b>Current assets</b>		
Cash at bank	1,805,397	6,870,875
Cash on deposit	40,000,000	35,000,000
	41,805,397	41,870,875

8 Trade and other receivables

<b>Current assets</b>		
Trade receivables	26,129,366	8,268,349
Other receivables	1,744,327	1,572,174
Accrued interest	176,195	343,800
	28,049,888	10,184,323

The balance of trade receivables includes matched funding claims of \$24,304,926 from Meat & Livestock Australia Limited (MLA) and is scheduled for payment in October 2021.

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

9 Other assets

	2021 (\$)	2020 (\$)
<b>Current assets</b>		
Prepaid expenses	84,183	13,353
	84,183	13,353

10 Property, plant and equipment

<b>Non-current assets</b>		
Furniture, fixtures and fittings — at cost	216,560	216,560
Less: accumulated depreciation	(114,738)	(71,906)
	101,822	144,654
Computer equipment — at cost	96,758	96,758
Less: accumulated depreciation	(96,758)	(82,852)
	—	13,906
Office equipment — at cost	9,026	9,026
Less: accumulated depreciation	(7,969)	(6,816)
	1,057	2,210
Right-of-use assets — at cost	736,625	736,625
Less: accumulated depreciation	(340,612)	(170,306)
	396,013	566,319
<b>Total property, plant and equipment</b>	<b>498,892</b>	<b>727,089</b>

Reconciliations

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

	Furniture, fixtures and fittings (\$)	Computer equipment (\$)	Office equipment (\$)	Right-of-use assets (\$)	Total (\$)
<b>Balance at 1 July 2020</b>	144,654	13,906	2,210	566,319	727,089
Depreciation expense (Note 4)	(42,832)	(13,906)	(1,153)	(170,306)	(228,197)
<b>Balance at 30 June 2021</b>	101,822	—	1,057	396,013	498,892



11 Trade and other payables

	2021 (\$)	2020 (\$)
<b>Current liabilities</b>		
Trade payables	16,833,765	112,384
Plant Initiated Projects (Note 15)	2,944,736	2,395,782
Other program payables	13,671,361	5,958,105
GST payable	656,592	674,720
Sundry payables and accrued expenses	216,103	76,170
	34,322,557	9,217,161

The balance of other programs payable includes matched funding claims of \$11,686,757 to Meat & Livestock Australia Limited (MLA).

12 Contract liabilities

<b>Current liabilities</b>		
Deferred partner contributions on plant-initiated projects	2,511,595	752,132
	2,511,595	752,132

13 Lease liabilities

<b>Current liabilities</b>		
Employee benefits	175,602	159,931
<b>Non-current liabilities</b>		
Employee benefits	255,923	431,524

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

14 Provisions

<b>Current liabilities</b>		
Employee benefits	178,476	112,541
<b>Non-current liabilities</b>		
Employee benefits	100,383	60,416

15 Plant Initiated Projects liability

	2021 (\$)	2020 (\$)
<b>Current</b>		
Opening balance included in payables	2,395,783	1,500,150
Total PIP transactions approved across the whole membership	22,469,509	3,273,145
Reductions arising from payments for approved PIPs	(22,714,163)	(2,481,113)
Adjustments incurred at completion or termination of PIPs	793,607	103,601
	2,944,736	2,395,783

16 Related party disclosure

<b>Transactions with related parties</b>		
Operational and support funding to AUS-MEAT Limited	550,000	550,000
Project funding to AUS-MEAT Limited	201,849	240,961

Director related Plant Initiated Projects

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

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

	Transaction 2021 (\$)	Value 2020 (\$)	Balance 2021 (\$)	Outstanding 2020 (\$)
Plant Initiated Projects — project expenses	8,259,244	2,357,000	2,410,192	2,079,213
Plant Initiated Projects — member contributions	2,462,980	776,215	563,363	138,500

17 Members' guarantee

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

18 Economic dependence

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



## 19 Associated entities

	Principal Activity	% Owned 2021	% Owned 2020
AUS-MEAT Limited	Services to the Food Industry	50	50

	2021 (\$)	2020 (\$)
<b>Summarised financial position of associate</b>		
<b>CURRENT ASSETS</b>		
Cash	1,648,195	1,177,455
Receivables	2,245,415	2,264,346
Other financial assets	6,244,502	5,472,699
Other	85,306	760,092
<b>NON-CURRENT ASSETS</b>		
Plant and equipment	4,497,950	4,724,044
<b>CURRENT LIABILITIES</b>		
Trade and other payables	1,809,170	1,965,464
Provisions	1,992,476	2,233,018
Lease liability	156,616	977,650
<b>NON-CURRENT LIABILITIES</b>		
Provisions	237,444	—
Lease liability	535,171	—
<b>NET ASSETS</b>		
Net surplus for the period	386,548	362,043
Other comprehensive income	—	—

## 20 Accumulated funds

### (a) Pre-Statutory funds

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

	2021 (\$)	2020 (\$)
<b>Movements during the financial year</b>		
Opening balance	7,067,483	6,926,549
Allocation of current year surplus	101,027	140,934
	7,168,510	7,067,483

### (b) Statutory Research and Development funds

The Research and Development funds record surpluses contributed by the Research and Development portion of the processor Levy in Accordance with the Statutory Funding Agreement 2020-30:

	2021 (\$)	2020 (\$)
<b>Movements during the financial year</b>		
Opening balance	21,436,589	20,050,800
Allocation of current year surplus	(9,699,517)	1,385,789
	11,737,072	21,436,589

### (c) Statutory Marketing funds

The Marketing funds records surpluses contributed by the Marketing portion of the processor Levy in accordance with the Statutory Funding Agreement 2020-30:

	2021 (\$)	2020 (\$)
<b>Movements during the financial year</b>		
Opening balance	13,557,863	11,067,965
Allocation of current year deficit	430,379	2,489,898
	13,988,242	13,557,863

21 Contingencies

Contingent Liabilities

Australian Meat Processor Corporation Ltd had the following contingent liabilities at the end of the reporting period:

The 35 percent of received levies allocated to the Plant Initiated Projects (PIP) program remains available for five years, after which the commitment lapses. As at 30 June 2021, the total Research and Development funds held in reserve for potential PIPs is \$9.2M (30 June 2020: \$10.0M).

Contingent Assets

There were no contingent assets identified as at 30 June 2021.

22 Commitments

The company had no capital commitments for expenditure as at 30 June 2021 and 30 June 2020.

23 Events after the end of the reporting period

The impact of the Coronavirus (COVID-19) pandemic is ongoing and while there has been no material impact on company up to 30 June 2021, it is not practicable to estimate the potential impact, positive or negative, after the reporting date. The situation is rapidly developing and is dependent on measures imposed by the Australian Government and other countries, such as maintaining social distancing requirements, quarantine, travel restrictions and any economic stimulus that may be provided.

No other matter or circumstance has arisen since 30 June 2021 that has significantly affected, or may significantly affect the company's operations, the results of those operations, or the company's state of affairs in future financial years.

24 Statutory information

The registered office of the Company is:

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

Directors' declaration

In the directors' opinion:

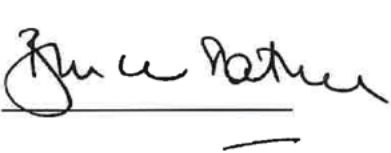
- the attached financial statements and notes comply with the *Corporations Act 2001*, the Australian Accounting Standards – Reduced Disclosure Requirements, the Corporations Regulations 2001 and other mandatory professional reporting requirements;
- the attached financial statements and notes give a true and fair view of the company's financial position as at 30 June 2021 and of its performance for the financial year ended on that date; and
- there are reasonable grounds to believe that the company will be able to pay its debts as and when they become due and payable.

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

On behalf of the directors



Director  
John Berry



Director  
Bruce Rathie

Dated 14 September 2021





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

### Report on the Audit of the Financial Report

#### Opinion

We have audited the financial report of Australian Meat Processor Corporation Limited (the Company), which comprises the statement of financial position as at 30 June 2021, the statement of profit or loss and other comprehensive income, statement of changes in equity and statement of cash flows for the year then ended, and notes to the financial statements, including a summary of significant accounting policies, and the directors' declaration.

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

- i) giving a true and fair view of the Company's financial position as at 30 June 2021 and of its financial performance for the year then ended; and
- ii) complying with Australian Accounting Standards - Reduced Disclosure Requirements and the Corporations Regulations 2001.

#### Basis for opinion

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

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

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

#### Other information

The directors are responsible for the other information. The other information comprises the information in Australian Meat Processor Corporation Limited's annual report for the year ended 30 June 2021, but does not include the financial report and the auditor's report thereon. Our opinion on the financial report does not cover the other information and we do not express any form of assurance conclusion thereon. In connection with our audit of the financial report, our responsibility is to read the other information and, in doing so, consider whether the other information is materially inconsistent with the financial report or our knowledge obtained in the audit or otherwise appears to be materially misstated.

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

#### Directors' responsibility for the financial report

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

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

#### Auditor's responsibility for the audit of the financial report

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

A further description of our responsibilities for the audit of the financial report is located at The Australian Auditing and Assurance Standards Board website at: [www.auasb.gov.au/auditors\\_files/ar4.pdf](http://www.auasb.gov.au/auditors_files/ar4.pdf). This description forms part of our auditor's report.

  
**Nexia Sydney Audit Pty Limited**

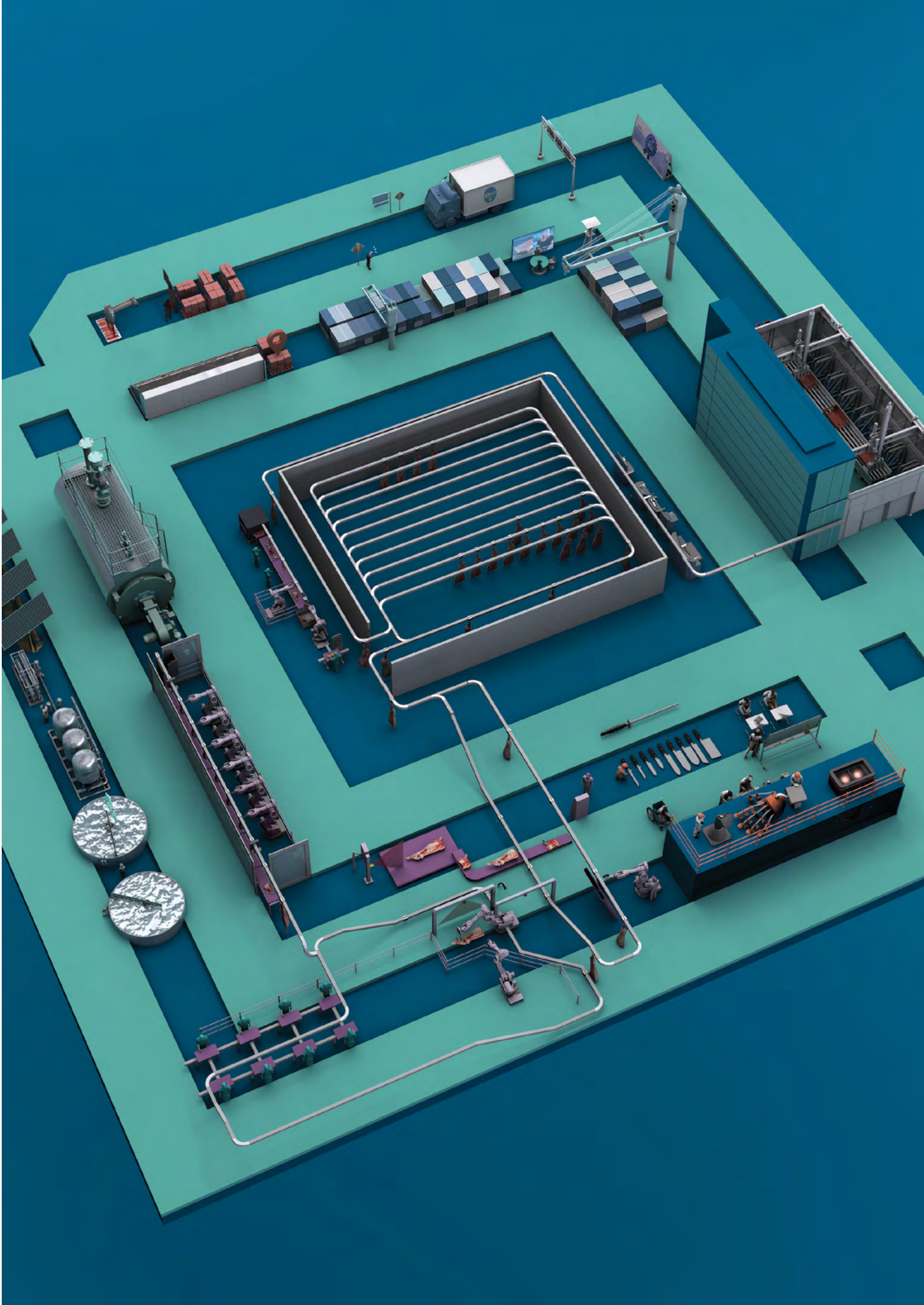
  
**Lester Wills**  
Director

Date: 14 September 2021  
Sydney



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