

# About MLA



# What we do

MLA invests in research and marketing activities for the benefit of the Australian red meat and livestock industry.

## Research, development and adoption

MLA invested \$170.3 million in a range of research, development and adoption programs during 2018–19. This included \$94.2 million invested through MLA Donor Company (MDC). This investment includes matching funds from the Australian Government and grants.

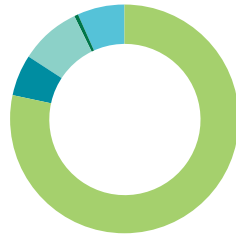
These programs are linked to the Australian Government’s Science and Research Priorities and Rural Research, Development and Extension Priorities. This alignment is shown in the graphs on the right.

In 2018–19, MLA completed or terminated 376 research contracts, worth \$90.4 million. These included 180 MDC contracts, contributing a total value of \$47.3 million. MLA commenced 249 new research and development contracts totalling \$92.2 million in 2018–19. This included 55 contracts through the MDC that were worth \$52.8 million, with milestones across multiple years. This has resulted in 466 current contracts as at 30 June 2019, worth \$450.3 million.

## Marketing, market access and insights

During 2018–19 MLA invested \$104.1 million in marketing, market access and insights to grow demand for Australian red meat and livestock domestically and abroad. The majority of this investment was ineligible to be matched with funds from the Australian Government.

ALIGNMENT WITH GOVERNMENT SCIENCE AND RESEARCH PRIORITIES



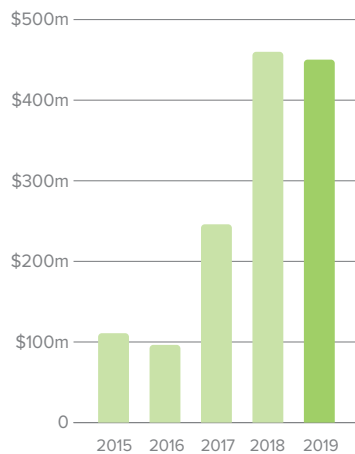
- Food **78.6%**
- Environmental change **5.7%**
- Soil and water **8.7%**
- Energy **0.4%**
- Advanced manufacturing **6.6%**

ALIGNMENT WITH GOVERNMENT RURAL RESEARCH, DEVELOPMENT AND EXTENSION PRIORITIES



- Adoption of research and development **46.5%**
- Soil, water and managing natural resources **7.1%**
- Biosecurity **11.3%**
- Advanced technology **35.1%**

VALUE OF RESEARCH CONTRACTS AT 30 JUNE



# How we work

## Strategic alignment

MLA's *Annual Investment Plan 2018–19* has guided the company's investment over the past year, outlining the company's programs, budgets and key performance measures.

The strategic direction of this Plan was informed by the Australian Government's Science and Research Priorities and Rural Research, Development and Extension Priorities, the *Meat Industry Strategic Plan 2020* and the *MLA Strategic Plan 2016–2020*.

MLA's *Strategic Plan 2016–2020* is aligned closely with the *Meat Industry Strategic Plan 2020*, giving focus and direction to

MLA's work to build demand, productivity and trust for the Australian red meat and livestock industry. The figure below provides an overview of MLA's strategic and operational planning process.

## Stakeholders

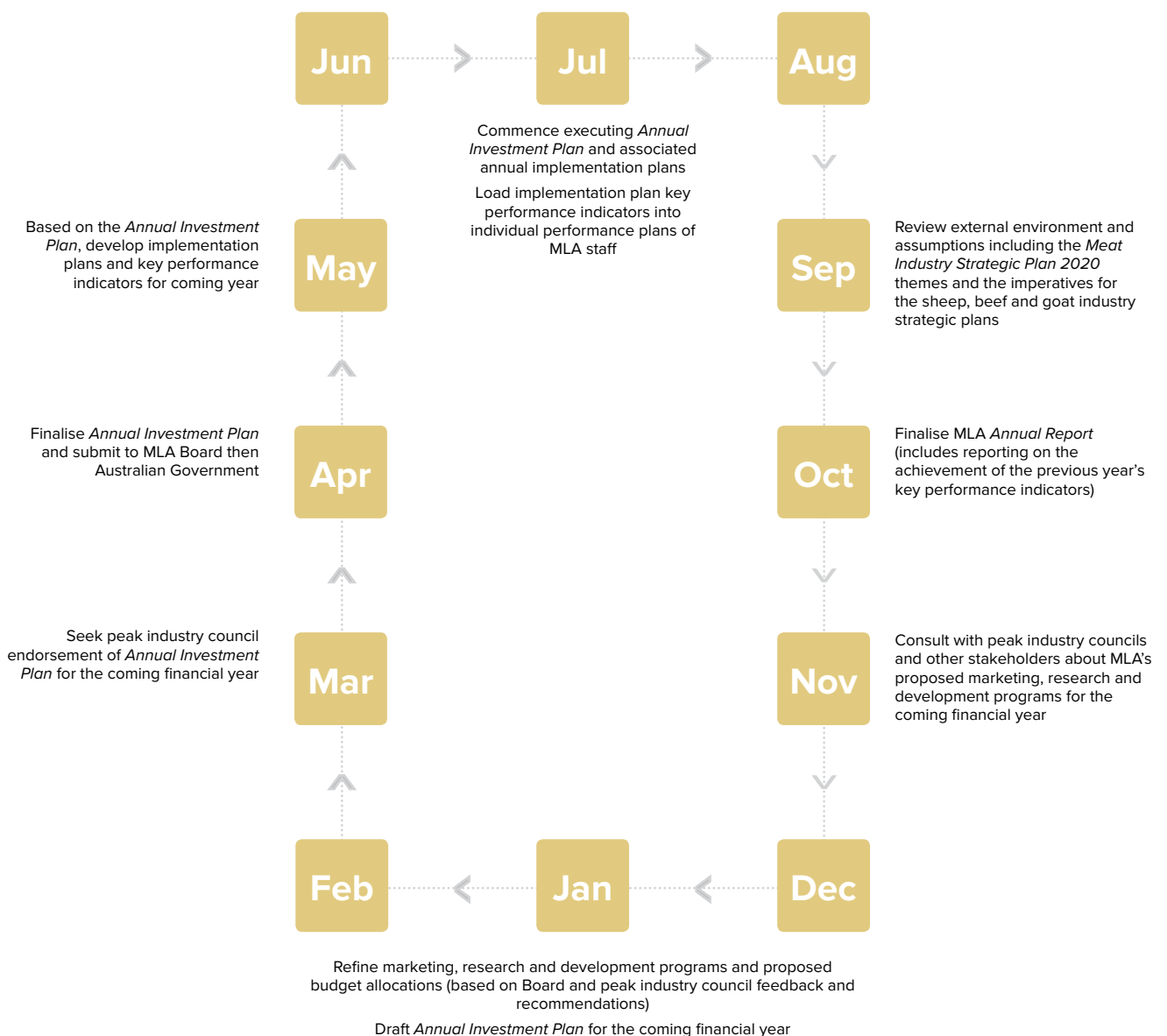
MLA operates in partnership with the Australian Government and value chain partners to deliver research, development and marketing to benefit red meat and livestock producers, value chain partners and the Australian community.

The Australian Government sets high priority research and development objectives covering community, industry and environmental concerns.

Peak industry councils provide policy direction, review budgets and monitor MLA's performance on behalf of the red meat industry. These are the Australian Lot Feeders' Association, the Cattle Council of Australia, the Goat Industry Council of Australia and Sheep Producers Australia.

MLA also works closely with the Red Meat Advisory Council, the Australian Meat Processor Corporation, the Australian Meat Industry Council, LiveCorp and the Australian Livestock Exporters' Council to develop programs that address key industry issues and opportunities through the supply chain, manage projects and communicate outcomes.

## MLA'S STRATEGIC AND OPERATIONAL PLANNING PROCESS



## Industry consultation arrangements

Livestock producers influence the investment of their levies through a number of industry consultation mechanisms.

The Red Meat Advisory Council (RMAC) is the peak body that represents the collective interests of the Australian red meat industry. RMAC is responsible for the development of the Meat Industry Strategic Plan which provides the overarching strategic framework that enables the direction, measurement and reporting of overall industry progress to government and industry stakeholders. Levy payers are consulted by RMAC during the development of the five-year Meat Industry Strategic Plan.

Examples of areas where consultation occurs include:

### On planning and whole-of-red-meat industry priority areas:

- Meat Industry Strategic Plan
- Beef Industry Strategic Plan
- Sheepmeat Industry Strategic Plan
- Goat Industry Strategic Plan
- MLA Strategic Plan
- MLA Annual Investment Plan
- Beef Industry Sustainability Framework.

Each year, MLA also consults with the peak industry councils regarding research, development and marketing investments.

Examples of where consultation occurs include:

### On research and development:

- Research, development and adoption investment priorities
- Red Meat Co-investment Committee
- Regional Consultation model (see page 36) and the Southern Australia Meat Research Council, the Western Australian Livestock Research Council and the North Australia Beef Research Council
- Sheep and beef forecasting committees
- Sheep Genetics Advisory Committee
- MSA Taskforce and R&D Pathways Committee
- Resource Flock Steering Committee
- Genetics Steering Committee
- Integrity Systems Taskforce

### On marketing:

- Region-specific global marketing and market access strategies for beef, sheepmeat and goatmeat (Australia, Japan, Korea, North America, Middle East, Europe/Russia, Indonesia, China and South Asia)
- MSA Taskforce.

The global marketing and market access consultation process underpins the overarching market strategy specific to each region. This process involves peak industry councils and industry representatives consulting with MLA to help set strategic priorities for growing demand and improving market access for the Australian red meat industry across global markets.

The consultation process involves a number of steps for industry to guide MLA's global market investment strategy. This encompasses reviewing the output/outcomes from the previous year's activities and investments, evaluating MLA's performance, setting strategic priorities, advising budget allocations for the upcoming financial year and, importantly, confirming key performance indicators.

MLA strives to ensure all members have the opportunity to participate in the Annual General Meeting by rotating its location around the nation. The 2018 AGM was held in Canberra, ACT and was preceded by Alice Springs, NT (2017), Hahndorf, SA (2016), Brisbane, Queensland (2015), Sydney, NSW (2014), Wodonga, Victoria (2013), Fremantle, WA (2012), Longreach, Queensland (2011), Launceston, Tasmania (2010), and Darwin, NT (2009).

## Collaboration

MLA has a long history of collaborating with the Australian Government, research organisations, value chain partners, Cooperative Research Centres and other

Research and Development Corporations by co-investing in projects and consortiums with mutual benefits.

In 2018–19, MLA was successful in having one project approved in the fourth round of the Department of Agriculture Rural R&D for Profit program. MLA is the lead for nine projects and is a partner organisation in a further seven projects. Refer to Appendix C for an overview of all Rural R&D for Profit projects involving MLA.

During 2018–19 MLA also partnered with seven consortiums:

- National Livestock Genetics Consortium
- Managing Climate Variability Program – phase V
- Reef Alliance
- National Sheep Health Monitoring Project
- Australian Livestock Spatial Innovation Program
- Animal Welfare Strategic Partnership
- Livestock Productivity Partnership.

MLA continued its collaboration with the Sheep CRC and the Centre for Invasive Species Solutions in 2018–19. Co-investment in projects through MLA Donor Company also accelerated in 2018–19. Collaborators included both local and global research organisations, value chain partners and commercial participants.

## Membership

Membership of MLA is voluntary and free to all levy-paying grassfed cattle, grainfed cattle, sheep, lamb and goat producers. MLA had 49,692 members at 30 June 2019, a decrease of 436 members from the previous year. The table below shows the composition of MLA's members.

### COMPOSITION OF MLA'S MEMBERS

Members	2014–15	2015–16	2016–17	2017–18	2018–19
Grassfed cattle	42,295	42,275	42,087	42,266	41,910
Grainfed cattle	5,430	5,430	5,453	5,478	5,456
Sheep/prime lambs	18,523	18,583	18,634	18,963	18,820
Sheep only	9,568	9,483	9,415	9,363	9,135
Goats	2,414	2,415	2,403	2,426	2,402
<b>Total members*</b>	<b>49,845</b>	<b>49,892</b>	<b>49,726</b>	<b>50,128</b>	<b>49,692</b>

\* Includes members of mixed enterprises.

# How we're funded

## Transaction levies

MLA is primarily funded by transaction levies paid on livestock sales by producers. Levies received by MLA are accounted for in two streams – one to support marketing activities and the other to support research and development.

Transaction levies are charged by the Australian Government on the sale of each head of cattle, sheep and goat sold under the *Primary Industries (Excise) Levies Act 1999*.

Transaction levies are collected, administered and disbursed by the Department of Agriculture on a cost-recovery basis and invested back into the industry to assist in research and development, marketing and market access services. Total levies charged in 2018–19 were \$5/head of grassfed and grainfed cattle transacted, \$1.50/head for lambs\*, 20¢/head for sheep+ and 37.7¢/head of goats transacted (see figures below).

MLA is not the only recipient of livestock transaction levies – it is one of three organisations alongside Animal Health Australia and the National Residue Survey.

## Government-matched contributions

The Australian Government also contributes a dollar for each levy dollar. MLA invests in eligible research and development.

## Government-matched voluntary contributions

MLA generates additional income via voluntary contributions which are matched by the Australian Government. This funding is invested in research and development partnerships that benefit the Australian red meat industry through MLA Donor Company.

## Unmatched grants

MLA also receives unmatched grants from the Australian Government and cooperative contributions from other Research and Development Corporations, individual processors, wholesalers, foodservice operators and retailers. This includes grants as part of the Rural R&D for Profit program (see Appendix C).

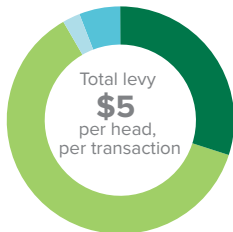
## CoMarketing funding

Exporters and importers can also co-invest with MLA (via transaction levies) on marketing activities through the CoMarketing Program (see page 26).

## Other levies

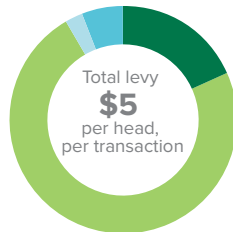
Processors and livestock exporters also co-invest levies into MLA programs through their service companies: Australian Meat Processor Corporation and LiveCorp. See pages 72–73 for a summary of MLA's income and expenditure by funding source in 2018–19.

GRAINFED CATTLE LEVY ALLOCATION



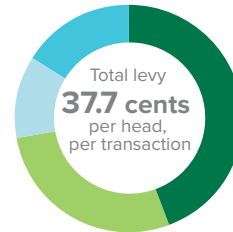
- MLA (R&D) \$1.50
- MLA (Marketing) \$3.08
- Animal Health Australia \$0.13
- National Residue Survey \$0.29

GRASSFED CATTLE LEVY ALLOCATION



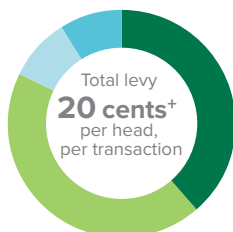
- MLA (R&D) \$0.92
- MLA (Marketing) \$3.66
- Animal Health Australia \$0.13
- National Residue Survey \$0.29

GOAT LEVY ALLOCATION



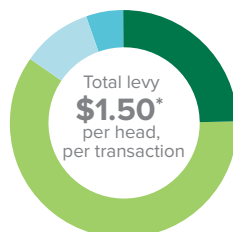
- MLA (R&D) 16.7 cents
- MLA (Marketing) 10.5 cents
- Animal Health Australia 4.5 cents
- National Residue Survey 6.0 cents

SHEEP LEVY ALLOCATION



- MLA (R&D) 7.7 cents+
- MLA (Marketing) 8.7 cents+
- Animal Health Australia 1.8 cents+
- National Residue Survey 1.8 cents+

LAMB LEVY ALLOCATION



- MLA (R&D) 37 cents\*
- MLA (Marketing) 90 cents\*
- Animal Health Australia 15 cents\*
- National Residue Survey 8 cents\*

+ Per head, where defined sale price is greater than or equal to \$10. Where defined sale price is less than or equal to \$10, levy is 2% of the sale price. Where there is no defined sale price, levy is set at 20 cents per head.

\* Per head, where defined sale price is greater than \$75. Where defined sale price is less than or equal to \$75, levy is 2% of the sale price. Where there is no defined sale price, levy is set at 80 cents per head.

## Corporate governance

MLA's corporate governance framework is set by the Board having regard to the best interests of our members, the values of our organisation, MLA's obligations set out under our Funding Agreement with the Commonwealth of Australia dated 13 October 2016, and in accordance with the ASX Corporate Governance Council's *Corporate Governance Principles and Recommendations* (3rd edition).

This long-established framework operates to ensure we remain accountable to our stakeholders and that stakeholder interests are protected. MLA's governance arrangements are reviewed regularly to reflect industry developments, stakeholder expectations and regulatory and legislative changes. This statement, and documents and policies relevant to our corporate governance framework, are also available on our website.

## The Board

The MLA Board's nine directors combine a broad range of skills, experience and expertise to work with industry to set strategic priorities for the company and to approve and monitor progress against MLA's *Strategic Plan 2016–2020*. It evaluates performance and budgets, oversees risk management and compliance, and ensures the company abides by its obligations under the Red Meat Industry Memorandum of Understanding, the Funding Agreement, and under corporations law. Many directors are also producers and members of the company.

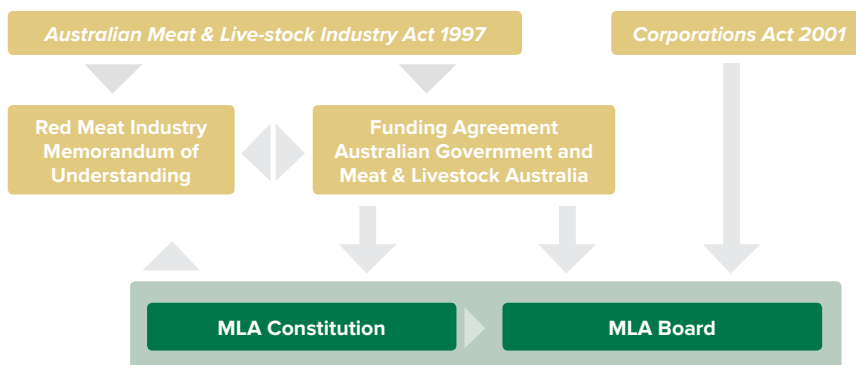
Please see pages 63–65 for the Board member biographies.

### Board selection

The Managing Director is the only executive director and is appointed by the Board. Otherwise, directors are nominated through the Selection Committee and appointed by members at MLA AGMs for a three-year term. After such term, a director may reapply for a position on the Board in the same way as other candidates. Further information about the Selection Committee is on page 58.

Dr Michele Allan, the Chair of the Board, was elected in 2011 and is an independent director. She will retire at the 2019 MLA Annual General Meeting at which time Mr Alan Beckett will assume the role of Chair. He was elected in 2014 and is an independent director.

## MLA'S GOVERNANCE FRAMEWORK



### Board committees

Two Board committees met during the year:

- Audit and Risk Committee
- Remuneration Committee.

These Committees are comprised solely of non-executive directors, with management attending committee meetings by invitation only.

The Chair of each Committee provides a verbal update of each committee meeting to the Board and minutes of Committee meetings are provided in the Board papers. The role of each Committee is set out in the Committee charters, which are regularly reviewed. The members of each Committee, together with each member's attendance at meetings, are set out in the 'Directors' report' on page 74.

### Audit and Risk Committee

The Audit and Risk Committee assists the Board to fulfil its oversight responsibilities relating to MLA's risk management framework, the company's financial reporting, internal control structure and the internal and external audit functions. In keeping with community expectations, the Chair of the committee is not the Chair of the Board.

The Audit and Risk Committee is required to meet at least four times a year and holds closed sessions with the auditors at least once each year. The Audit and Risk Committee is responsible for making recommendations to the Board for the approval of the annual audit plan and annual financial statements.

As at 30 June 2019, the Audit and Risk Committee consisted of Alan Beckett (Chair), Erin Gorter, Russell Lethbridge and Andrew Michael. Details of each members' attendance at meetings is set out in the 'Directors' report' on page 74.

### Internal auditor

The Audit and Risk Committee reviews the adequacy and effectiveness of internal controls, including the company's policies and procedures, to assess, monitor and manage business risk and legal and ethical compliance programs. This review includes monitoring the implementation of MLA's Risk Management Plan, Fraud Control Plan and Intellectual Property Management Plan. It also reviews the company's foreign exchange and treasury management and oversees the company's risk management program.

To assist its function the Audit and Risk Committee, with management and a dedicated Risk & Assurance Manager, worked with newly appointed internal auditor KPMG. During 2018–19, KPMG conducted reviews of social media governance, risk management maturity, workforce planning, payroll and privacy.

Internal audit activities are designed to assist management with independent and objective assurance on the effectiveness of our governance, risk management and internal control processes.

### External auditor

MLA's external auditor is Ernst & Young (EY). The Audit and Risk Committee holds discussions with the external auditors and management before the annual financial statements are submitted to the Board.

The Committee oversees MLA's relationship with EY, including:

- making recommendations to the Board about the appointment of MLA's auditors based on their qualifications, independence, engagement, fees and performance
- reviewing and assessing the performance, independence and objectivity of EY
- reviewing EY's proposed annual audit scope and audit approach, including materiality levels.

## Remuneration Committee

The Remuneration Committee consisted of Erin Gorter (Chair), Michele Allan, Jo Pye and Manny Noakes as at 30 June 2019.

The responsibilities of the Remuneration Committee include the review and oversight of:

- remuneration matters, including:
  - establishing and monitoring KPIs, a remuneration framework for, and the performance of, the Managing Director
  - remuneration and incentive framework for senior executives and all staff
  - recruitment, remuneration and retention strategies
- succession plans for senior executives and key staff
- strategic human resources policies and practices to ensure they are appropriate and consistent with MLA's objectives and values.

Details of each members' attendance at meetings is set out in the 'Directors' report' on page 74.

## Selection Committee

Each year the Selection Committee is tasked to assess Board candidates against a range of criteria, including experience and skills, personal qualities and their available time commitment, and report to MLA members on the suitability of candidates for election.

Following a rigorous interview and selection process of candidates by the Selection Committee and in accordance with good governance practice, appropriate checks of each candidate are undertaken before each nominee is put forward to members as a candidate for election as a director.

The composition of the Selection Committee, together with each member's attendance at meetings, is set out in the 'Directors' report' on page 74.

## Board meetings

The Board had six scheduled meetings during 2018–19. The agendas for each of the MLA Group of companies are formulated in preparation for each meeting. They incorporate items from an annual work plan to ensure regular review of key aspects of the business of the MLA Group including performance, compliance and governance.

Meeting agendas include regular reviews of MLA's financial position and management reports, detailed reviews of the company's strategic imperatives and marketing and R&D programs.

The Board continually strives to ensure its meetings are conducted efficiently to enable sufficient discussion and contribution from all directors. The Board regularly considers and discusses key strategic issues at both a group company and industry level. Management attends and presents information relevant to their portfolios and to respond to information requested in Board meetings.

## Independence

The Board considers each director's independence on an annual basis. Directors are considered to be independent if they are not a member of management and are free of any business or other relationship that materially interferes with – or could reasonably be perceived to materially interfere with – the independent exercise of their judgement.

In assessing a director's independence, materiality is considered on a case-by-case basis by reference to each director's circumstances. A policy on the independence of directors, which requires that the Board assess independence annually, or more regularly if a director's circumstances change, is currently implemented and in force. The Board has determined that all the non-executive directors are independent.

## Conflicts of interest

In accordance with the requirements of the *Corporations Act*, the Funding Agreement and MLA's conflict of interest policy and procedures, directors must declare any conflict of interest they may have, and must follow the procedures set out in MLA's policy.

In certain circumstances, directors will abstain from participating in any discussion or voting on matters in which they have a material personal interest. At the time of their appointment and as notified from time to time, each director provides to the Board information about their business and other interests. The Board records such notifications in its minutes and maintains a register in accordance with the ASX Corporate Governance Council's *Corporate Governance Principles and Recommendations* (3rd edition) and in compliance with the requirements of MLA's Funding Agreement.

## Reporting framework

On 13 October 2016, MLA and the Commonwealth of Australia (through its Department of Agriculture and Water Resources) agreed to a Funding Agreement for the period 2016–2020. The Funding Agreement sets out the requirements for the company's expenditure of levy funds and matching funds, and provides a

framework under which the company must report to the Department.

On a six-monthly basis MLA's Chair, Managing Director and key management personnel meet with government representatives to discuss MLA's performance of its functions and compliance with the terms of the Funding Agreement.

## Financial management

The Audit and Risk Committee has received a written declaration from the Managing Director and Chief Financial Officer that the financial reports represent a true and fair view, in all material respects, of the company's financial condition and operating results, and are in accordance with relevant accounting standards.

## Risk management

MLA's Risk Management Plan outlines the process of identifying, assessing and managing risks, which is in line with AS/NZS ISO 31000:2018 Risk Management Standard. MLA reviews its Risk Management Plan and updates its risk profile annually.

In 2019, the Risk Management Plan was reviewed by the MLA Board, during which time the Board revised its risk appetite and endorsed a number of changes to the plan. These changes included the incorporation of the Three Lines of Defence Model to further enhance the understanding of risk management across the business by clarifying roles and responsibilities related to governance, risk and control. Other amendments were made to the descriptions of risk subcategories and the interconnectivity of risks were identified to foster a more coordinated and effective use of resources. Mitigation strategies are also monitored regularly by both the Audit and Risk Committee and the Board.

A full summary of the drivers affecting MLA's operating environment can be found in MLA's *Annual Investment Plan 2019–20* which outlines the risk outlook for the year ahead: [mla.com.au/aip](http://mla.com.au/aip).

## Code of business conduct and ethics

The Board has endorsed the Code of Business Conduct and Ethics (the code), which embodies the company's values of customer centricity, accountability through transparency and outcomes that make a difference. The Code otherwise sets out principles which must be met to ensure the company and its business associates meet its commitments to all stakeholders.

A copy of the code is on MLA's website and is provided to all new employees on commencement. It is a feature of the

formal induction training which is provided to new employees. It is reviewed regularly to maintain its relevance and to reflect changes in the regulatory environment, with the most recent changes reviewed and approved by the Board in July 2019.

MLA's Code of Business Conduct and Ethics was revised to reflect the adoption by MLA of the requirements under the *Modern Slavery Act* and to reflect MLA's Whistleblower Policy. Ongoing work to review MLA's current supply chain and its potential modern slavery risks using a risk-based assessment is underway. By 31 December 2020, MLA is required to submit an annual modern slavery statement to the Commonwealth outlining:

- the potential modern slavery risks in MLA's operations and supply chains
- the actions MLA has taken to assess and address those risks
- MLA's due diligence and remediation processes.

As part of an annual program of training and capability building within MLA, staff received training in privacy and the Data Breach Notification Scheme, *Competition and Consumer Act* compliance, risk management assessments and intellectual property management. Staff also received performance training sessions on competencies and capabilities. Additionally, an external training platform operates and is available to all staff on-demand for a wide range of courses.

## Diversity

In March 2018, the Board revised its company-wide diversity policy to reflect the changing landscape in which MLA operates, including recent examples of poor treatment of females in the industry and the increased expectations of stakeholders with respect to diversity and gender equality.

MLA recognises the importance of a workforce that represents a range of experience and backgrounds as well as age, ethnicity, sexual orientation, religious beliefs and physical abilities. The diversity policy recognises that a diverse workforce enables MLA to provide a better service and improve long-term performance, as well as creating a source of competitive advantage and benefit to industry and its people.

As at 30 June 2019, 56% of MLA's staff were women. On the Leadership Team, three of the eight (38%) executives are female. On the MLA Board, four of the eight non-executive directors are female (50%), with one being the Chair of the Board.

The composition of MLA Group's workforce has also been recognised by the Workplace Gender Equality Agency as being compliant with the *Workplace Gender Equality Act 2012*.

## Remuneration and performance arrangements

The total limit for directors' remuneration (excluding the Managing Director) is \$750,000. This limit was determined by

members at the 2008 Annual General Meeting. As part of the Remuneration Committee's oversight of MLA's remuneration and incentive framework, in 2016–17 the committee commissioned a broad review of remuneration within MLA. This included director and employee remuneration being benchmarked by Aon Hewitt against like organisations. Consultation with Aon Hewitt has been undertaken in 2018–19 to confirm market movements and reliance on the benchmarking data.

In accordance with this, the Board determined in July 2018 that a 2.5% increase in directors' fees would take effect from 1 January 2019. The increase reflects the time and effort required of the non-executive directors sitting across the MLA Group of companies and in recognition of the additional workload on the committee Chairs. The total per annum cost for non-executive directors is \$610,845.57.

The remuneration arrangements for each member of the Leadership Team, including the Managing Director, comprise both fixed and performance-based remuneration. The remuneration packages for the MLA Leadership Team are reviewed each year and include several gateways before eligibility to the performance-based component. This ensures the remuneration structure aligns management effort with organisational objectives and attracts, retains and motivates quality management personnel.

## COMPARISON OF MLA'S CORPORATE GOVERNANCE PRINCIPLES TO ASX CORPORATE GOVERNANCE PRINCIPLES AND RECOMMENDATIONS (3RD EDITION)

Principle/recommendation	Description/reference of disclosure/compliance
<b>Principle 1. Lay solid foundations for management and oversight</b>	
<b>Recommendation 1.1</b>	
A listed entity should disclose:	This is outlined in the Board Charter and a detailed Delegations of Authority policy.
(a) the respective roles and responsibilities of its board and management; and	
(b) those matters expressly reserved to the board and those delegated to management.	
<b>Recommendation 1.2</b>	
A listed entity should:	As part of the Selection Committee process in relation to annual director selection, appropriate background checks are undertaken each year.
(a) undertake appropriate checks before appointing a person, or putting forward to security holders a candidate for election, as a director; and	Candidates are shortlisted by reference to the selection criteria that act as terms of reference for the committee to ensure there is an appropriate mix of skills in the candidates nominated for election.
(b) provide security holders with all material information in its possession relevant to a decision on whether or not to elect or re-elect a director.	Candidates' biographical details, included on the MLA Notice of Meeting, are prepared from the material submitted through the Selection Committee process.
<b>Recommendation 1.3</b>	
A listed entity should have a written agreement with each director and senior executive setting out the terms of their appointment.	MLA has written engagement letters for directors and executive employment contracts with all members of the Leadership Team.
<b>Recommendation 1.4</b>	
The company secretary of a listed entity should be accountable directly to the board, through the chair, on all matters to do with the proper functioning of the board.	The Company Secretary is accountable to the Board through the Chair on all matters related to the proper functioning of the MLA Board.



Principle/recommendation	Description/reference of disclosure/compliance
<p><b>Recommendation 1.5</b></p> <p>A listed entity should:</p> <p>(a) have a diversity policy which includes requirements for the board or a relevant committee of the board to set measurable objectives for achieving gender diversity and to assess annually both the objectives and the entity's progress in achieving them;</p> <p>(b) disclose that policy or a summary of it; and</p> <p>(c) disclose as at the end of each reporting period the measurable objectives for achieving gender diversity set by the board or a relevant committee of the board in accordance with the entity's diversity policy and its progress towards achieving them, and either:</p> <p>(1) the respective proportions of men and women on the board, in senior executive positions and across the whole organisation (including how the entity has defined "senior executive" for these purposes); or</p> <p>(2) if the entity is a "relevant employer" under the <i>Workplace Gender Equality Act</i>, the entity's most recent "Gender Equality Indicators", as defined in and published under that Act.</p>	<p>The Diversity Policy is available on MLA's website: <a href="http://mla.com.au">mla.com.au</a></p> <p>The Board recognises and fosters a culture that encourages divergent views and robust discussion. In assessing candidates, the Selection Committee considers diversity of education, the nature of the businesses and business functions in which candidates have gained experience and the roles held, as well as the more obvious aspects of diversity such as gender, age, ethnicity and cultural background. In 2018 the Board also set a target of 30% of females on the Board by 2019, which was actually realised in 2018.</p> <p>MLA also enunciates its commitment to diversity in other policies such as EEO and Anti-discrimination policy and Misconduct and Discipline policy which are regularly reported to, monitored by and adjusted with approval by the Board.</p> <p>The proportion of women as at the date of this report:</p> <ul style="list-style-type: none"> <li>• Board members: 25%</li> <li>• Leadership Team: 38%</li> <li>• Whole organisation: 56%</li> </ul>
<p><b>Recommendation 1.6</b></p> <p>A listed entity should:</p> <p>(a) have and disclose a process for periodically evaluating the performance of the board, its committees and individual directors; and</p> <p>(b) disclose, in relation to each reporting period, whether a performance evaluation was undertaken in the reporting period in accordance with that process.</p>	<p>The Board evaluates its performance through an annual performance review, which is facilitated by an external specialist.</p> <p>As part of the Board's review process in 2018–19 it completed the Australian Institute of Company Directors Governance Analysis Tool survey and reviewed this as part of the annual review.</p>
<p><b>Recommendation 1.7</b></p> <p>A listed entity should:</p> <p>(a) have and disclose a process for periodically evaluating the performance of its senior executives; and</p> <p>(b) disclose, in relation to each reporting period, whether a performance evaluation was undertaken in the reporting period in accordance with that process.</p>	<p>The Remuneration Committee and Board conduct an annual assessment of the performance of the Managing Director and the Leadership Team against agreed KPIs.</p> <p>In accordance with the annual work plan, the performance evaluation process for the Managing Director and the Leadership Team was completed.</p>
<p><b>Principle 2. Structure the board to add value</b></p>	
<p><b>Recommendation 2.1</b></p> <p>The board of a listed entity should:</p> <p>(a) have a nomination committee which:</p> <p>(1) has at least three members, a majority of whom are independent directors; and</p> <p>(2) is chaired by an independent director, and disclose:</p> <p>(3) the charter of the committee;</p> <p>(4) the members of the committee; and</p> <p>(5) as at the end of each reporting period, the number of times the committee met throughout the period and the individual attendances of the members at those meetings; or</p> <p>(b) if it does not have a nomination committee, disclose that fact and the processes it employs to address board succession issues and to ensure that the board has the appropriate balance of skills, knowledge, experience, independence and diversity to enable it to discharge its duties and responsibilities effectively.</p>	<p>MLA's Constitution and operation of the Selection Committee reflects this requirement.</p> <p>Refer also to the section about Selection Committee in the 'Corporate Governance Statement'.</p>
<p><b>Recommendation 2.2</b></p> <p>A listed entity should have and disclose a board skills matrix setting out the mix of skills and diversity that the board currently has or is looking to achieve in its membership.</p>	<p>Biographical details of directors are published on the MLA website: <a href="http://mla.com.au/about-mla/mla-at-a-glance/board-of-directors">mla.com.au/about-mla/mla-at-a-glance/board-of-directors</a></p>
<p><b>Recommendation 2.3</b></p> <p>A listed entity should disclose:</p> <p>(a) the names of the directors considered by the board to be independent directors;</p> <p>(b) if a director has an interest, position, association or relationship of the type described in Box 2.3 but the board is of the opinion that it does not compromise the independence of the director, the nature of the interest, position, association or relationship in question and an explanation of why the board is of that opinion; and</p> <p>(c) the length of service of each director.</p>	<p>The MLA Board currently considers the independence of its directors on an annual basis.</p> <p>Refer also to the Director Independence section in the 'Corporate Governance Statement'.</p> <p>Length of service of each director is included in the Director biographies.</p>
<p><b>Recommendation 2.4</b></p> <p>A majority of the board of a listed entity should be independent directors.</p>	<p>All of the directors are independent with the exception of the Managing Director.</p>
<p><b>Recommendation 2.5</b></p> <p>The chair of the board of a listed entity should be an independent director and, in particular, should not be the same person as the CEO of the entity.</p>	<p>The role of the Chair and the Managing Director are not performed by the same person.</p>

Principle/recommendation	Description/reference of disclosure/compliance
<p><b>Recommendation 2.6</b></p> <p>A listed entity should have a program for inducting new directors and provide appropriate professional development opportunities for directors to develop and maintain the skills and knowledge needed to perform their role as directors effectively.</p>	<p>MLA has a program for inducting new directors and provides appropriate professional development. Four directors completed the AICD Company Directors Course during the past year.</p>
<p><b>Principle 3. Act ethically and responsibly</b></p>	
<p><b>Recommendation 3.1</b></p> <p>A listed entity should:</p> <p>(a) have a code of conduct for its directors, senior executives and employees; and</p> <p>(b) disclose that code or a summary of it.</p>	<p>MLA has a Code of Conduct which covers the governance and sets the expectation for the Board and all MLA personnel. The Code of Conduct, which was last revised and endorsed by the Board in July 2018, is on MLA's website.</p>
<p><b>Principle 4. Safeguard integrity in corporate reporting</b></p>	
<p><b>Recommendation 4.1</b></p> <p>The board of a listed entity should:</p> <p>(a) have an audit committee which:</p> <p>(1) has at least three members, all of whom are non-executive directors and a majority of whom are independent directors; and</p> <p>(2) is chaired by an independent director, who is not the chair of the board,</p> <p>and disclose:</p> <p>(3) the charter of the committee;</p> <p>(4) the relevant qualifications and experience of the members of the committee; and</p> <p>(5) in relation to each reporting period, the number of times the committee met throughout the period and the individual attendances of the members at those meetings; or</p> <p>(b) if it does not have an audit committee, disclose that fact and the processes it employs that independently verify and safeguard the integrity of its corporate reporting, including the processes for the appointment and removal of the external auditor and the rotation of the audit engagement partner.</p>	<p>The Board has established an Audit and Risk Committee which is structured so that it:</p> <ul style="list-style-type: none"> <li>• consists of only non-executive, independent directors;</li> <li>• is chaired by an independent chair who is not Chair of the Board; and</li> <li>• consists of at least three members of the Board.</li> </ul> <p>The charter of the committee is on MLA's website.</p> <p>Biographical details of directors are published to the MLA website: <a href="http://mla.com.au/about-mla/mla-at-a-glance/board-of-directors">mla.com.au/about-mla/mla-at-a-glance/board-of-directors</a></p> <p>Refer also to the Audit and Risk Committee section in the 'Corporate Governance Statement'.</p>
<p><b>Recommendation 4.2</b></p> <p>The board of a listed entity should, before it approves the entity's financial statements for a financial period, receive from its CEO and CFO a declaration that, in their opinion, the financial records of the entity have been properly maintained and that the financial statements comply with the appropriate accounting standards and give a true and fair view of the financial position and performance of the entity and that the opinion has been formed on the basis of a sound system of risk management and internal control which is operating effectively.</p>	<p>The wording of the declaration reflects the wording in the recommendation.</p>
<p><b>Recommendation 4.3</b></p> <p>A listed entity that has an AGM should ensure that its external auditor attends its AGM and is available to answer questions from security holders relevant to the audit.</p>	<p>MLA's external auditor attends each AGM and is available to answer questions from members relevant to the audit.</p>
<p><b>Principle 5. Make timely and balanced disclosure</b></p>	
<p><b>Recommendation 5.1</b></p> <p>A listed entity should:</p> <p>(a) have a written policy for complying with its continuous disclosure obligations under the Listing Rules; and</p> <p>(b) disclose that policy or a summary of it.</p>	<p>As MLA is an unlisted public company it is not an ASX disclosing entity but does report annually to members and to the Commonwealth Government on its operations and financial results.</p>
<p><b>Principle 6. Respect the rights of security holders</b></p>	
<p><b>Recommendation 6.1</b></p> <p>A listed entity should provide information about itself and its governance to investors via its website.</p>	<p>MLA provides information about itself and its governance framework on its website.</p>
<p><b>Recommendation 6.2</b></p> <p>A listed entity should design and implement an investor relations program to facilitate effective two-way communication with investors.</p>	<p>MLA has a Communications, Promotions and Engagement team and program to promote effective two-way communication with members, levy payers, representative councils and the Commonwealth Government.</p>
<p><b>Recommendation 6.3</b></p> <p>A listed entity should disclose the policies and processes it has in place to facilitate and encourage participation at meetings of security holders.</p>	<p>Information about how MLA facilitates and encourages participation by members at meetings is on MLA's website. It has also significantly expanded the program of events that occur in the week of the AGM and promotes this through: <a href="http://redmeat.mla.com.au">redmeat.mla.com.au</a>.</p>

Principle/recommendation	Description/reference of disclosure/compliance
<p><b>Recommendation 6.4</b></p> <p>A listed entity should give security holders the option to receive communications from, and send communications to, the entity and its security registry electronically.</p>	<p>In addition to amending its constitution in 2009 to ensure information can be provided electronically, in 2016 MLA ran an opt-in campaign for members to elect to receive electronic communications. This is a standing option for current and new members.</p>

## Principle 7. Recognise and manage risk

### Recommendation 7.1

The board of a listed entity should:

- (a) have a committee or committees to oversee risk, each of which:
  - (1) has at least three members, a majority of whom are independent directors; and
  - (2) is chaired by an independent director, and disclose:
    - (3) the charter of the committee;
    - (4) the members of the committee; and
    - (5) as at the end of each reporting period, the number of times the committee met throughout the period and the individual attendances of the members at those meetings; or
- (b) if it does not have a risk committee or committees that satisfy (a) above, disclose that fact and the processes it employs for overseeing the entity's risk management framework.

The Board has established an Audit and Risk Committee which is structured so that it:

- consists of only non-executive, independent directors;
- is chaired by an independent chair who is not Chair of the Board; and
- consists of at least three members of the Board.

The charter of the committee is on MLA's website.

Refer also to the section about the Audit and Risk Committee in the 'Corporate Governance Statement'.

### Recommendation 7.2

The board or a committee of the board should:

- (a) review the entity's risk management framework at least annually to satisfy itself that it continues to be sound; and
- (b) disclose, in relation to each reporting period, whether such a review has taken place.

Refer to the section about the Audit and Risk Committee section in the 'Corporate Governance Statement'.

### Recommendation 7.3

A listed entity should disclose:

- (a) if it has an internal audit function, how the function is structured and what role it performs; or
- (b) if it does not have an internal audit function, that fact and the processes it employs for evaluating and continually improving the effectiveness of its risk management and internal control processes.

Refer to the section about the Internal Audit program in the 'Corporate Governance Statement'.

In addition to the internal audits undertaken by KPMG, MLA's own Risk and Assurance Manager works in parallel with KPMG and undertakes a number of reviews of overseas offices to ensure compliance with MLA policy and controls.

### Recommendation 7.4

A listed entity should disclose whether it has any material exposure to economic, environmental and social sustainability risks and, if it does, how it manages or intends to manage those risks.

Refer to the section about MLA's Risk Management on pages 47, 57 and 58 of this *Annual Report*. The Risk register is a living document and is broadly engaged with across the business.

In addition to this, KPMG undertook a detailed review of MLA's risk management framework to make an assessment of its level of maturity and to inform ongoing improvement in the way MLA manages and reports on its risk profile.

## Principle 8. Remunerate fairly and responsibly

### Recommendation 8.1

The board of a listed entity should:

- (a) have a remuneration committee which:
  - (1) has at least three members, a majority of whom are independent directors; and
  - (2) is chaired by an independent director, and disclose:
    - (3) the charter of the committee;
    - (4) the members of the committee; and
    - (5) as at the end of each reporting period, the number of times the committee met throughout the period and the individual attendances of the members at those meetings; or
- (b) if it does not have a remuneration committee, disclose that fact and the processes it employs for setting the level and composition of remuneration for directors and senior executives and ensuring that such remuneration is appropriate and not excessive.

The Board has established a Remuneration Committee which is structured so that it:

- consists of three non-executive, independent directors; and
- is chaired by an independent chair.

The charter of the committee is on MLA's website.

Refer also to the Remuneration Committee and Remuneration and performance arrangements sections in the 'Corporate Governance Statement'.

### Recommendation 8.2

A listed entity should separately disclose its policies and practices regarding the remuneration of non-executive directors and the remuneration of executive directors and other senior executives.

Refer to the Remuneration and performance arrangements section in the 'Corporate Governance Statement'.

### Recommendation 8.3

A listed entity which has an equity-based remuneration scheme should:

- (a) have a policy on whether participants are permitted to enter into transactions (whether through the use of derivatives or otherwise) which limit the economic risk of participating in the scheme; and
- (b) disclose that policy or a summary of it.

Not applicable as MLA does not have an equity-based remuneration scheme.

# Who we are

## MLA BOARD



**Dr Michele Allan**  
Chair  
BAppSc, MMgt,  
MCommLaw, DBA, FAICD

Director since November 2011

Dr Allan has an academic background in biomedical science, management and law. Dr Allan currently holds board positions with Food Innovation Australia Limited, Apple and Pear Australia, GrainGrowers, Nuffield Australia, CSIRO, Food Agility CRC, Dairy Food Safety Victoria, MJCP Holdings Pty Ltd and Wine Australia. She is Chancellor of Charles Sturt University and Chair of the Defence CRC for Trusted Autonomous Systems.

**Previous roles:** Chair of the Grains & Legumes Nutrition Council; executive director of Patties Foods; non-executive director of Patties Foods, Dairy Research and Development Corporation, Forest and Wood Products Australia, Ruralco Holdings, Tasmania Fruit and Vegetable Taskforce, Tasmanian Irrigation, Callaghan Innovation, William Angliss Catering & Hospitality TAFE College, Cooperative Research Centre Hearing, Grape and Wine Research and Development Corporation, Innovation and Science Australia, and member of the CRC Advisory Committee.

- MLA Chair
- ISC Director
- R S Member



**Jason Strong**  
Managing Director  
MAICD

Appointed 25 March 2019

Mr Strong has more than 30 years' red meat and livestock experience, knowledge and connections from the farm through to the end consumer in both domestic and international markets. He is a well-recognised and respected senior executive with extensive skills in commercial and industry business management and administration, supply chain development, meat science and grading, genetics and marketing, as well as on-farm experience.

**Previous roles:** CEO of Smithfield Cattle Company, Managing Director of AACo, MLA's regional manager in Europe and Russia, Pfizer (now Zoetis), and manager at MSA Grading Services.

- MLA Managing Director
- MDC Chair
- ISC AM RT Director



**Alan Beckett**  
BEc, FICA, GAICD

Director since November 2014

Mr Beckett runs an Angus breeding and backgrounding operation in Yea, Victoria. He brings 40 years' experience with a major professional services firm, practising in the area of audit and corporate services to large companies with an emphasis on listed public companies, along with practical experience in doing business in Oceania, South-East Asia, China, Japan and India. Mr Beckett is a non-executive director of Defence Health Limited, Westbourne Capital Pty Ltd and Westbourne Credit Management Limited.

**Previous roles:** Chairman of ASX-listed Basper Limited (formerly Berklee Limited), Deputy Chairman of the Department of Defence Audit & Risk Committee, and independent member of the Audit & Risk Committee of the Reserve Bank of Australia's wholly-owned subsidiary, Note Printing Australia Limited.

- MLA MDC ISC Director
- A Chair
- S Member



**Robert Fitzpatrick**  
BEc, LLB, MBA, GAICD

Director since November 2015

Mr Fitzpatrick is an industry and technology expert with more than 30 years' experience in senior executive roles across the spectrum of large corporates, government agencies, and small and medium enterprises and start-ups. He has a detailed understanding of industry representative bodies, research and higher education, retail, fast-moving consumer goods, telecommunications, and information and communications technology sectors. Mr Fitzpatrick has a passion for improving the integrity and efficiency of Australia's agricultural sector, applying new analytics to improve on-farm productivity, de-bottleneck supply chains and reduce the cost of moving product from farm gate to global markets. Mr Fitzpatrick is director of Australia's Academic and Research Network, and as at 30 June 2019 was CEO of Gelion UK and Gelion Technologies, a leading provider of battery storage for the renewable energy sector.

**Previous roles:** Board and senior executive roles at McKinsey & Company, Optus, ShopFast, Monitoring Division Inc and wishlist.com.au, councillor of Charles Sturt University, senior executive of Data61 (formerly NICTA) and CEO of Australian Information Industry Association.

- MLA Director
- ISC Chair



**Erin Gorter**  
BA (Education), GAICD

Director since November 2015

Ms Gorter is a rural industry consultant with many years of experience as a WA livestock producer. Ms Gorter comes from a farming background and was a landholder and involved in running a mixed farming operation in Kojonup, WA, producing prime lamb, wool and grains, conducting sheep trading and a small amount of agroforestry for nearly 30 years. Ms Gorter runs her own business in providing business and industry management advice in rural areas. She was awarded the WA RIRDC Rural Women's Award runner-up in 2010 and is a director of agVivo. Ms Gorter is also a director of Primary Industries Education Foundation Australia and Grower Group Alliance Inc.

**Previous roles:** Producer representative on the Board of the WA Meat Industry Authority and managed all aspects of two WA-based grower production groups.

- MLA ISC Director
- R Chair
- A Member



**Russell Lethbridge**  
Dip Rural Bus Mgt,  
Cert AH & FarmEng (Hons),  
MAICD

Director since December 2017

Mr Lethbridge, with his family, runs Werrington Cattle Company, a commercial beef cattle breeding, growing and fattening enterprise. Mr Lethbridge has a deep understanding of cattle production systems, managing breeder and feeder cattle under extreme environmental conditions and pasture nutrition levels, utilising genetic selection and strategic herd management to achieve production and business success. Mr Lethbridge is Chair of the Hann Highway Action Group, a member of the Rural Fire Board and a member of the Oak Race Club Committee and has been so since 1988.

**Previous roles:** Chair of the Hann Highway Action Group, a member of the Rural Fire Board and a member of the Oak Race Club Committee. Elected representative of AgForce for seven years, beginning as Regional Vice President for the north region, then as Regional President and Board member and member of AgForce Finance Audit and Risk and Agribusiness Finance Drought and Climate Policy committees. Member of the steering committee for the Northern Gulf Resource Management Group to develop and promote a business improvement package for north Australian cattlemen.

MLA ISC Director  
A Member



**Andrew Michael**

Director since December 2017

Mr Michael is a fourth-generation farmer, working his 1,500ha family farm at Snowtown, SA. Over the last 45 years he's built and operated a large-scale sheepmeat and wool business including both terminal and maternal sheep. He has extensive experience in the use of breeding technologies in both the sheep and cattle industries and, for over 35 years, has incorporated all the latest leading-edge animal breeding technologies available. Mr Michael is a great supporter and user of all sheep industry resources, including Sheep CRC, Sheep Genetics, Resource Flock and many more. For many years he's had a close association with commercial producers all round Australia, New Zealand and South America, holding presentation and educational field days and helping their marketing and genetic selection programs.

**Previous roles:** President of the Royal Adelaide Show Pastoral Committee, Board member of the Lumeah Trust, member with SA Sheep Disease Management Committee focusing on OJD and Spider Syndrome, and an Australian White Suffolk Association foundation member. Mr Michael is also Honorary Life Member and Distinguished Service Award member of the Australian White Suffolk Association.

MLA ISC Director  
A Member



**Manny Noakes**

BSc, Dip Nut & Diet, PhD,  
GAICD

Director since November 2018

Professor Manny Noakes is a well-credentialed research scientist in food and nutrition and currently manages her own nutrition consultancy business. With over 35 years' experience she has extensive knowledge in many fields of nutrition and health including the food regulatory system and functional food substantiation, and an in-depth knowledge of the role of red meat in human nutrition. She was instrumental in the development of the CSIRO Total Wellbeing Diet which positions red meat as part of a healthy diet for weight control. Professor Noakes is currently an Adjunct Research Professor with the University of South Australia and a member of the Nutrition Society of Australia. She is also a member of the National Committee for Nutrition for the Australian Academy of Sciences, as well as being on its Expert Working Group Special Project: 'Nourishing Australia: A decadal plan for nutrition science'.

**Previous roles:** Senior Principal Research Scientist and Director for the Nutrition and Health Program at CSIRO, executive member of the Federal Government Food and Health Dialogue, the National Heart Foundation Food and Nutrition Advisory Committee and the Lion Nutrition Advisory Panel, and numerous other advisory roles for industry and government.

MLA ISC Director  
R Member



**Jo Pye**

BSc Food & Nutrition,  
MBA, Diploma in  
Leadership Coaching

Director since November 2018

Ms Pye has 20 years' experience in large-scale customer engagement, marketing and strategy within the fast-moving consumer goods industry (with a focus on food and beverage) across numerous roles covering food science, product and strategic marketing management, consumer insights and strategic planning. She has held senior positions across local, regional (APAC) and global (USA, UK, APAC) markets including a three-year assignment in Shanghai, China where she was responsible for strategic planning and implementation to drive regional business growth. Ms Pye has excelled in both global corporate and lean start-up environments and in designing and delivering high quality strategic market advisory and implementation projects. She is currently undertaking a Diploma in Leadership Coaching and is a member of the Australian Institute of Food Science & Technology.

**Previous roles:** Director of Food Service for The NPD Group, Global Head of Insights & Customer Experience at Watch Me Think, Global Director of Insights & Client Service, Mintel International, Marketing Director, Australia & NZ, DuPont (formerly Danisco).

MLA ISC Director  
R Member



**Clare Stanwix**

BA (Hons) LLB, LLM,  
GAICD, FGIA, FCIS

Appointed June 2014

Ms Stanwix's role as Company Secretary is to convey the Board's role, priorities and needs to the business and facilitate good governance within MLA. She is accountable directly to the Board, through the Chair, on all matters to do with the proper functioning of the Board. In addition to holding the office of Company Secretary, Ms Stanwix is a member of MLA's Leadership Team and holds the position of General Counsel. She leads the legal, risk and governance team at MLA and over the past year has been responsible for the evolution of MLA's crisis management and risk frameworks. She has significant experience in intellectual property, technology, corporate and commercial law, advertising, workplace health and safety, and dispute resolution.

**Previous roles:** Prior to joining MLA in 2009 as General Counsel Ms Stanwix was a senior associate with DLA Piper and external legal counsel to MLA.

MLA MDC ISC Company Secretary  
RT Director

## RETIRING DIRECTORS



### Richard Norton

Former Managing Director  
(2014–2018)  
MBA, GAICD

Appointed 2 June 2014

Mr Norton is the fifth generation of a beef and sheep farming family from Monaro, NSW. He began his working life as a rouseabout and jackaroo then for more than 20 years served livestock producers as a stock agent and auctioneer across NSW.

#### Previous roles:

Mr Norton held executive positions in retail, manufacturing, logistics and warehousing with Woolworths, Coca-Cola Amatil, Wesfarmers and Toll Holdings and was a non-executive director of Agrium Asia Pacific, the Australian Wheat Board, RD1 New Zealand, Landmark Harcourts and Australian Wool Handlers. He was head of Live Export and International Trade and then Managing Director of Landmark Operations Australia. He was Chairman of Integrated Traceability Solutions (Global) and AuctionsPlus.

**MLA** Past Managing Director

**MDC** **ISC** **AM** **RT** Director

**R** **A** Member



### Steven Chaur

GradDip Marketing, MBA,  
GAICD, FIML

Director since November  
2015

Mr Chaur is a highly experienced food industry leader, executive and consumer brand marketer, having managed some of Australia's favourite brands and has more than 25 years' experience in fast-moving consumer goods within the food industry across Asia, China, Middle East, NZ, US and Europe. Mr Chaur has gained strong experience in multi-sales channel customer relationship management, market access, consumer marketing and brand development strategy, corporate strategy and governance, crisis management/product recall, capital projects and company financial management. Mr Chaur has broad experience across primary industries where the farm-to-consumer value chain and innovation excellence is critical.

**Previous roles:** Managing Director roles with ASX-listed Patties Foods Limited and Saint-Gobain SA and Managing Director and CEO of Nutrano Produce Group Ltd, a large-scale integrated farming and export company. Senior executive roles with Pacific Brands Food Group, George Weston Foods and Findus SA. Mr Chaur was also a previous Marketing Director at National Foods Limited (milk) and Simplot Australia.

**MLA** **ISC** Director

**MDC** Past Chair

**R** **A** Member

#### KEY: MLA SUBSIDIARY COMPANIES AND COMMITTEES

**MLA** Meat & Livestock Australia

**MDC** MLA Donor Company Limited

**ISC** Integrity Systems Company Limited

**RT** Red Meat Traceability Systems Pty Ltd

**AM** AUS-MEAT Limited

**R** Remuneration Committee

**S** Selection Committee

**A** Audit and Risk Committee

## MLA LEADERSHIP TEAM



**Jason Strong**  
MAICD

Managing Director

See page 63 for Mr Strong's biography.



**Andrew Ferguson**  
BA, CA

Chief Financial Officer

Mr Ferguson joined MLA as Chief Financial Officer in December 2016. He is a Chartered Accountant with more than 20 years of commercial and financial experience in both the UK and Australia. His previous positions include senior finance roles with Ruralco Holdings, NRMA and Jetset Travelworld. Prior to this, Mr Ferguson worked as a senior manager with EY.

Number of employees: 42



**Dr Jane Weatherley**  
PhD (Farming systems),  
GAICD

Chief Executive Officer,  
Integrity Systems Company

Dr Weatherley took on the role of Chief Executive Officer of Integrity Systems Company (ISC) in 2016. Before this role, she was General Manager – Livestock Productivity, managing Meat Standards Australia, livestock genetics and sheep productivity RD&E. Prior to MLA, Dr Weatherley held positions spanning red meat extension, farming systems research and development, and evaluation. She maintains an active role in her family beef operation on Bruny Island, Tasmania.

Number of employees: 34



**Lisa Sharp**  
BEc

Chief Marketing and  
Communications Officer

Ms Sharp joined MLA in April 2015 and leads MLA's Communications, Marketing and Industry Insights team. She has an extensive background in consumer insights and brand marketing, product innovation, global strategy development, communications, change management and general management. Ms Sharp has held marketing leadership and executive team positions in a number of Australian and multinational organisations including SPC Ardmona, Coca-Cola Amatil, PZ Cussons and Novartis Consumer Health. She has also held finance, business analyst and brand management roles during her career.

Number of employees: 73



**Michael Crowley**  
B.RurSc, Grad Cert Bus  
Admin

General Manager, Producer  
Consultation and Adoption

Mr Crowley joined MLA in 2009 as the manager of Meat Standards Australia (MSA). In 2012 he moved to Brussels as MLA's International Business Manager for EU and Russia. He returned in 2015 to manage MSA, then joined MLA's Leadership Team in 2016. He is responsible for MLA's investments in MSA, livestock genetics, beef and sheep R&D, Producer Innovation Fast-Track, adoption and the regional consultation framework. Prior to joining MLA, Mr Crowley held commercial positions within red meat processing, production, procurement, marketing and sales. His family operate a beef cattle property in northern NSW.

Number of employees: 37



**Michael Finucan**  
BAgSc

General Manager,  
International Markets

Mr Finucan has extensive experience working in international markets after being involved in the export of a range of agricultural commodities before joining MLA in 2007. He has held a number of roles at MLA, including Manager Livestock Exports and International Business Manager in Korea. He is responsible for the delivery of MLA's international markets strategy and oversees MLA's international operations from Singapore.

Number of employees: 48



**Sean Starling**  
GAICD, LLB, B.Eng (Chem),  
Vincent Fairfax Fellow

General Manager,  
Research, Development &  
Innovation and MDC

Mr Starling joined MLA in 2016 following his role as General Manager – Australia of Scott Automation & Robotics and was previously at MLA from 2002–2009 as Manager – Innovation and Capability Building. He has been engaged in food value chains for most of his career, having worked in positions from factory engineer to general manager in manufacturing, research and development, and engineering organisations.

Number of employees: 24



**Clare Stanwix**  
BA (Hons) LLB, LLM,  
GAICD, FGIA, FCIS

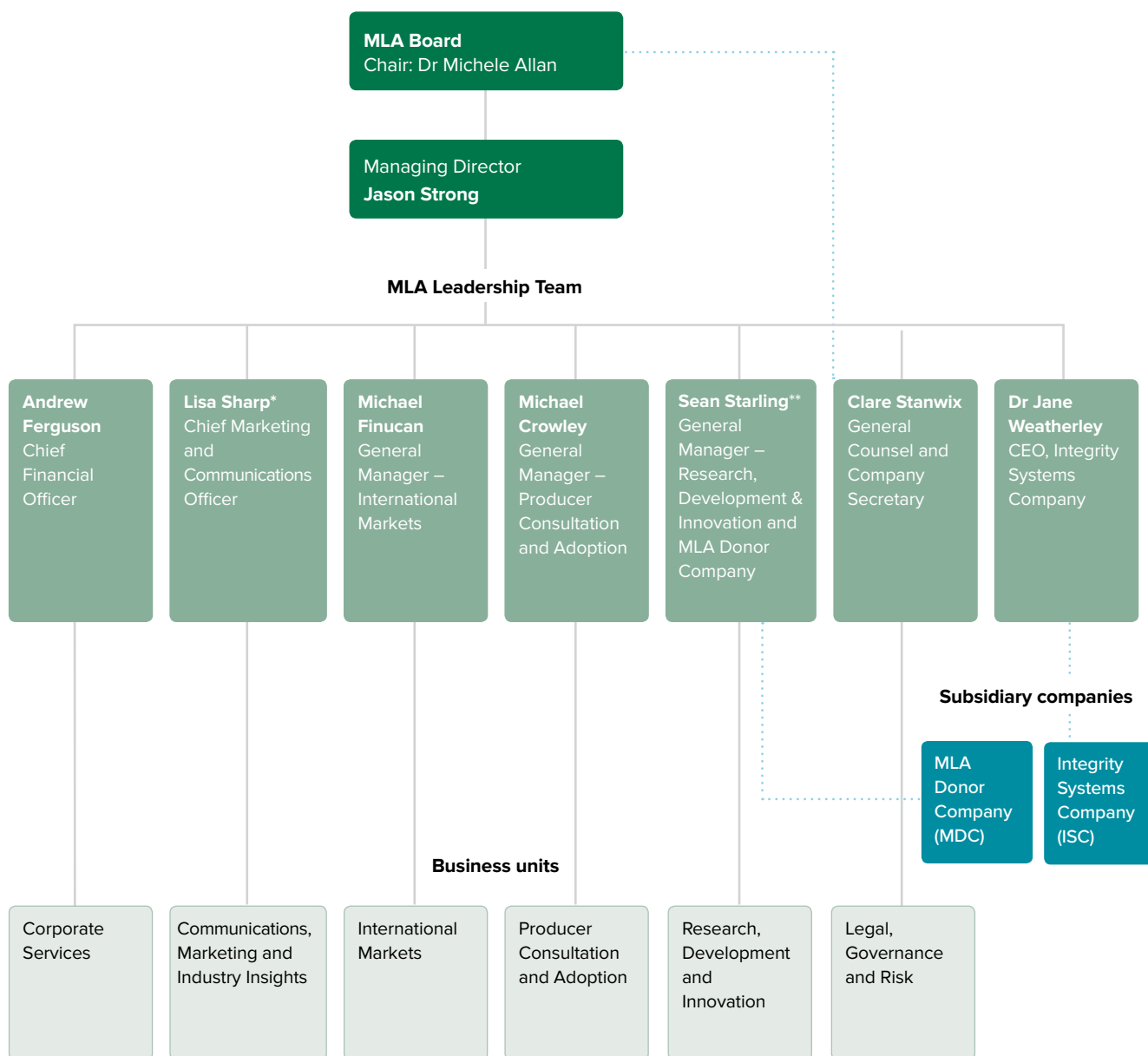
General Counsel and  
Company Secretary

See page 64 for Ms Stanwix's profile.

Number of employees: 5

# MLA ORGANISATIONAL CHART

at 30 June 2019



\* At the time of publication, a new position was created within the MLA Leadership Team to reinforce the organisation’s commitment to continued effective and professional communications to all stakeholders across the red meat supply chain.

Peta Slack-Smith commenced in the key senior role of General Manager, Strategic Communications and Corporate Affairs in August 2019.

This new appointment resulted in a restructure of the Communications, Marketing and Industry Insights business unit. More information on this restructure will be included in MLA’s *Annual Report 2019–20*.

\*\* Sean Starling left MLA on 30 September 2019.



## OUR SUBSIDIARY COMPANIES

### MLA Donor Company

MDC accelerates innovation across the value chain so the Australian red meat and livestock industry can remain competitive on the world stage. It does this by attracting commercial investment from individual enterprises and others that share a mutual interest to co-invest in innovation that will benefit the industry (see figure below).

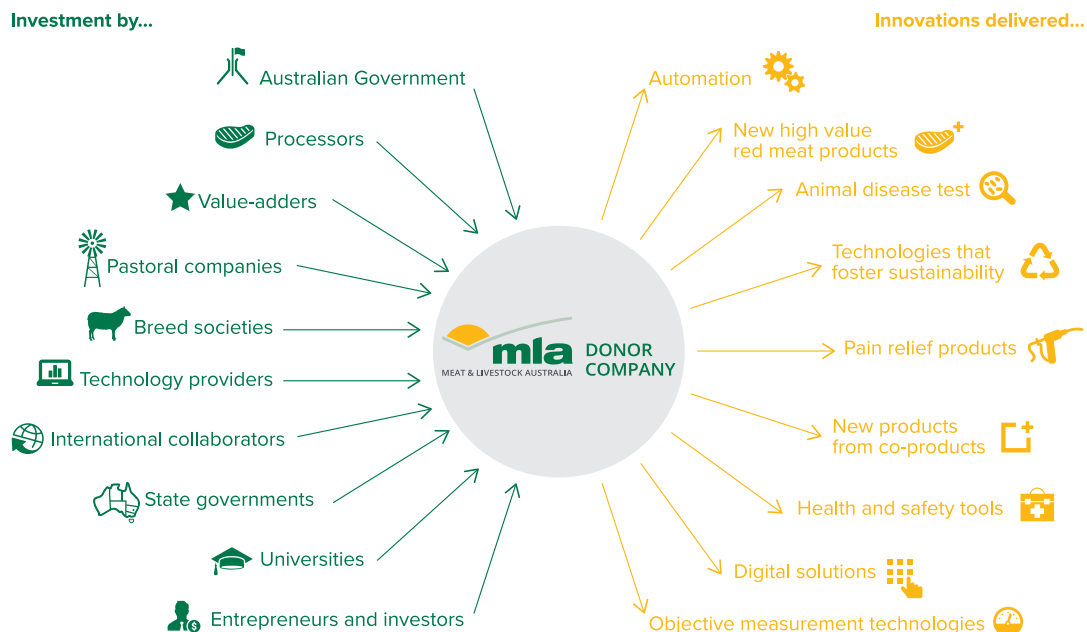
MDC supports MLA's strategic purpose of fostering the long-term prosperity of the Australian red meat and livestock industry via:

- extending MLA's strategic priorities into future-focused, transformational impact areas
- facilitating capability and adoption of innovation by industry
- acting as a catalyst to accelerate the development of innovations with new types of provider partnerships
- partnerships that facilitate 'big picture' change in the industry
- engaging leading global providers and entrepreneurs that bring new ideas and new value to the industry
- attracting new investment partners to co-develop key priority areas.

MDC's strategic investment portfolio is directly aligned to extending the achievement of the *Meat Industry Strategic Plan 2020* and *MLA's Strategic Plan 2016–2020*.

Further detail about MDC is available at [mla.com.au/mdc](http://mla.com.au/mdc)

### THE ROLE OF MDC



### Integrity Systems Company

Integrity Systems Company (formerly NLIS Ltd) is a wholly owned subsidiary of MLA. Its expanded remit began in September 2016, being responsible for delivering the red meat and livestock industry's traceability and quality assurance systems: the Livestock Production Assurance (LPA) program, National Vendor Declarations (NVDs) and the National Livestock Identification System (NLIS) (see figure below).

Integrity Systems Company (ISC) was launched following a recommendation

by industry and government in 2015 – through their SAFEMEAT partnership – that one company be given responsibility for delivering a fully integrated integrity system. The streamlined structure helps to ensure resources are more effectively directed to further develop and improve these key systems which underpin market access, customer expectations and the safety of Australian red meat and livestock. ISC's strategic investment portfolio is directly aligned to extending the achievement of the *Meat Industry Strategic Plan 2020* and *MLA's Strategic Plan 2016–2020*.

### THE ROLE AND SCOPE OF INTEGRITY SYSTEMS COMPANY



## HUMAN RESOURCES

At 30 June 2019 MLA had 271 employees, both domestically and internationally. The workforce has increased marginally up from 265 employees compared to the prior year.

Voluntary turnover for the reporting year was 11.3% compared to 10.6% in 2017–18. Total turnover in 2018–19 was 20% which includes voluntary and involuntary turnover and end of fixed-term contracts.

### Performance and remuneration process

MLA's performance management framework aligns MLA's strategic priorities and organisational values to individual performance and outcomes to encourage, recognise and reward employee performance.

Employee remuneration is reviewed on an annual basis, taking into consideration changes to the Consumer Price Index, external salary survey information and employee development and performance.

During 2018–19 MLA continued to have new roles benchmarked through global human resources consulting firm Aon Hewitt to ensure remuneration remains competitive to attract and retain talent.

The total employee benefit expense in 2018–19 was \$34,638,909 (see page 84).

### Training and professional development

It is important that MLA employees have the necessary knowledge and skills to manage change and complexity to deliver MLA's *Strategic Plan 2016–2020*, while enabling growth and innovation to build capability for the future.

In 2018–19 MLA continued to support employees through training and professional development through its 70/20/10 model approach to learning and development:

- 70% of learning and development is on the job (including workplace tasks and stretch assignments)
- 20% is through others (including managers, peers and coaching arrangements)
- 10% is through formal learning initiatives (such as risk management, performance management and anti bullying and harassment training, and training courses identified between individual employees and their managers).

### MLA EMPLOYEE PROFILE AT 30 JUNE

	2015	2016	2017	2018	2019
Male	112	114	112	125	118
Female	125	120	131	140	153
Full-time	208	207	208	232	231
Part-time	29*	27*	35*	33*	40*
Australian-based	197	196	205	222	227
Overseas-based#	40	38	38	43	44
<b>Total staff</b>	<b>237</b>	<b>234</b>	<b>243</b>	<b>265</b>	<b>271</b>

\* Excludes employees on parental leave.

\* Part-time total includes five casual employees based in Australia.

# Overseas-based includes both locally engaged employees and expatriates/international assignees.

MLA also provides financial and study assistance to employees undertaking a professionally recognised qualification related to their work, such as an undergraduate or postgraduate course at university, TAFE or other recognised education institutions.

In 2018–19, assistance was provided to 14 employees studying undergraduate and postgraduate courses ranging from rural science to agriculture and communication to business management, as well as professional certifications.

### Employee engagement

As a service provider to industry, MLA's employees are vital to delivering outcomes that support MLA's strategic priorities for the red meat industry. MLA commissions an employee engagement survey, conducted by Aon Hewitt, to measure engagement across the company and strives for continuous improvement to work toward being recognised amongst the best employers in Australia.

### Diversity and gender equality

MLA is committed to diversity, equal employment opportunity and inclusive workplace practices. The diversity policy can be viewed at [mla.com.au](http://mla.com.au).

At 30 June 2019, MLA's employee profile reflects a balanced age distribution and gender profile (see figure). MLA continues to offer employees flexible work arrangements that support work/life balance, including family or caring responsibilities. Provisions include flexible hours of work, telecommuting, part-time work, paid parental leave and personal/carer's leave.

MLA also offers employees access to an employee assistance program, and has training and formal policies to educate and protect employees against discrimination, harassment and bullying.

MLA EMPLOYEES – AGE AND GENDER COMPOSITION

