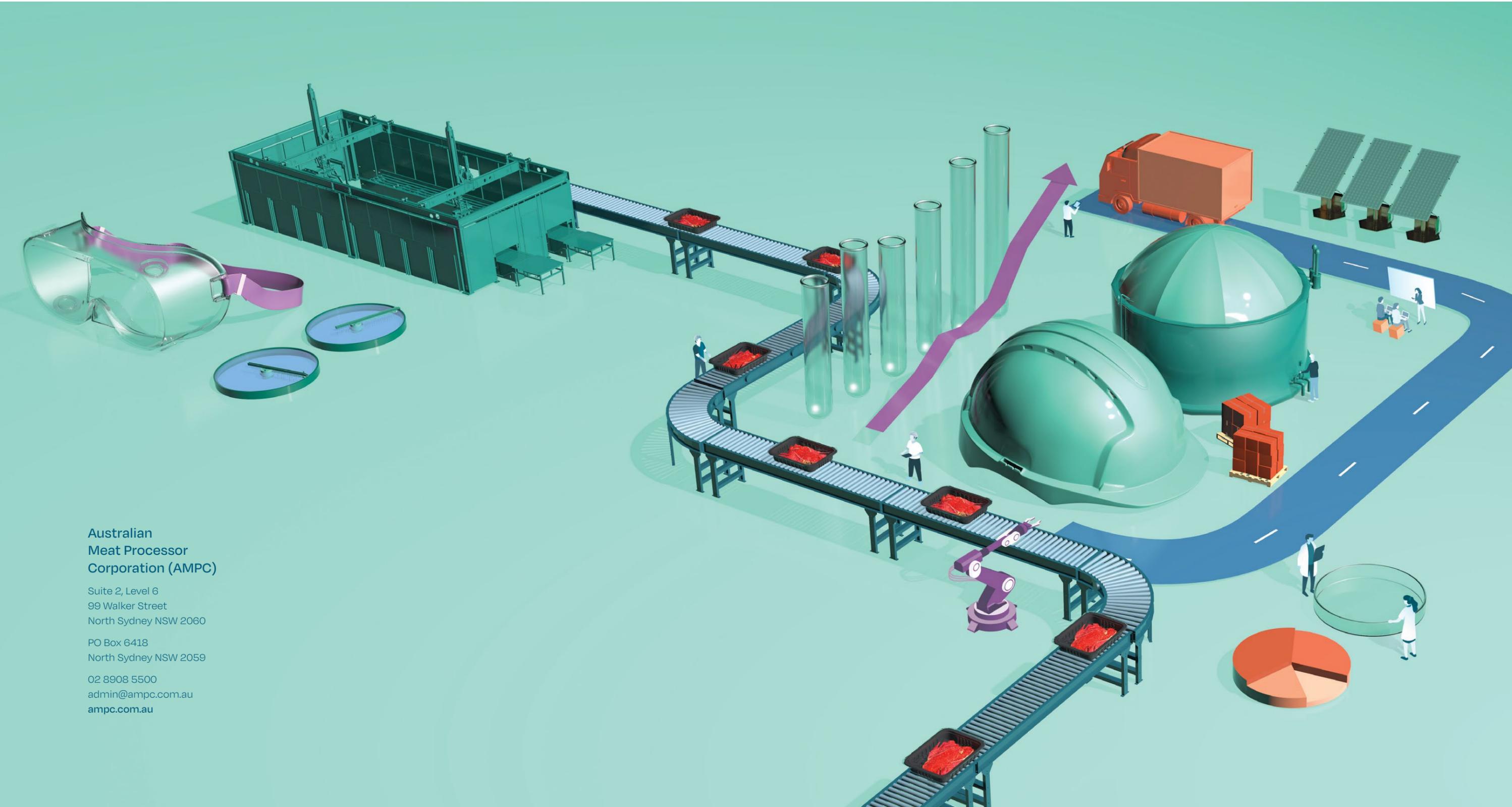


Annual Report 2019–2020  
Advancing Australian Meat Processors

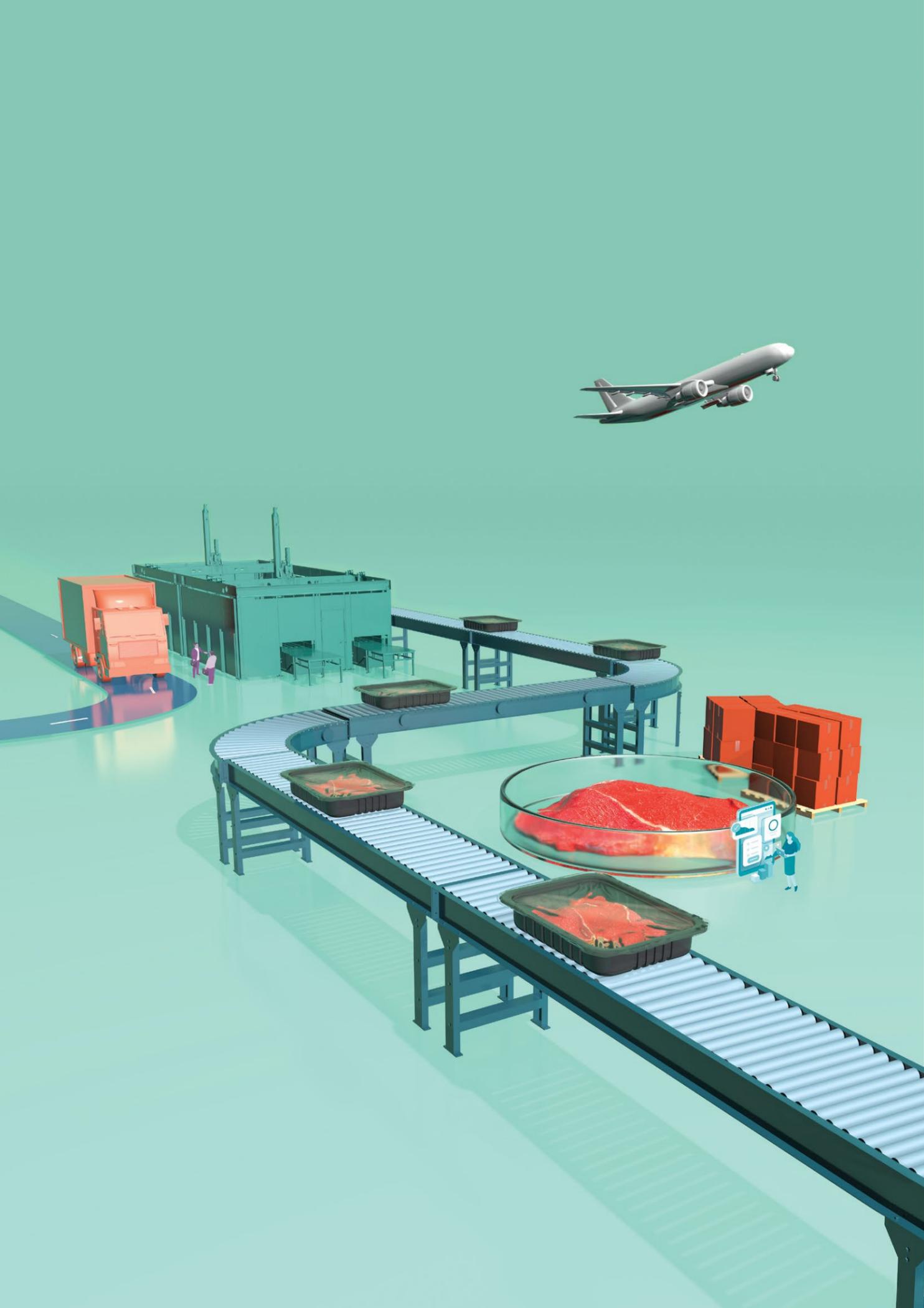


Australian  
Meat Processor  
Corporation (AMPC)

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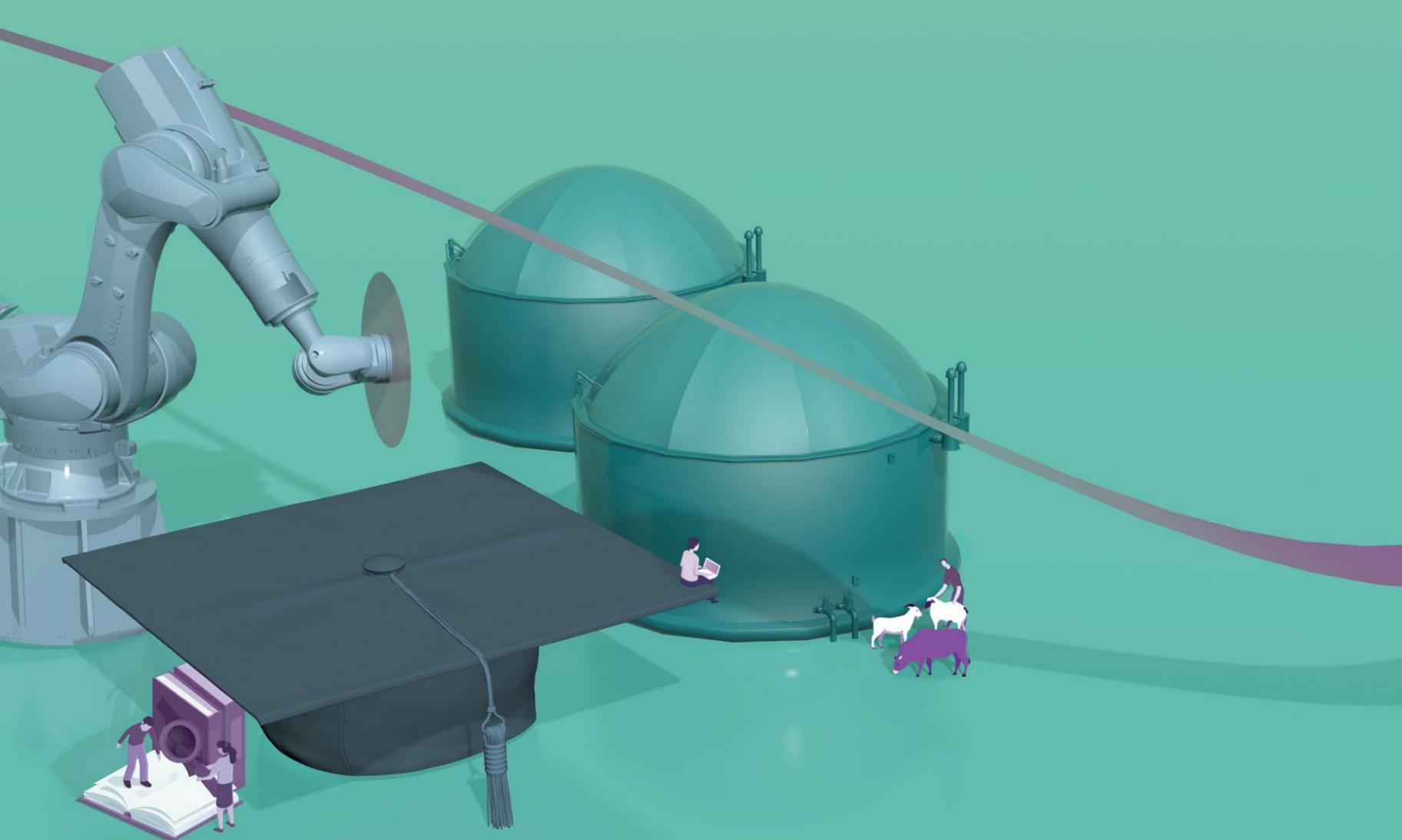
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AMPC understands the needs of our members to ensure the sustainability of our vital industry.

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## About AMPC

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.

Our mandate is to provide research, development, extension and marketing services that improve the productivity, profitability and sustainability of the industry.

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

We engage leading research organisations and fund joint activities with our value-chain partner Meat & Livestock Australia (MLA) to address the priorities of the processing sector.

Each financial year the Annual Report provides an overview of the financial year's activity as outlined by the yearly Annual Operating Plan (AOP). The AOP is prepared yearly to guide the delivery of AMPC's long-term investment priorities and outcomes.

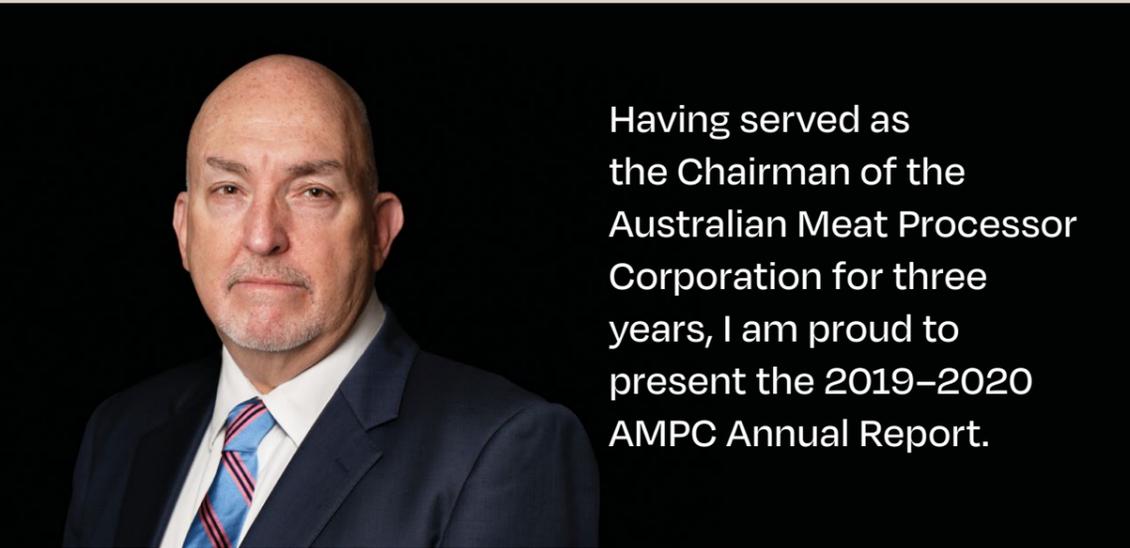
The programs within our R&D portfolio have been constructed from direct engagement with our members and in partnership with the Australian Meat Industry Council (AMIC) to maximise the value of programs to levy payers.

# Advancing Australian Meat Processors

This annual report explores the **delivery, progress and outcomes** of the research programs realised in the financial year 2019–2020. It is an account of the issues identified through member engagement, the research investment prioritised to address those issues, and the value delivered and extended to the membership and broader industry. **Adoption** is a key focus of tangible **research-led innovations** and is dually measured by the ongoing success of the Australian processing industry.

The year is defined by the setting of a **renewed vision** for industry-led aspirations. Over the past 12 months AMPC has reviewed its past performance and identified opportunities to better align its activities to service members. The organisation has delivered a new Strategy to map its path to supporting and enabling the Australian processing sector to be **sustainable, competitive and profitable**.

# From the Chairman



Having served as the Chairman of the Australian Meat Processor Corporation for three years, I am proud to present the 2019–2020 AMPC Annual Report.

2020 has been a year marked by an unprecedented global pandemic. The Australian red meat processing industry has faced challenges around livestock supply and the impact of COVID-19 on both domestic and international demand for our product. COVID-19 restrictions imposed by Government across Australia have also had significant impact on processing operations and worker mobility.

Importantly, there are signs of a global recovery, the Australian economy unlocking and international demand for protein improving in the lead up to 2021 and beyond.

As a predominately export orientated industry, we must continue to focus on cost and competitiveness; and research, innovation and technology are critical to achieve these results. This is where AMPC through its active engagement with members, technology providers and AMIC continues to provide value through practical and value adding solutions to industry and member company issues. As Chair of AMPC, I am very appreciative of the strong direction and support provided by the Board to the executive general manager and the team in setting the strategic priorities detailed in AMPC Strategic and Operational Plans, released this year. These two plans provide a clear and concise set of research, development, and innovation objectives, and outline areas for proactive policy formulation to support a more competitive red meat processing sector.

I would also like to acknowledge the support provided by AMIC, its CEO and Board in strengthening the working relationship with AMPC around work plans and priorities relevant to further developing the industry.

The following key areas were the focus for AMPC, along with AMIC and our levy paying members this year.

## Market Access

Maintaining access to key markets is critical for the red meat processing and agriculture sectors. This year, trade with China has been disrupted for several processing establishments. AMPC, has with its members worked to deliver solutions to enhance our already strong industry and government export systems. The continuing research that AMPC invests in the area of technical market access, including strategic policy research; and the relationships with our peak industry council AMIC, underpins the sector's representation to Government with crucial data, commercial intelligence and practical policy responses to address regulation, red tape and costs, and insights.

## Australian Export Meat Inspection System (AEMIS)

Our work together on the Australian Export Meat Inspection System (AEMIS) report demonstrates the importance of a strong relationship with AMIC and the Federal Government to achieve valuable outcomes for all industry participants.

In late 2019 appointed as the independent project administrator, we delivered the final report on AEMIS on behalf of the Australian Meat Industry Council (AMIC). The review undertook consultations with government and the export meat sector to determine if AEMIS was still effective, efficient, and fit for purpose since its inception in 2011.

A working group was convened to develop a comprehensive modernisation plan built on a culture of 'shared success' for stakeholders. This Meat Modernisation Working Group (MMWG) Chaired by Terry Nolan (AMIC, National Processor Council Chair) has identified opportunities within the proposed plan, of an estimated \$57 million in annual benefit to the industry. The timing benefit of these opportunities fall within the short (within 12 months), medium (1 to 2 years) and longer term (implementation over 5 years).

Another outcome of this plan is a digital modernisation roadmap that considers current gaps in technological investment (by both industry and government) and identifies opportunities to improve export meat regulatory activities through digital transformation based on strong research and development provided through AMPC.

We will continue to provide processors with updates as they become available.

## Strategic Plan 2020–2025

This year we delivered a strong and focused five-year strategy. The strategic planning process involved comprehensive consultation with key stakeholders to identify and confirm the priorities and actions to execute and deliver for industry and demonstrate value for all AMPC members. The major change within the Strategic Plan 2020–2025 is the service delivery model. In the past, AMPC has described its role as member-centric with research led by a top 10 issues framework. This year's consultation process revealed that the ultimate service we can provide is as a trusted advisor. Bearing in mind that trust is earned, we will ensure that AMPC invests and shows value to all members. A key platform for this is to establish a strong member-based network of AMPC-funded co-innovation managers to boost adoption of innovation and technology and to deliver value for money to our members.

This new service culture has given the Board confidence that the organisation is at its most effective in providing value for collected levies. The turnaround in member engagement through new Plant Initiated Project (PIP) projects signals a significant shift in our commitment. I look forward to seeing this further develop across our membership base over the next year.

This year the AMPC Board and the secretariat have undertaken a period of reset and refocus and a marked shift in our culture and focus on delivering results for our members combined with building a stronger working relationship with AMIC. I am proud of the efforts of Executive General Manager, Chris Taylor, who was appointed by the AMPC Board on 1 October 2019. Chris and the refreshed AMPC team he picked and led through the year are enthusiastically committed to our membership.

## AMPC 2016–2020 Performance Review

This year AMPC underwent an independent performance review covering the period 2016–2020 in accordance with its Federal Government Funding Agreement.

This review is required to be undertaken towards the expiration date of each Commonwealth Government Funding Agreement, and as our current agreement ends in November 2020 we have commenced the process of negotiating a new funding agreement for 2021 onwards.

The review assesses AMPC's performance in delivering research and development, extension, and marketing services; and the delivery of benefits including return on investment for the Australian red meat processing industry.

The final report highlighted the positive shift in focus and performance of AMPC for its members and the opportunity to support a more competitive Australian red meat processing industry. In conclusion, it has been a challenging period, but I am confident that in 2021 we will see opportunities for growth. As Chair of AMPC, the investment in strategic and operational work driven by the Board, combined with the balanced portfolio of investment undertaken by the AMPC team with AMIC as our strategic partner has better positioned us to show real, tangible value to both industry and the membership going forward.

John K Berry  
Chairman

# Executive General Manager's Report



It has been my great pleasure to lead AMPC for the past year as Executive General Manager through a time of great reflection, growth, and delivering outcomes for our tremendous processing industry.

The past year has been one of resetting priorities and creating a renewed focus, of re-engaging our membership and understanding how the future can look with a focused and trusted R&D partner by our members' side.

The process of resetting AMPC's purpose and strategy has informed several operational decisions, including the way we interact with stakeholders and a transformation of the way in which we undertake R&D and marketing activities.

It was heartening to see strong engagement from the industry during our consultation process, with businesses representing approximately 70% of Australia's processing capacity involved in workshops and directly informing our strategic aspirations and functional operating models.

## Trusted Advisors

The first of these operational shifts has been to equip the organisation with a customer service mindset, connecting insights to outcomes.

While relationships have always been strong between AMPC and larger processing plants with active R&D investments, it has not always been the case for small or medium sized processing businesses. Close to half of our membership is represented by small and micro-sized plants, and that stands as an important reminder of the need for a segmented approach to the way we work with industry.

Following a detailed review of our members' segments, project lifecycles and engagement processes the team and I concluded that AMPC as a service provider needs to be far more proactive for R&D efforts to be most effective and for industry to both engage and adopt the outputs of our activities.

To that end, we have applied internal staffing changes, refocused the program areas and commenced a re-engagement with members and key stakeholders. Our vision is to be the trusted advisor of the processing industry and we acknowledge that trust is earned.

## Service Delivery

To support this customer service culture, AMPC has recently invested in recruiting four co-innovation managers to further engage our membership and to specifically focus on Plant Initiated Project (PIP) opportunities. Co-innovation managers are responsible for frontline member engagement and act as a conduit between our industry programs and the needs of specific members.

We have also re-examined how we interact and deliver information to members and whether those channels are effective.

This year we successfully introduced a new webinar program to complement the Industry Forums that had been taking place face-to-face pre-COVID. The webinars have had an overwhelmingly positive response reaching many more establishments than the Industry Forum program. Internally it has been a lesson on how members want to engage with us — we have learned that this focused format, available online is appreciated and more convenient to many members. We are excited to build and extend this webinar program in the coming year — and record and publish them to our library of resources online.

## Push and Pull

AMPC is the heart of current innovation in processing knowledge and insights. Our internal library of past research; tools for benchmarking processes and standards; as well as practical resources for members to use in their businesses; these are the dividends of R&D which in theory should be readily accessed and adopted.

Rather than the responsibility sitting solely with processors to actively search for and access AMPC developed resources, we are equally responsible for ensuring members are supported with knowledge and resources that suit their own, individual needs. We need to direct members to suitable information and resources. No two processing establishments are alike and AMPC is evolving its own approach to ensure it is not unilateral in the service we provide.

During the year we commenced an overhaul of our knowledge sharing systems, including our website, which over the coming months will undergo an upgrade tailored to deliver targeted information to the different business sizes we serve with an improved search facility and a member only area.

## Plant Initiated Projects (PIPs)

PIPs are a fantastic opportunity for on-plant innovation and adoption, incorporating a direct partnership and co-investment between members and AMPC. Since 1 July 2019, 35% of each member's levy is now quarantined for use towards on-plant innovation and adoption activities.

AMPC commenced a PIP member re-engagement in late October 2019, and this has resulted in more than 50 processing plant visits by AMPC staff, prior to the COVID lockdown in April. These meetings have resulted in more than 200 project ideas, of which more than 100 have been formally submitted. 45 companies who have beef processing chains have made submissions, as have 33 companies who have small stock processing chains.

## Strategic Policy Research

Fundamental to delivering R&D innovation is the ability to deliver actionable insights. AMPC should be aligned, transparent, informing and informed by our peers in industry. This year, AMPC has increased the time spent working with our peak industry council on the matters important to industry.

Our role is to support AMIC by undertaking research which can inform the development of strategic policies. By working closely with AMIC we can simplify messaging to government by providing the data that informs the development of policy which supports the industry to perform at its best.

## The Future

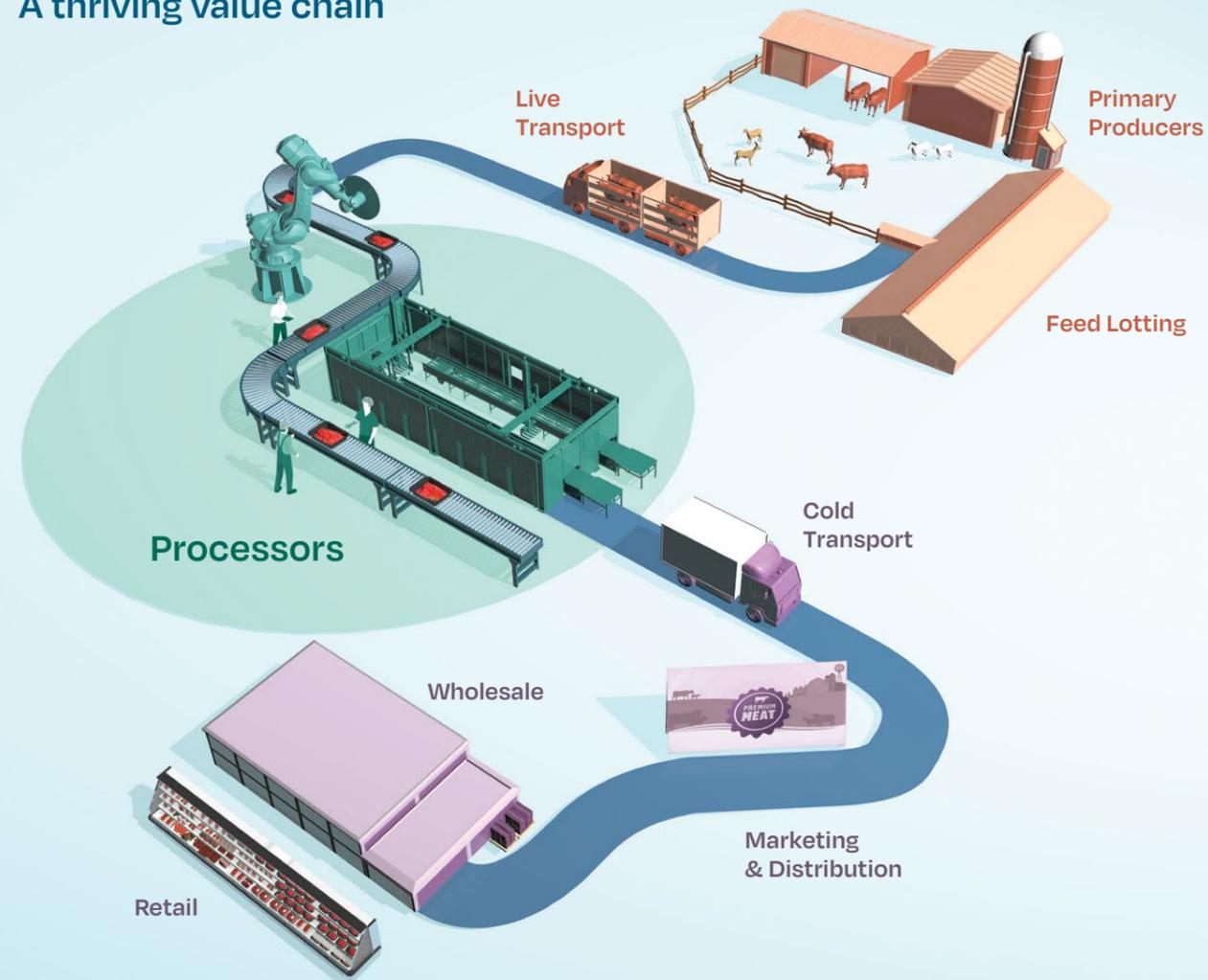
In the year ahead we will continue to roll out our enhanced operating model and continue our progress towards the aspirations outlined in our strategic plan. We will be encouraging greater collaboration and adoption and exploring new and novel activities to support our aspirations.

I look forward to continuing to drive value for members, building on the credibility, reliability and customer focus that our members expect and our industry deserves.

Chris Taylor  
Executive General Manager

# Our Industry

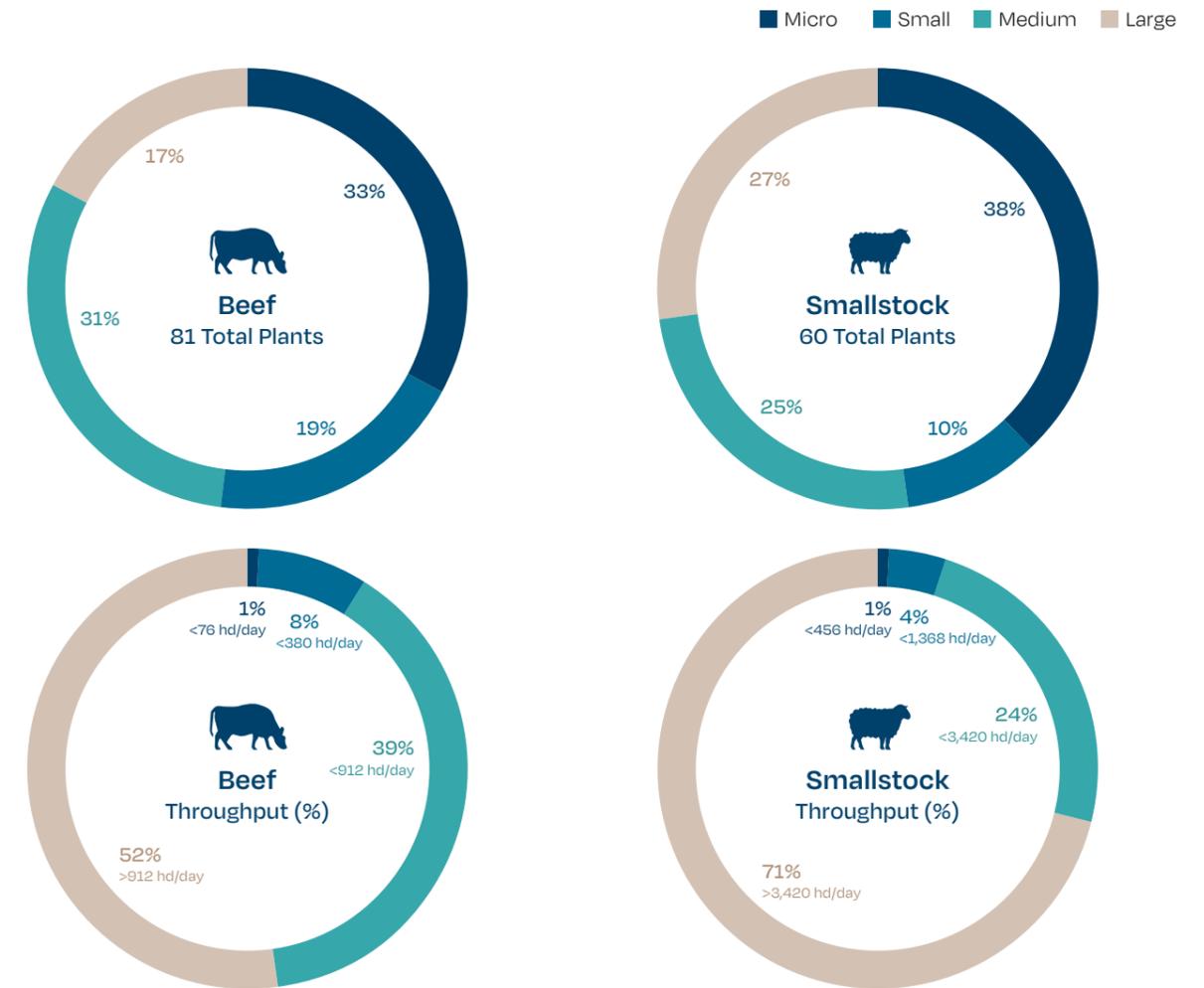
## A thriving value chain



Australia is the world's <b>second</b> largest exporter of meat	Australia's red meat and livestock industry value add <b>\$17.6 billion</b> to Australia's annual GDP (including flow-on effects)	
<b>68%</b> of Australian produce is exported	Process <b>\$17.2 billion</b> in exports per year	<b>\$11.3 billion</b> Domestic sales
<b>31,200</b> people employed by processors	<b>121,600</b> equivalent jobs across the economy are supported by processing	
<b>Processing industry multiplier effect:</b> For every \$1 in industry value added generated in the red meat processing sector, an additional <b>\$2.60</b> is supported across the total economy	Processors underpin <b>17%</b> of total full-time equivalent employment in the Agriculture, Forestry & Fishing sector	

# Our Members

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



<b>Significant employers</b> While AMPC members range in size from two to 2,000 employees, half the AMPC membership have less than 200 workers.	<b>Varied product focus</b> Across all AMPC members, there are a range of processing sizes and systems. By livestock type, cattle processing is the most common activity, representing 83% of all member establishments.	<b>Geographically diverse</b> AMPC members are spread throughout Australia, particularly in rural and regional areas. 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.
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# Our Vision & 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 Research Portfolio

AMPC knows what effective research and development will deliver for industry. Our vision for 2030 is clear, tangible results across our programs, real outcomes in action across processing businesses of all sizes.

**This year, in developing the 2020–2025 Strategic Plan a detailed roadmap was created, allowing for the allocation of resources to strategic programs over a five-year horizon.**

Based on our deep insights into the needs of the processing sector now and into the future the six core programs have been consolidated into **five program themes** beginning FY 2020–2021.

### Advanced Manufacturing

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

### Sustainability

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 & Culture

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

### Technical Market Access & Markets

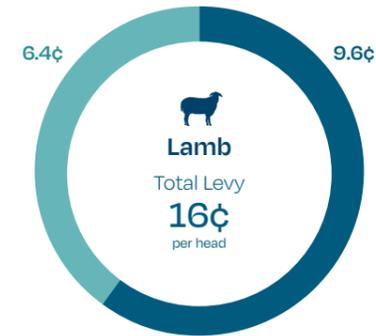
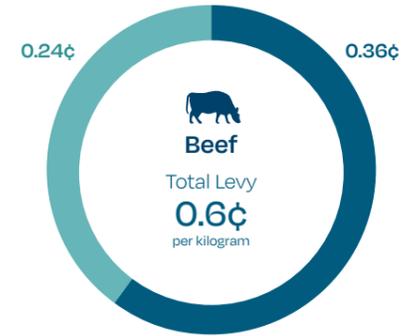
Australia is the preferred trading partner for premium red meat products globally, with unrivalled access to high value markets.

### Product & 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

Allocation and eligibility of project funding is governed by the following categories of investment:

**Core** projects address key issues facing processors in terms of productivity, profitability, sustainability, integrity and capability. They are supported by a robust industry-wide consultation process aimed at identifying and delivering innovative outcomes. Funding comes from processor levies and matched government funding (where applicable).



**Plant Initiated Projects (PIP)** enable processors to identify and undertake R&D projects that generate whole-of-industry benefits by trialling and adopting new technologies at operating plants. These efforts are supported by private investment in industry R&D as well as matching government funds for eligible activities. For further detail on PIP funding please refer to the AMPC website.



**Joint** projects deliver supply chain improvements that support food safety, data integrity, eating quality and increased demand for red meat domestically and internationally. These projects are collaboratively funded by AMPC and Meat & Livestock Australia (MLA), using both processor and producer levies, as well as matching government funds for eligible activities.



## Matched Funding

Matched funding is provided by the government to RDCs each year and is capped based on total industry turnover. For red meat industry participants, the 2020–2021 matched funding cap is approximately \$86m.

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

The processing sector must access matched funding through MLA.

# Service Delivery

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

This year, in developing the Strategic Plan 2020–2025 a renewed focus on service delivery has been prioritised to provide better value to all members. This customer service mindset is key for connecting insights to outcomes and increasing industry adoption.

Our program portfolio is segmented at project inception to design extension activities and understand adoption pathways to deliver clear value to all levy payers.

The AMPC team possess a unique understanding of the context of an issue and why it poses an opportunity for R&D. Our experience stretches across industry, science, research, private and public companies. Through consultation and engaging world-leading research scientists, universities and subject matter experts in our research and development, AMPC's insights make a positive difference to advancing the industry.

AMPC's peak industry council, the Australian Meat Industry Council, is the vehicle for processor advocacy and policy development. To gain the acknowledgement and support of other red meat participants, and in turn their communities, consumers and government, processors must develop a unified narrative. To facilitate the best outcomes for the sector AMPC has prioritised a renewed focus on policy research to support and inform the work AMIC do in policy development.

## Insights

We deliver value through insights. Creating and simply having knowledge is not enough. Insight definition takes work; it's a skill that requires creativity, persistence and deep thinking to craft. The most powerful insights come from rigour and serious analysis to translate large amounts of data into concise and compelling findings.

**Issues**

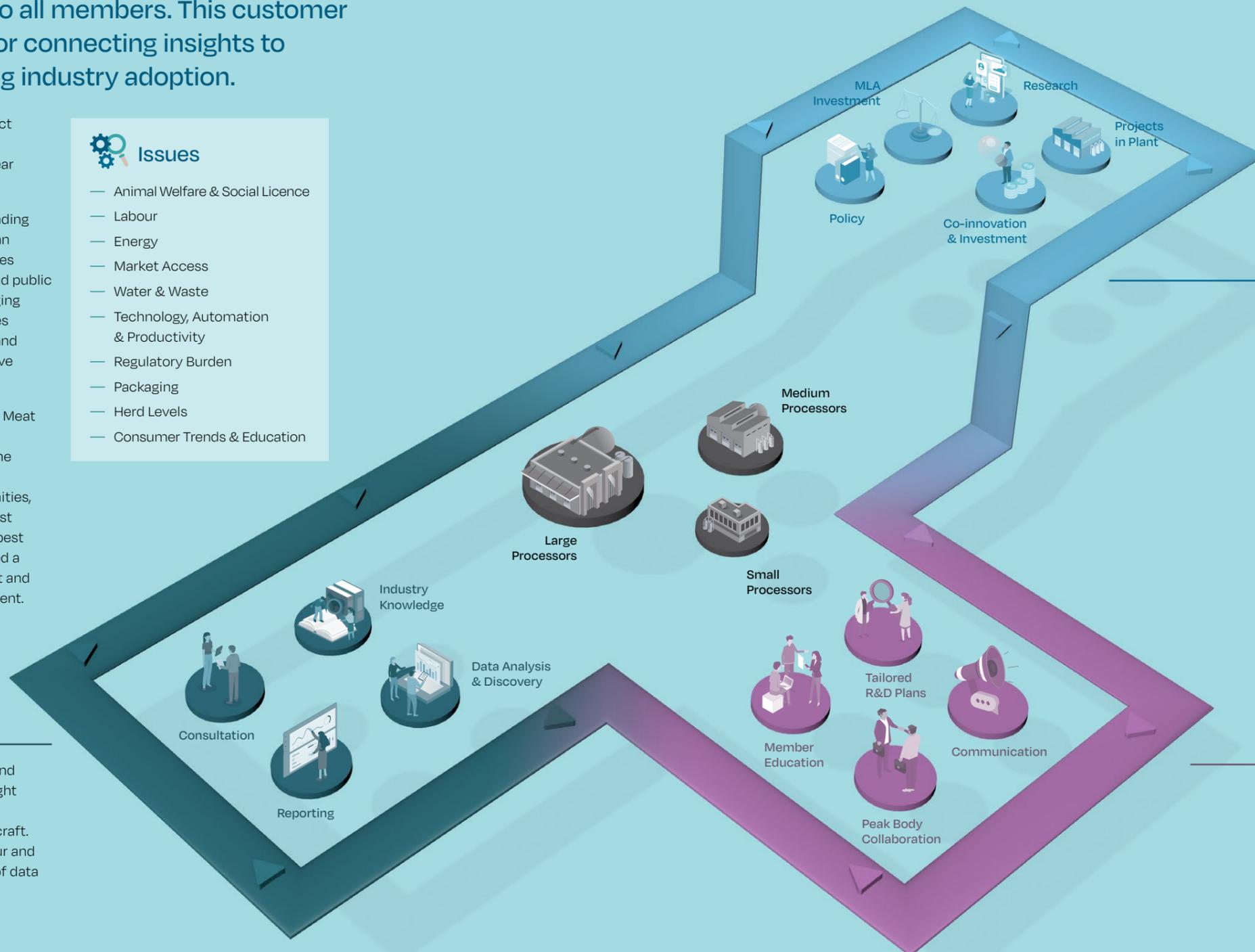
- Animal Welfare & Social Licence
- Labour
- Energy
- Market Access
- Water & Waste
- Technology, Automation & Productivity
- Regulatory Burden
- Packaging
- Herd Levels
- Consumer Trends & Education

**Stakeholders**

- Government
- Industry Bodies
- Producers
- Community
- Customers
- Consumers

**Providers**

- Scientists
- Engineers
- Consultants
- Research Partners
- Service Providers



## Research & Development

Research and development consists of investigative activities that AMPC selects through consultation with industry with the desired result of a discovery that will either add value by creating an entirely new product, product line/service or increases productivity and efficiency. The aspiration is that R&D efforts lead to an improved type of business process — cutting marginal costs or increasing marginal productivity — it is easier to outpace global competitors.

## Extension & Adoption

AMPC members are businesses of varying sizes and have different operational needs, for R&D leadership AMPC is their trusted advisor. Whether it is practical best practice guides for staff training or an automated technology which optimises export traceability. R&D to benefit all members and our industry is achieved together, through partnership.

# Our Performance

R&D has a proven role in driving long-term productivity, growth and sustainability. AMPC commissions independent evaluations of its research projects to demonstrate the benefits and outcomes that have emerged or are likely to emerge from investments. For 2019–2020, this assessment revealed



In 2019–2020 we evaluated three projects from the following programs:

- Processing Hygiene, Quality & Meat Science
- Capability, Extension & Education
- Energy & Environment

The results from the economic analysis examine the project benefits over a 30-year period.

## Evaluating Project Performance

As part of the Evaluation Framework, AMPC has conducted economic evaluations on recently completed projects to support a systematic and objective approach to R&D decision making. This enables AMPC to:



The AMPC Evaluation Framework is being implemented across the full investment lifecycle:



<p>Processing Hygiene, Quality &amp; Meat Science</p>	<p>Capability, Extension &amp; Education</p>	<p>Energy &amp; Environment</p>
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<p><b>Project 1</b></p> <p><b>Visual monitoring of carcass and carton meats — a system for the 21st century</b></p> <p>The current system of the Meat Hygiene Assessment (MHA) was developed in 2002 for visual monitoring of carcasses, offal and carton meats.</p> <p>This project was commissioned to explore the opportunity to develop a revised MHA which is risk-based, allowing processing establishments to focus on food safety plus areas of risk to their business while making more efficient use of labour.</p> <p>A data analysis, coupled with extensive industry consultation and a review of international systems has resulted in the development of key principals for an improved system MHA 3. Consultation with researchers suggests the proposed changes would reduce the cost of visual monitoring by 40% in export abattoirs.</p> <p>The proposed revision has the in-principle support of industry and DAWE with the Export Meat Industry Advisory Council (EMIAC) Food Safety and Animal Health Subcommittee recommending MHA 3 be progressed and adopted.</p>	<p><b>Project 2</b></p> <p><b>Working towards an ideal red meat industry (RMI) visa program</b></p> <p>In recent years, the Australian red meat processing industry has faced significant challenges with ongoing labour shortages and has become more and more reliant upon visa-workers to be able to continue to operate. The cost and administrative burden of visa use has become a significant industry issue. AMIC estimate that 23% of vacant positions could be filled by visa workers, therefore improving arrangements for the use of visa workers could have a direct and immediate impact on productivity.</p> <p>AMPC designed this project to present the red meat processing sector with several visa workforce options, including considering amendments and flexibility to existing packages and the potential for an improved meat processing visa or workforce package.</p> <p>The project outlined two key strategic policy recommendations for industry, as well as the required next steps to support extension to both industry and government.</p>	<p><b>Project 3</b></p> <p><b>Assessment of smouldering as an efficient and low-cost alternative for management of agricultural solid waste</b></p> <p>Livestock paunch, which is comprised of partially digested feed, contributes to a major portion of solid waste generated at Australian abattoirs. Approximately 60kg of wet paunch waste is produced per head of cattle slaughtered.</p> <p>The project provided an assessment of smouldering technology as an alternative treatment option for the management of paunch and agricultural solid wastes. The project investigated the efficiency and cost effectiveness of the option for use in Australian red meat processing.</p> <p>The project conducted batch field and scale-up experiments to demonstrate proof-of-concept of smouldering technology, as well as to determine the technical feasibility and long-term process performance of the technology. A preliminary cost benefit analysis was also completed as part of the project.</p>
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<p><b>Investment Performance</b></p> <p><b>\$1.93million</b> Net present value</p> <p><b>9.59</b> Benefit cost ratio</p>	<p><b>Investment Performance</b></p> <p><b>\$1.19million</b> Net present value</p> <p><b>7.66</b> Benefit cost ratio</p>	<p><b>Investment Performance</b></p> <p><b>\$0.49million</b> Net present value</p> <p><b>3.75</b> Benefit cost ratio</p>
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# Our Programs

- Processing Technologies 18
- Energy & Environment 20
- Processing Hygiene, Quality & Meat Science 24
- Capability, Extension & Education 26
- Industry Improvement & Economic Analysis 30
- Marketing & Market Access 34
- Research Priorities 36



# Processing Technologies

It is imperative that industry be able to evolve with new technologies in order to remain competitive. The Processing Technologies program provides world-class research and facilitates adoption of these technologies to improve process efficiency, reduce the cost of production, facilitate improved value capture and increase workplace health and safety.



## Completed Projects

### Materials Handling



#### Automation of primal cut bagging

**Duration:** 2 years 5 months

This project aimed to examine the most effective way of bagging and labelling naked primal cuts, through the design of automation technologies. A concept design for a fully automated primal cut bagging system was developed with recommendations for future development.



### Productivity & Quality



#### Tunnel boner

**Duration:** 3 years 10 months

The project was targeted at developing a machine to remove the femur from the leg of lamb. The parameters were to have a hygienic machine that could be placed in a meat processing facility, to safely remove the bone from a prepared leg of lamb, with minimum waste.

The Tunnel Boner alpha-prototype, a hands-off operator aid solution, has been designed, manufactured and has been successfully industry trailed in several processing plants.

Early evaluations of this prototype have demonstrated improved yield with resulting benefits to work health and safety (WHS) concerns in undertaking this task.

**Next steps:** Several processors have registered interest with AMPC in the further development of the lamb tunnel boning unit.

#### Robotic removal of button bone and flat bone after striploin chine bone removal — Stage 1 practical feasibility

**Duration:** 5 months

This research examined the feasibility of automating the manual task of button bone and flat bone removal from a beef striploin primal piece. The boning practices under consideration involve the use of a powered rotary wizard cutter for button bone removal and a standard butcher's knife to separate.

The project reached positive outcomes, establishing the automation of the boning processes under consideration to become practical. Through the use of low-cost imaging and laser range sensing for robot guidance the task was practically demonstrated using a unique robotic system.

# Energy & Environment

Corporate social responsibility is increasingly important to consumers and to the red meat processing sector. The Energy & Environment program explores ways to reduce the environmental impact of the sector, maximise efficiencies in energy and water consumption, and examines opportunities for recycling/reprocessing of liquid and solid wastes.



## Completed Projects



### Sustainability

#### Climate research strategy for primary industries (CRSPI)

**Duration:** 3 years

CRSPI is a vehicle for collaboration between organisations that invest in climate RD&E for Australian primary industries. The primary parties are the Research and Development Corporations (RDCs), State, Northern Territory and Federal Government agencies and the CSIRO.

This strategic partnership has been in operation since 2008. AMPC's investment in CRSPI will continue for another term ensuring processors interests and challenges are represented and accounted for in agreeing to a strategy around measuring the impacts of climate change and how our sector can best continue to abate its emissions.



### Energy

#### Australia's emissions pathway — costs, benefits and priorities

**Duration:** 10 months

This project evaluated the likely cost implications for red meat processors under three different greenhouse gas emission pathways: Australia's current national emission reduction targets; The Paris Goals; and the red meat industry's carbon neutral goal — CN2030.

While red meat processor emissions have been trending down for the past decade, the sector needs to better understand what can be done now to help further mitigate the costs and risks associated with changes to emissions policy in the future. To help members understand their pathway to emissions reduction, a roadmap infographic was developed to demonstrate the technology options to assist with lowest cost reduction in energy and emissions, and the timeline of these changes.

**Next steps:** 2020 Environmental Performance Review (joint project with MLA) estimated delivery date December 2020.

#### Concentrated solar thermal & geothermal steam and power assessment

**Duration:** 4 months

This study was commissioned to review, assess and determine the national application of modular Concentrated Solar Thermal (CST) and Shallow Geothermal (SG) technologies for the industry, aimed at improving energy security, lowering energy costs and reducing reliance on gas network supplies.

The intent was to define the economic feasibility and identify high priority regions where the technologies could be applied to deliver measurable benefits to the industry.

This study concluded that CST current capital costs are still prohibitive without significant Government assistance. In contrast, there is a wide-ranging application and potential for the use of SG technology to support the industry and provide a significant proportion of water heating requirements. It has the distinct advantage for a processing business in its continuous availability unlike solar technologies.



### Renewable hydrogen cost-benefit analysis for Australian red meat processors

**Duration:** 6 months

This project explored the viability of renewable hydrogen production by red meat processors via a techno-economic feasibility study. Hydrogen is not just a viable fuel for the future but is a key part of the response to lower emissions contributing to climate change.

Renewable hydrogen can be produced on-site and has the potential to replace diesel or petrol use and be lower cost. The study considered the water and power necessary to produce hydrogen fuel and the potential application of the hydrogen and oxygen produced; for power generation/storage, renewable fuel, or thermal energy.

The project delivered several workshops and a technology cost benefit analysis for two sites to consider an investment in hydrogen production.

**Next steps:** Post project discussions with participants have confirmed a near-term preference for hydrogen as a renewable fuel for heavy transport, rather than as an energy source via onsite production.



### Assessment of smouldering as an efficient and low-cost alternative for management of agricultural solid wastes

**Duration:** 2 years

Solid waste management is an industry wide problem. Smouldering technology is focused on minimising the cost of solid waste disposal i.e. paunch, rather than the specific generation of value.

In this project, proof-of-concept testing at laboratory scale was highly successful. However, scale-up and batch field experiments conducted during the project were less successful. This project identified odour as a major barrier that must be addressed to continue onsite development of smouldering technology for red meat processors.

### Aggregated waste to energy (W2E)

**Duration:** 1 year

Following on from the investigation into 'Enhanced energy recovery in Australian Industry through Anaerobic Co-digestion', a feasibility study for two specific case studies was conducted. The feasibility studies examined aggregation of wastes in two supply chain scenarios as below.

1. Regional value chain — member abattoir, adjacent piggery and local councils' food and garden organic wastes
2. Red meat supply chain — member abattoir, feedlot, and adjacent agriculture residual wastes

The project considered best management practices, the waste types, tonnages, compositions, appropriate technology selections and how they impact capital expenditure and economic viability of aggregated W2E projects.

An educational webinar video, and a simple to use calculator for members was created based on tonnes per week — hot standard carcass weight (HSCW) (or head per week cattle equivalent) to rapidly determine the tonnes per week of different materials that could be utilised in W2E systems: paunch, aerobic pond sludge (WAS), DAF sludge, screenings, plastics, cardboard/paper and cafeteria wastes. Users can also nominate the municipal waste available from a specific population size which also feeds into W2E technologies thereby achieving an economy of scale. By nominating power costs and revenues, simple paybacks can be estimated. By using continuously stirred tank reactors and dual fuel biomass boilers it was found that the optimal aggregated waste scenarios can deliver indicative payback periods as low as 3.5 to 2 years, respectively.

**Next steps:** Two plant-initiated projects are now being progressed with a view to mitigating the environmental and financial risks associated with full scale adoption.

### Problem to profit: Developing a sustainable feed base from agricultural wastes using single cell protein

**Duration:** 2 years

Purple Phototrophic Bacteria (PPB) are an emerging technology that enables the treatment of wastewater streams while producing potentially valuable feed or feed additives.

The technology integrates with existing biogas technologies and has potential to reduce or eliminate problematic waste streams (waste activated sludge, DAF sludge), while producing novel and sustainable feeds for livestock and/or aquaculture. However, markets still require development and the viability of PPB technology is heavily dependent on establishing product value.

### Enhanced energy recovery in Australian industry through anaerobic co-digestion

**Duration:** 4 years

The primary focus of this completed project is to improve the economics of biogas projects by maximising renewable energy recovery (and revenue) from anaerobic digestion infrastructure. It successfully demonstrated that co-digestion performance at full-scale is predictable and tangible benefits can be achieved. Well-designed co-digestion can substantially improve the economics of anaerobic digestion and improve adoption.

The success of this project has motivated investment to pursue additional feasibility studies around Anaerobic Co-digestion and the collaboration that is required with cross-sectoral businesses and regional councils, resulting in a new project.

**Next steps:** The Aggregated Waste to Energy project takes this project a step further by examining the possibility of regional waste-hubs and is estimated to complete September 2020.

# Processing Hygiene, Quality & Meat Science

Processing hygiene and product quality are crucial to Australia's reputation for excellence in red meat. The Processing Hygiene, Quality & Meat Science program combines knowledge of meat science and quality in the continuous delivery of high-quality standards and food safety, as a key differentiator of Australian products in a competitive market.



## Completed Projects



### Food Safety

#### The effect of the final wash location on the microbiological and visual condition of lamb carcasses

**Duration:** 7 months

This project investigated whether locating a carcass wash prior to final carcass trim would allow the reduction of trimming losses, provided that it did not affect the eligibility of the product.

In summary, this trial has showed that under the alternative system carcasses have good or improved visual condition; fewer visual defects; that the microbiological condition is very similar to the current system, and on average, less trim is removed, resulting in reduced trim weight.

**Next steps:** The trial site is working with the Department of Agriculture, Water and the Environment on an equivalence case that can then be used as a basis for other small stock exports facilities to use for their own equivalence cases.

#### Visual monitoring of carcasses and carton meats — a system for the 21st century

**Duration:** 7 months

This project aimed to design a risk-based Meat Hygiene Assessment system for visual monitoring to reduce the costs and the resource burden of the current system; with the added benefit of allowing establishments to focus more time on food safety. A key consideration was that the new system reflects the relative risk of the products each establishment sells. At completion, the project has developed: options for a visual monitoring system; information guide on what other countries do; updates to the Meat Hygiene Assessment: Product Monitoring guide (3rd edition); and Meat Hygiene Assessment (3rd Edition): Principles and Guidance document.

**Next steps:** There is in-principle agreement from industry and the Department of Agriculture, Water and the Environment on this new system. To test its utility, both industry and Department recommended a trial of Meat Hygiene Assessment: Product Monitoring (3rd edition).

### Meat Science



#### Non-invasive prediction of flavour, tenderness and juiciness for individual animals at point of slaughter

**Duration:** 1 year 7 months

The purpose of this project was to develop a mathematical model based on the known biochemical and biophysical changes which occur as muscle is converted to meat which are known to affect the flavour, tenderness and juiciness of the meat. This project aimed to provide a method for predicting a broader range of meat quality attributes as well as ultimate pH based on the measurement of key biochemical parameters soon after slaughter. Precise knowledge of meat quality outcomes would supply the basis for premium carcass processing and pricing strategies that generate a premium in return for quality guarantees. Additionally, it could supply feedback to producers to adopt on-farm procedures that improve meat quality.

**Next steps:** The model developed is preliminary and will require more experimental work to assess its behaviour under a range of scenarios and find where it can be improved and extended if necessary.

### Integrity Systems



#### Creating visibility in the supply chain using smart glasses technology

**Duration:** 8 months

This project successfully designed, developed, tested and trialled a low-cost technology solution that can address some of the travel-related expenses involved in performing on-site audits and inspections.

These innovative smart glasses allow remote observation/auditing that feeds real-time video stream to the government and inspection compliance agencies anywhere domestically and internationally for example: Chinese inspection authorities.

**Next steps:** A pathway for industry adoption of remote inspections has been prepared to guide next steps. A second stage project focusing on remote audit is currently underway.

# Capability, Extension & Education

Industry relies on its workforce to continue to build its position on domestic and world markets. To achieve this, industry must be able to plan, and meet our current and future workforce needs in a complex and ever-changing environment. The Capability, Extension & Education program helps Australian red meat processors to attract, recruit, support and develop personnel to meet current and future industry needs.



## Completed Projects



### Scientific Education

#### An integrated scholarship program in Meat Safety and Microbiology — Year 2 and 3

**Duration:** 12 months

These scholarships are aimed at producing graduates in red meat safety and microbiology at a range of levels including undergraduate, coursework postgraduate, PhD and post-doctoral fellowship for the benefit of the sector. The scholarship holders take part in a yearly forum to facilitate knowledge between each other, any research partners, AMPC and the red meat processing sector. Graduates of these scholarships will be aware of the issues the industry faces in this specific area of study and be ready to enter the sector with this knowledge.

**Next steps:** The first three years of these scholarships have completed with degree qualifications for this group to finalise with the completion in 2020/21 of year four.

#### An integrated scholarship program in Process Engineering — Year 3

**Duration:** 12 months

In partnership with AMPC, Queensland University of Technology established an Integrated Scholarship Scheme that educates and trains the future red meat processing workforce. The scholarship program aims to attract outstanding students to choose process engineering and to expose these students to the opportunities and challenges offered by the red meat processing industry. As a result of this project, two PhD students have already completed research relevant to the red meat industry.

Pleasingly, two process engineering students have commenced working for the processing sector due to this program.

#### Educational scholarship pathways program: creating a highly skilled meat industry — Year 2

**Duration:** 12 months

This project aims to create a holistic educational program at Royal Melbourne Institute of Technology University to develop people that will have the skills and knowledge to contribute to the Australian red meat industry over the coming decades.

The project includes programs for Bachelor, Honours, and PhD/Masters students, as well as Postdoctoral fellows, with the aim of creating a hub for meat science and technology research. This will deliver an ongoing supply of technologically sophisticated scientists and engineers who will be able to work either in research or the red meat industry.

#### Scholarship for Advanced Diploma in Meat Processing

**Duration:** 22 months

This project funded scholarships for the Advanced Diploma in Meat Processing. The Advanced Diploma is designed for people who are already employed in the red meat processing industry and who can draw upon workplace experiences and carry out assignments and projects in the workplace. Seven scholarships were awarded, and all recipients have now finished the formal part of their training.

As well as developing new skills and enhancing current knowledge, participants in the Advanced Diploma program built valuable networks within the industry which will assist in increasing industry integration in the future.

#### Charles Sturt University partnership program for red meat capacity development

**Duration:** 2 years 2 months

This project was created to support a higher degree research student to further develop their capacity for industry-based applied research and development, business development and innovation, and the introduction of new technologies into the red meat processing industry.

The selected student has begun a research project called "Verification of Grass-Fed Beef Claims Using Spectroscopic

Technologies", funded by the NSW Department of Primary Industries and Meat & Livestock Australia. The project focuses on using Raman Spectroscopy to identify and differentiate carcasses from various production systems. This technology has the potential to be utilised in processing facilities as a quality control method to differentiate and verify grass and grain-fed carcasses. The student has been approved to transition into a PhD program to expand her research and explore various avenues of utilising Raman Spectroscopy for the meat industry.



## Extension Services

### Benchmarking technologies and systems from the automotive industry

**Duration:** 3 years 6 months

This project focused on understanding mechanisms to accelerate the adoption of new technologies by benchmarking the competitive and sustainable American automotive manufacturing industry. Of particular interest was automation, materials handling solutions, management of processes and procedures, and quality assurance systems. This study was conducted as PhD research. The completed research acts as a guideline for the red meat industry to identify and adapt the automotive industry's leading global capability in the research, development, application and commercialisation of automation technologies in every aspect of the manufacturing process.

### Meat Industry Environment Network 2017–2019

**Duration:** 1 year 10 months

This project commissioned a series of Network Meetings run by MINTRAC and held around the country. The Environment Network sought to provide a forum for industry personnel to give input into their priority issues, challenges and potential projects for research and development. It also provided a forum for industry discussion, input and feedback into research and development projects already in progress and encouraged uptake of research outcomes.

A total of eleven meetings were held, at which more than fifteen AMPC projects were presented. Two site visits (to the solar farm project at Hardwick Processors in Kyneton, and to the Carlton Brewery water treatment plant) and two short films (one documenting the use of solar power at Teys Condamine, the other documenting the cogeneration project at Teys Naracoorte) were also completed as a part of this project.

### Provision of research and adoption services to red meat processors FY20

**Duration:** 10 months

This project engaged the National Meat Industry Training Advisory Council (MINTRAC) to deliver training and advisory services to processors. Services which enable them in leveraging the Australian Meat Processing (AMP) training package and facilitate in providing direct feedback into training package development to support learning and skills development needs for the sector.

### Management of the Q Fever Register — Stage 3 (Hosting, Maintenance and Support) 2017–2019

**Duration:** 1 year

AMPC contracts industry organisation Ausmeat to manage the Q Fever Register and Helpline, including the associated database and website. The primary focus of the Register is to record the Q Fever immune status of individuals working or associated with the meat processing and affiliated livestock industries.

## Vocational Training



### Diploma of Meat Processing

**Duration:** 1 year

This project sought to provide incentive for students enrolling in the Diploma of Meat Processing to complete the whole qualification, thereby supporting the industry in meeting the demands for more skilled and knowledgeable people among its ranks.

The graduates of this diploma possess an expanded understanding of the industry and a new confidence to move towards leadership roles.

## Industry Capability



### Working towards an ideal red meat industry visa program

**Duration:** 5 months

In recent years, the Australian red meat processing industry has faced significant challenges with ongoing labour shortages and has become more and more reliant upon visa-workers to be able to continue to operate. The cost and administrative burden of visa use has become a significant industry issue. AMPC designed this project to present the red meat processing sector with several visa workforce options, including considering amendments and flexibility to existing packages and the potential for an improved meat processing visa or workforce package.

The project outlined two key strategic policy recommendations for industry, as well as the required next steps to support extension to both industry and government to secure workforce benefits.

**Next steps:** Strategic Policy Recommendation 1: Create further flexibility in the migration program for the meat processing sector — specifically under the Meat Industry Labour Agreement.

Strategic Policy Recommendation 2: Expand the pathway to permanent residency.

These recommendations have initiated a further project that is currently in progress: Working towards an ideal RMI Visa Program — Stage 2.

### Leveraging strategic energy projects to enhance productivity at red meat processing sites

**Duration:** 3 years 9 months

This project was commissioned to increase members' understanding of the opportunities available to improve energy, waste, and water management, and incorporate this into corporate business plans. Energy and water accounts for 20–30% of the cost of production at red meat processing sites, and addressing this significant cost is key to being competitive in the market.

This project helped to increase the awareness of the benefits of energy productivity for many AMPC members, as well as making them aware of the AMPC Energy and Water Benchmarking Tool, which is available on our website.

### Understanding an innovation culture and its effect in Australian red meat processing plants: an application of systems leadership — Stage 1

**Duration:** 1 year

Understanding the culture of innovation within our industry will allow processors to better target innovation programs to best effect. Meat processing plants are complex businesses and require social engineering to maximise the technical and commercial outcomes of innovation. This project is targeting culture change across a 5 to 10 to year timeframe.

Culture audits have been completed with four participating plants, and a Managerial Leadership Program has begun at one company with engagement through all levels of the business. This will underpin an innovation framework for the next 10 years.

**Next steps:** Phase two of this project offers a Managerial Leadership Program for senior leaders, enhancing the innovation focus of their business and building leadership skills from the ground up.



# Industry Improvement & Economic Analysis

Economic analysis is essential to making data-driven, evidence-based investment in R&D that benefits the whole of industry. The Industry Improvement & Economic Analysis program uses economic modelling, statistical analysis, benchmarking and networked information flows to study drivers of industry productivity and sustainability and provide insights to inform policy efforts.

In 2020/21 this program has been integrated as a focus area for all programs as 'Strategic Policy Research'.



## Completed Projects

### Industry Improvement



#### Providing feedback to producers — what value for the processor?

**Duration:** 1 year 11 months

The purpose of this project was to explore the value of providing producers of sheep and lambs with animal health data collected at post mortem inspection and, having established the case, develop a reliable, accurate, and effective model for the collection of that data.

The National Meat Industry Training Advisory Council (MINTRAC) developed and trialed a model for small to medium (SMEs) processors for the collection and analysis of data and provision of feedback to producers. Priority was given to those areas of feedback most likely to generate a return for processors.

During the final six months of the project, an extension and support service was provided to other SMEs wishing to implement the model.



## Economic Analysis

### Red meat processing economic reform

**Duration:** 8 months

In recent years AMPC has commissioned studies investigating which issues are important to the industry and the costs of regulation impacting the identified issues. A benchmark study, the 'Cost to Operate' report, compared these costs with those in other major red meat producing countries (Brazil and the USA).

This project uses these reports as a basis to examine the potential for microeconomic reform in the red meat processing sector, including a roadmap, to provide a single agenda and direction for the industry going forward.

The project produced a tool specifically designed for the red meat processing sector to prioritise issues and allow the industry to focus on policy or regulatory reforms that will increase the value of the industry. This tool can be used by the industry to prioritise issues and develop a roadmap for the industry.

**Next steps:** This project has been used to inform discussions with the Australian Meat Industry Council (AMIC) whom AMPC work with to provide data and strategic policy research for the benefit of the industry.

### AMPC ex-post impact assessment program — 2019/2020

**Duration:** 5 months

R&D has a proven role in driving long-term productivity, growth, and sustainability. AMPC commissioned this independent evaluation of its research projects to demonstrate the benefits and outcomes that have emerged or are likely to emerge from investments.

For 2018–2019 this assessment revealed the average benefit to cost ratio across the projects examined to be 8:1, or for every dollar invested by levy-payers, a return of \$8 benefit to processors, the community, and the environment.

**Next steps:** This is a rolling evaluation that is calculated yearly across a selection of projects in the program portfolio and gives an annual figure to the value of AMPC's R&D outcomes for industry.



## Industry-wide System Improvement



### Blockchain for the meat industry: where and how?

**Duration:** 19 months

This project investigated the use of blockchain technology to establish product traceability for the Australian red meat industry to protect provenance and insure against counterfeit product in the market. Specifically, the project examined:

1. what types of information
2. at what places along the meat supply chain, and
3. how the information should be collected in order to facilitate the use of blockchain technology.

Process maps for two scenarios were produced, the first 'as is' produced a model for traceability to fit the current industry; the second, 'paddock to plate' to explore the ideal scenario for traceability across the supply chain. In conclusion the project identified blockchain traceability as an opportunity to add market value, reduce regulatory compliance and risk.

While there are risks associated with every investment, the results from this project suggest that blockchain technology enabled traceability is worth it for the future advantages it brings.

# Marketing & Market Access

Maximising efficient and effective market access and consumer marketing are key aspects of facilitating the domestic and global competitiveness of the Australian red meat processing sector. The Marketing & Market Access program works jointly with MLA to increase market access for the Australian meat processing industry, and enhances and communicates the value proposition of Australia's meat to the customer, consumer and community.



## Completed Project



### Market Access

#### The Australian Export Meat Inspection System (AEMIS) Review

Duration: 11 months

The AEMIS Review undertook consultations with government and the export meat sector to determine if AEMIS is effective, efficient, and fit for purpose against five pillars: operations, technical requirements, market access, finance, and service delivery.

The review makes recommendations about the future needs of the export inspection and certification system. The government and other industry participants are now in charge of implementing the recommendations of the review which have identified substantial potential for cost savings and efficiencies within the system.



# Research Priorities

AMPC's research programs support the red meat industry's strategic plan **Red Meat 2030**, and are aligned to the **National Science and Research Priorities** and the **Rural Research, Development and Extension Priorities**.

## Processing Technologies

Focus Area	Science & Research Priorities	Rural Research Development & Extension Priorities	Red Meat 2030 Priorities
<b>Productivity &amp; Quality</b>	— Advanced Manufacturing	— Adoption of R&D	— Our People
<b>Sensing &amp; Analysis</b>	— Advanced Manufacturing	— Advanced Technology	— Our People
<b>Materials Handling</b>	— Advanced Manufacturing — Health	— Advanced Technology	— Our People
<b>Value Added</b>	— Advanced Manufacturing — Health	— Advanced Technology	— Our Customers, Consumers & Community — Our Markets

## Energy & Environment

Focus Area	Science & Research Priorities	Rural Research Development & Extension Priorities	Red Meat 2030 Priorities
<b>Energy</b>	— Transport — Energy — Environmental Change — Health	— Advanced Technology — Soil, Water & Managing Natural Resources — Adoption of R&D	— Our Consumers, Customers & Community — Our Environment
<b>Water</b>	— Soil & Water — Environmental Change — Health	— Soil, Water & Managing Natural Resources — Adoption of R&D	— Our Consumers, Customers & Community — Our Environment
<b>Waste</b>	— Soil & Water — Environmental Change — Health	— Advanced Technology — Soil, Water & Managing Natural Resources — Adoption of R&D	— Our Consumers, Customers & Community — Our Environment

## Processing Hygiene, Quality & Meat Science

Focus Area	Science & Research Priorities	Rural Research Development & Extension Priorities	Red Meat 2030 Priorities
<b>Food Safety</b>	— Food — Advanced Manufacturing — Health	— Advanced Technology — Biosecurity — Adoption of R&D	— Our Systems — Our Markets — Our Customers, Consumers & Community
<b>Integrity Systems</b>	— Food — Transport — Health — Environmental Change	— Advanced Technology — Biosecurity — Adoption of R&D	— Our Systems — Our Markets — Our Customers, Consumers & Community
<b>Meat Science</b>	— Food — Advanced Manufacturing — Health	— Biosecurity — Adoption of R&D — Advanced Technology	— Our Customers, Consumers & Community — Our Markets

## Capability, Extension & Education

Focus Area	Science & Research Priorities	Rural Research Development & Extension Priorities	Red Meat 2030 Priorities
<b>Industry Capability</b>	— Health — Advanced Manufacturing	— Adoption of R&D — Advanced Technology	— Our People — Our Customers, Consumers & Community
<b>Extension Services</b>	— Health	— Adoption of R&D — Advanced Technology	— Our People — Our Customers, Consumers & Community
<b>Scientific Education</b>	— Health — Advanced Manufacturing	— Adoption of R&D — Advanced Technology	— Our People — Our Customers, Consumers & Community
<b>Vocational Training</b>	— Health	— Adoption of R&D	— Our People — Our Customers, Consumers & Community

## Industry Improvement & Economic Analysis

Focus Area	Science & Research Priorities	Rural Research Development & Extension Priorities	Red Meat 2030 Priorities
<b>Economic Analysis</b>	— Food — Health — Transport — Energy — Health — Soil & Water	— Adoption of R&D — Advanced Technology — Soil, Water & Managing Natural Resources	— Our People — Our Environment — Our Customers, Consumers & Community — Our Markets
<b>Industry Improvement</b>	— Food — Health — Transport — Energy — Health — Soil & Water	— Adoption of R&D — Advanced Technology — Soil, Water & Managing Natural Resources	— Our People — Our Environment — Our Customers, Consumers & Community — Our Markets
<b>Industry-wide System Improvement</b>	— Food — Health — Transport — Energy — Health — Soil & Water	— Adoption of R&D — Advanced Technology — Soil, Water & Managing Natural Resources	— Our People — Our Environment — Our Customers, Consumers & Community — Our Markets — Our Systems
<b>Strategic Communications</b>	— Food — Health — Transport — Health — Soil & Water	— Adoption of R&D — Advanced Technology — Soil, Water & Managing Natural Resources	— Our People — Our Environment — Our Customers, Consumers & Community — Our Markets

## Marketing & Market Access

Focus Area	Science & Research Priorities	Rural Research Development & Extension Priorities	Red Meat 2030 Priorities
<b>Market Access</b>	— Food — Health — Advanced Manufacturing — Transport	— Biosecurity — Advanced Technology	— Our Customers, Consumers & Community — Our Markets
<b>Marketing &amp; Promotion (Export)</b>	— Food — Health	— Biosecurity — Adoption of R&D	— Our Customers, Consumers & Community — Our Markets
<b>Marketing &amp; Promotion (Domestic)</b>	— Food — Health	— Biosecurity — Adoption of R&D	— Our Customers, Consumers & Community — Our Markets

# Financial Report

For the Year Ended 30 June 2020



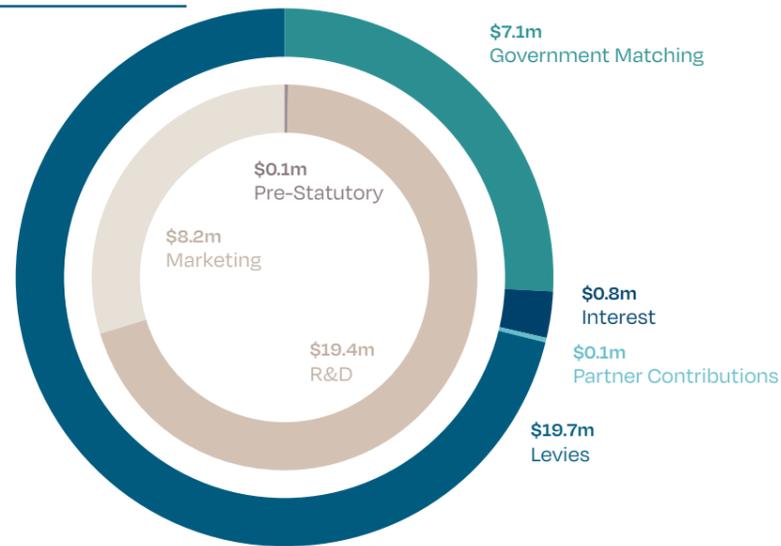
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Australian Meat Processor Corporation Ltd  
ABN 67 082 373 448

# Financial Highlights

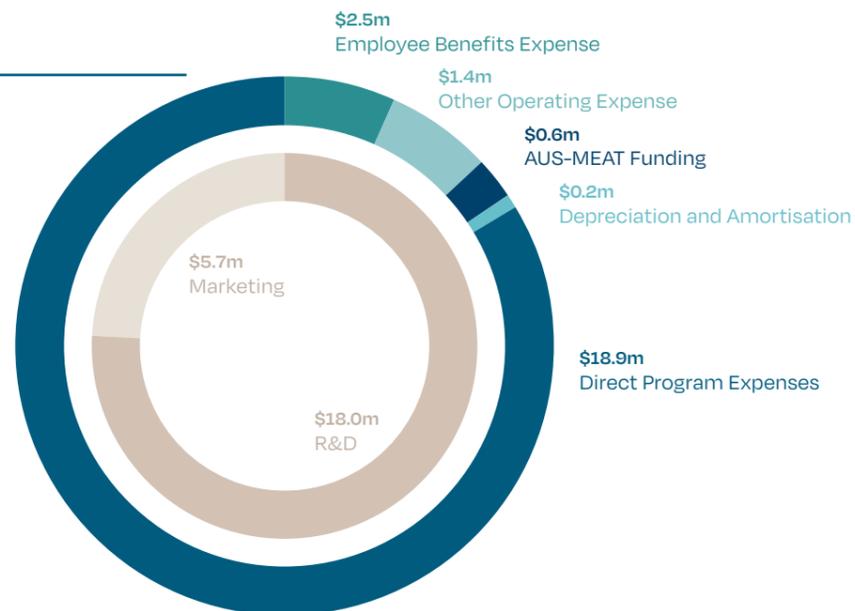
## Total Income

\$27.7m



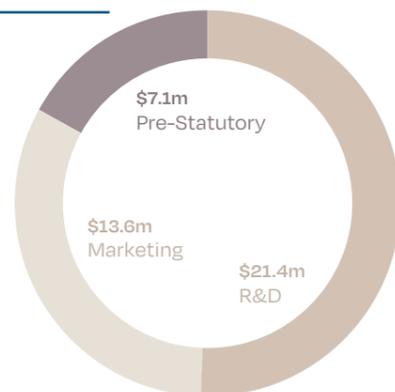
## Total Expenditure

\$23.7m



## Closing Reserves

\$42.1m



# 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 2020 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 is Head of Corporate and Regulatory for JBS Australia Pty Limited, Australia's largest meat and food processing company. He has served as the AMPC Chairman over the past three-year term.

John possesses a Bachelor of Business Government and Law (QUT) and Master of Business Administration (MBA) (UQ). He is also a Graduate and Fellow of the Australian Institute of Company Directors.

John has been involved at a senior level in the Australian meat industry for over 20 years and in JBS has responsibility for Government and Industry Relations, Industrial Relations, Environmental Operations and Sustainability.

John was elected to the AMPC Board for a seventh term in December 2017.



**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 first term in December 2017.



**Bruce Rathie**  
Special Qualifications Director

Degrees in law and commerce, Masters of Business Administration, and Fellow of the AICD, the Governance Institute and AIML.

Bruce Rathie is a solicitor and experienced company director who joins the Board with extensive careers in both investment banking and the legal profession. He currently holds non-executive positions across a diverse segment of private sector companies.

Bruce was elected to the AMPC Board for his first term in December 2017.



**Leanne Heywood**  
Special Qualifications 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 first term in December 2017.



**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 Processors 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 elected to the AMPC Board for his eleventh term in 2017.



**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 14 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, Townsville.

Dean was elected to the AMPC Board for his second term in December 2017.



**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 a seventh term in December 2017.



**Pat Gleeson**  
Processor Director

Pat Gleeson is a fourth-generation cattle farmer from Crows Nest, Queensland, who began his working life as an apprentice butcher. Pat Gleeson is now the General Manager of Oakey Beef Exports, Thomas Borthwicks Mackay and a Director in the Nippon Ham Group in Australia.

He has extensive experience and professional training that spans more than three decades in cattle production, beef processing, and management across the supply chain. As an agribusiness specialist — producer and processor, Pat has applied his focus on developing people, company culture and innovation while managing financial results through strategy execution.

Pat is an active member of the industry participating on many boards and advisory panels.

Pat was elected to the AMPC Board for his first term in December 2017. He resigned in November 2019.



**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 elected to the AMPC Board for a fourth term in December 2017.



**Noel Kelson**  
Processor Director

Noel Kelson has been involved within the Australian meat processing sector since 1971, working in government in inspection and compliance. In 1995 he moved from government service to be the founding QA Manager at Midfield Meat Group, and is now Midfield's Manager of Technical and Regulatory Services.

Noel has maintained a strong interest in industry matters and is currently a serving Board member of the Australian Meat Industry Council, Prime Safe Victoria and a Trustee Director of the Australian Meat Industry Superannuation Trust.

Noel was appointed on 28 April 2020.

**Hassaka Martin**  
Former Company Secretary

Hasaka Martin has ceased to be Company Secretary on 28 April 2020. Hasaka is a Chartered Secretary with over 10 years' experience, he holds a Graduate Diploma in Applied Corporate Governance and is a Fellow of both the Governance Institute of Australia and the Institute of Chartered Secretaries and Administrators.

Natalie Climo was appointed as Company Secretary on 28 April 2020. Natalie is an experienced company secretary and holds both a Bachelor of Law and a Diploma of Corporate Governance.

**Natalie Climo**  
Company Secretary 2020 current

Natalie is a Company Secretary with experience working with various private and public companies. She manages a portfolio of ASX listed and unlisted Australian and foreign companies, and has worked in-house for global oil and gas companies headquartered in Spain and Canada. Natalie is a qualified lawyer and holds a Bachelor of Laws from QUT and a Certificate in Governance Practice from the Governance Institute of Australia.

### 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.

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

AMPC's goals are to provide RD&E and Marketing services that:

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

AMPC manages activities across key programs that include Processing Technologies; Energy & Environment; Processing Hygiene, Quality & Meat Science; Capability, Education & Extension; Industry Improvement & Economic Analysis; and Marketing & Market Access.

AMPC is committed to working with its stakeholders to achieve an efficient application of levy funds through its RD&E and marketing activities 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 three 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 surplus of the Company amounted to \$4,016,622 (2019: surplus of \$1,996,392).

### Funding Agreement — Review of Performance

During the financial year ended 30 June 2020, AMPC engaged an independent consultant (KPMG) to undertake a review of AMPCs performance over the 2016–2020 period in accordance with the Funding Agreement between the company and the Commonwealth Government. The current Funding Agreement will terminate in November 2020, and the Review of Performance is considered a prerequisite for negotiating a replacement Funding Agreement.

The review report noted a positive trend in performance and highlighted the need for a continuous improvement approach towards both governance and the delivery of services to levy payers.

The AMPC Board accepted all twelve recommendations and has committed to a plan of work to address each of them.

### 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		Nominations & Remuneration Committee		Audit & Risk Committee	
	Eligible to attend	Attended	Eligible to attend	Attended	Eligible to attend	Attended
John Berry	8	8	—	—	—	—
Melissa Fletcher	8	8	—	—	—	—
Bruce Rathie	8	8	3	3	5	5
Leanne Heywood	7	5	3	3	5	5
Gary Hardwick	8	7	—	—	5	5
Dean Goode	8	8	—	—	—	—
Tom Maguire	8	6	—	—	—	—
Pat Gleeson	5	2	—	—	—	—
Simon Stahl	8	7	3	3	—	—
Noel Kelson	2	2	—	—	—	—

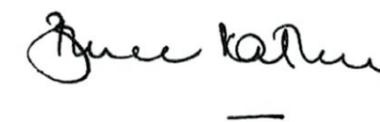
### Auditor's Independence Declaration

The lead auditor's independence declaration in accordance with section 307C of the *Corporations Act 2001*, for the year ended 30 June 2020 has been received and can be found on page 50 of the financial report.

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



Director  
John Berry



Director  
Bruce Rathie

Dated 25 September 2020

# Corporate Governance Statement

30 June 2020

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 adopted a Corporate Governance Policy during the year ended 30 June 2020.

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

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

- Board Charter;
- Audit & Risk Committee Charter;
- Nomination & Remuneration Committee Charter;
- Delegation of Authority;
- Diversity Policy;
- Code of Conduct;
- 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 are elected by the Processor members of the Board;
- the Chairman and Deputy Chairman are elected by the Board;
- the Directors should possess a broad range of skills, qualifications and experience;

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

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

The primary responsibilities of the Board include:

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

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 & Risk Committee

- Bruce Rathie (Chair)
- Gary Hardwick
- Leanne Heywood

The Audit & Risk Committee met five times in the financial year ended 30 June 2020.

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 Executive General Manager 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 & Remuneration Committee

- Leanne Heywood
- Bruce Rathie
- Simon Stahl

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 three times in the financial year ending 30 June 2020.

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.



To the Board of Directors of Australian Meat Processor Corporation Limited

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

As lead audit partner for the audit of the financial statements of Australian Meat Processor Corporation Limited for the financial year ended 30 June 2020, 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*  
**Nexia Sydney Audit Pty Limited**

*Lester Wills*  
**Lester Wills**  
 Director

Date: 15 September 2020  
 Sydney

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# Statement of Profit or Loss and Other Comprehensive Income

For the Year Ended 30 June 2020

	Note	2020 (\$)	2019 (\$)
Revenue	4	26,857,526	23,590,793
Interest revenue		837,472	978,121
Direct program expense		(18,930,336)	(16,297,268)
Employee benefits expense		(2,546,466)	(3,653,234)
Administration and occupancy expenses		(1,414,400)	(2,010,150)
Operational and support funding to AUS-MEAT Limited		(550,000)	(550,000)
Depreciation and amortisation expense	5	(237,174)	(61,875)
<b>Surplus/(deficit) for the year</b>		<b>4,016,622</b>	<b>1,996,387</b>
Other comprehensive income		—	—
<b>Total comprehensive income/(loss) for the year</b>		<b>4,016,622</b>	<b>1,996,392</b>

# Statement of Financial Position

As at 30 June 2020

	Note	2020 (\$)	2019 (\$)
<b>ASSETS</b>			
<b>Current assets</b>			
Cash and cash equivalents	8	41,870,875	41,026,282
Trade and other receivables	9	10,184,323	3,552,079
Other assets	10	13,353	12,708
<b>Total current assets</b>		<b>52,068,551</b>	44,591,069
<b>Non-current assets</b>			
Property, plant and equipment	11	727,089	221,823
<b>Total non-current assets</b>		<b>727,089</b>	221,823
<b>Total assets</b>		<b>52,795,640</b>	44,812,892
<b>LIABILITIES</b>			
<b>Current liabilities</b>			
Trade and other payables	12	9,217,161	6,623,770
Lease liabilities	13	159,931	—
Contract liabilities	14	752,132	—
Provisions	15	112,541	95,731
<b>Total current liabilities</b>		<b>10,241,765</b>	6,719,501
<b>Non-current liabilities</b>			
Provisions	15	60,416	48,078
Lease liabilities	13	431,524	—
<b>Total non-current liabilities</b>		<b>491,940</b>	48,078
<b>Total liabilities</b>		<b>10,733,705</b>	6,767,579
<b>Net assets</b>		<b>42,061,935</b>	38,045,313
<b>EQUITY</b>			
Pre-statutory accumulated funds	21	7,067,483	6,926,548
Statutory R&D accumulated funds	21	21,436,589	20,050,800
Statutory marketing accumulated fund	21	13,557,863	11,067,965
<b>Total equity</b>		<b>42,061,935</b>	38,045,313

# Statement of Changes in Equity

For the Year Ended 30 June 2020

	Accumulated Funds (\$)	Total (\$)
<b>2020</b>		
Balance at 1 July 2019	38,045,313	38,045,313
Total comprehensive income for the year	4,016,622	4,041,758
<b>Balance at 30 June 2020</b>	<b>42,061,935</b>	<b>42,087,071</b>
<b>2019</b>		
Balance at 1 July 2018	36,048,921	36,048,921
Total comprehensive loss for the year	1,996,392	1,996,392
<b>Balance at 30 June 2019</b>	<b>38,045,313</b>	<b>38,045,313</b>

# Statement of Cash Flows

For the Year Ended 30 June 2020

	Note	2020 (\$)	2019 (\$)
<b>CASH FLOWS FROM OPERATING ACTIVITIES</b>			
Receipts from statutory levies		19,971,499	20,186,412
Other receipts and recoveries		10,776,149	10,666,692
Payments to suppliers and employees		(30,453,563)	(29,191,878)
Interest received		701,493	1,064,316
Net cash provided by/(used in) operating activities		995,578	2,725,542
<b>CASH FLOWS FROM INVESTING ACTIVITIES</b>			
Payment for property, plant and equipment		(5,815)	(241,853)
Net cash used in investing activities		(5,815)	(241,853)
<b>CASH FLOWS FROM FINANCING ACTIVITIES</b>			
Lease payments		(145,170)	—
Net cash (used in)/provided by financing activities		(145,170)	—
Net increase/(decrease) in cash and cash equivalents held		844,593	2,483,689
Cash and cash equivalents at beginning of year		41,026,282	38,542,593
Cash and cash equivalents at end of financial year	8	41,870,875	41,026,282

# Notes to the Financial Statements

For the Year Ended 30 June 2020

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

The financial report was authorised for issue by the Directors on 22 September 2020.

## 1 Basis of Preparation

The financial statements are general purpose financial statements that have been prepared in accordance with the Australian Accounting Standards Reduced Disclosure Requirements, Accounting Interpretations and other authoritative pronouncements of the Australian Accounting Standards Board (AASB) and the *Corporations Act 2001*.

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.

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

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

## New, revised or amended Accounting Standards and Interpretations adopted

The Company has adopted all of the new, revised or amending Accounting Standards and Interpretations issued by the Australian Accounting Standards Board that are mandatory for the current reporting period. Any new or amended Accounting Standards or Interpretations that are not yet mandatory have not been early adopted. The impact of adoption of these Accounting Standards and Interpretations is described in the notes below.

### AASB 15 Revenue from Contracts with Customers

The company has adopted AASB 15 from 1 July 2019. The standard provides a single comprehensive model for revenue recognition. The core principle of the standard is that an entity shall recognise revenue to depict the transfer of promised goods or services to customers at an amount that reflects the consideration to which the entity expects to be entitled in exchange for those goods or services. The standard introduced a new contract-based revenue recognition model with a measurement approach that is based on an allocation of the transaction price. This is described further in the accounting policies below. Credit risk is presented separately as an expense rather than adjusted against revenue. Contracts with customers are presented in an entity's statement of financial position as a contract liability, a contract asset, or a receivable, depending on the relationship between the entity's performance and the customer's payment. Customer acquisition costs and costs to fulfil a contract can, subject to certain criteria, be capitalised as an asset and amortised over the contract period.

### AASB 1058 Income of Not-for-Profit Entities

The company has adopted AASB 1058 from 1 July 2019. The standard replaces AASB 1004 'Contributions' in respect to income recognition requirements for not-for-profit entities. The timing of income recognition under AASB 1058 is dependent upon whether the transaction gives rise to a liability or other performance obligation at the time of receipt. Income under the standard is recognised where: an asset is received in a transaction, such as by way of grant, bequest or donation; there has either been no consideration transferred, or the consideration paid is significantly less than the asset's fair value; and where the intention is to principally enable the entity to further its objectives. For transfers of financial assets to the entity which enable it to acquire or construct a recognisable non-financial asset, the entity must recognise a liability amounting to the excess of the fair value of the transfer received over any related amounts recognised. Related amounts recognised may relate to contributions by owners, AASB 15 revenue or contract liability recognised, lease liabilities in accordance with AASB 16, financial instruments in accordance with AASB 9, or provisions in accordance with AASB 137. The liability is brought to account as income over the period in which the entity satisfies its performance obligation. If the transaction does not enable the entity to acquire or construct a recognisable non-financial asset to be controlled by the entity, then any excess of the initial carrying amount of the recognised asset over the related amounts is recognised as income immediately. Where the fair value of volunteer services received can be measured, a private sector not-for-profit entity can elect to recognise the value of those services as an asset where asset recognition criteria are met or otherwise recognise the value as an expense.

The adoption of AASB 15 and AASB 1058 did not have any impact on the financial position of the Company.

#### AASB 16 Leases

The company has adopted AASB 16 from 1 July 2019. The standard replaces AASB 117 'Leases' and for lessees eliminates the classifications of operating leases and finance leases. Except for short-term leases and leases of low-value assets, right-of-use assets and corresponding lease liabilities are recognised in the statement of financial position. Straight-line operating lease expense recognition is replaced with a depreciation charge for the right-of-use assets (included in operating costs) and an interest expense on the recognised lease liabilities (included in finance costs). In the earlier periods of the lease, the expenses associated with the lease under AASB 16 will be higher when compared to lease expenses under AASB 117. However, EBITDA (Earnings Before Interest, Tax, Depreciation and Amortisation) results improve as the operating expense is now replaced by interest expense and depreciation in profit or loss. For classification within the statement of cash flows, the interest portion is disclosed in operating activities and the principal portion of the lease payments are separately disclosed in financing activities. For lessor accounting, the standard does not substantially change how a lessor accounts for leases.

On adoption, the Company has recognised Right of Use Assets and Lease Liabilities of \$736,625.

## 2 Summary of Significant Accounting Policies

### (a) Revenue

The company recognises revenue as follows:

#### Revenue from contracts with customers

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

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

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

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

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

#### Other Revenue

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

### (b) Income Tax

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

### (c) 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.

### (d) Cash and cash equivalents

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

### (e) Trade and other receivables

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

### (f) 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.

### (g) 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 plant and equipment 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.

**(h) 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.

**(i) 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.

**(j) 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.

**(k) Employee benefits****Short term employee benefits**

Liabilities arising in respect of wages and salaries, annual leave, sick leave and any other employee benefits expected to be settled within twelve months of the reporting date are measured at their nominal amounts based on remuneration rates which are expected to be paid when the liability is settled.

**Long term employee benefits**

All other employee benefit liabilities are measured at the present value of the estimated future cash outflow to be made in respect of services provided by employees up to the reporting date.

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

**(l) 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.

**(m) Investment in AUS-MEAT Limited**

AUS-MEAT Limited ('AUS-MEAT') was incorporated on 17 June 1998, and the Company is one of two Members of AUS-MEAT. As AUS-MEAT is a tax exempt public Company limited by guarantee, it cannot distribute its surpluses to its Members; however, upon the event of the wind up of AUS-MEAT, the entity would be entitled to receive 50% of the net assets of AUS-MEAT. As there is no right by the entity to participate in a share of the ongoing results of AUS-MEAT, the use of equity accounting is not appropriate. Therefore, the equity accounting requirements have not been applied. Details of the investment in AUS-MEAT are included in Note 20 to the financial statements.

**(n) Goods and services tax (GST)**

Revenue, expenses and assets are recognised net of the amount of goods and services tax (GST), except where the amount of GST incurred is not recoverable from the Australian Taxation Office (ATO). In these circumstances, the GST is recognised as part of the cost of acquisition of the asset or as part of the expense.

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

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

**3 Critical Accounting Estimates and Judgments**

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. The resulting accounting judgements and estimates will seldom equal the related actual results.

**4 Revenue**

	2020 (\$)	2019 (\$)
<b>Revenue from contracts with customers</b>		
— statutory levies	19,728,082	19,305,232
— government matching	7,064,674	4,285,561
— partner contributions	64,770	—
<b>Total revenue</b>	<b>26,857,526</b>	23,590,793

Total contributions received from partners was \$683k. Partner contributions have been reduced for statutory accounts presentation purposes by \$618k for research projects where the participant is the research provider. There is a corresponding reduction in program expenditure expense.

## 5 Depreciation and Amortisation

	2020 (\$)	2019 (\$)
<b>Depreciation of non-current assets</b>		
— furniture, fixtures and fittings	42,776	35,317
— office equipment	1,275	3,060
— computer equipment	22,817	23,498
— right-of-use assets	170,306	—
<b>Depreciation of plant and equipment</b>	<b>237,174</b>	61,875
Amortisation of intangible assets	—	—

## 6 Auditors' Remuneration

— audit and review services	40,000	40,000
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## 7 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:

	2020 (\$)	2019 (\$)
<b>Directors</b>		
Short-term benefits (Directors' Fees)	348,792	362,820
Post-Directorship benefits (Superannuation)	33,135	34,468
	<b>381,927</b>	397,288
<b>Executives</b>		
Short-term employee benefits (Salary)	237,596	479,035
Post-employment benefits (Superannuation)	20,867	20,965
Termination benefits	—	497,771
	<b>258,463</b>	997,771

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

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

Other Key Management Personnel include:

Chris Taylor (Executive General Manager) appointed on 1 October 2019. The previous CEO (Peter Rizzo) left the Company in June 2019.

Total aggregated out of pocket costs including travel and related expenses incurred by Directors during the year was \$29,654 (2019: \$43,812).

## 8 Cash and Cash Equivalents

	2020 (\$)	2019 (\$)
<b>Current</b>		
Cash at bank	6,870,875	6,026,282
Cash on term deposit	35,000,000	35,000,000
	<b>41,870,875</b>	41,026,282

## 9 Trade and Other Receivables

	2020 (\$)	2019 (\$)
<b>Current</b>		
Trade receivables	8,268,349	2,855,037
Accrued interest	343,800	207,821
Other receivables	1,572,174	489,221
	<b>10,184,323</b>	3,552,079

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

## 10 Other Assets

	2020 (\$)	2019 (\$)
<b>Current</b>		
Prepaid expenses	13,353	12,708
	<b>13,353</b>	12,708

## 11 Plant and Equipment

	2020 (\$)	2019 (\$)
<b>Furniture, fixtures and fittings</b>		
At cost	216,560	210,745
Less accumulated depreciation	(71,906)	(29,130)
	144,654	181,615
<b>Office equipment</b>		
At cost	9,025	9,025
Less accumulated depreciation	(6,815)	(5,540)
	2,210	3,485
<b>Computer equipment</b>		
At cost	96,757	96,757
Less accumulated depreciation	(82,851)	(60,034)
	13,906	36,723
<b>Right-of-use assets</b>		
At cost	736,625	—
Less accumulated depreciation	(170,306)	—
	566,319	—
<b>Total plant and equipment</b>	<b>727,089</b>	<b>221,823</b>

### Movements in carrying amounts of plant and equipment

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

	Furniture, Fixtures and Fittings (\$)	Office Equipment (\$)	Computer Equipment (\$)	Right-of-Use Assets (\$)	Total (\$)
<b>Year ended 30 June 2020</b>					
Balance at the beginning of year	181,615	3,485	36,723	—	221,823
Additions	5,815	—	—	736,625	5,815
Disposals — written down value	—	—	—	—	—
Depreciation expense	(42,776)	(1,275)	(22,817)	(170,306)	(237,174)
<b>Balance at the end of the year</b>	<b>144,654</b>	<b>2,210</b>	<b>13,906</b>	<b>566,319</b>	<b>160,770</b>

Right-of-use assets are disclosed in Property, Plant and Equipment on the Statement of Financial Position.

## 12 Trade and Other Payables

	2020 (\$)	2019 (\$)
<b>Current</b>		
Trade payables	112,384	1,296,044
Plant initiated projects	16	2,395,782
Other program payables	5,958,105	3,476,702
GST payable	674,720	—
Sundry payables and accrued expenses	76,170	350,874
	9,217,161	6,623,770

## 13 Lease Liability

<b>Current</b>	159,931	—
Non-current	431,524	—
	591,455	—

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 Contract Liabilities

<b>Current</b>		
Deferred partner contributions on plant-initiated projects	752,132	—
	752,132	—

## 15 Provisions

<b>Current</b>		
Employee benefits	112,541	95,731
<b>Non-current</b>		
Employee benefits	60,416	48,078

## 16 Plant Initiated Projects liability

	2020 (\$)	2019 (\$)
<b>Current</b>		
Opening balance included in payables	1,500,150	578,814
Total PIP transactions approved across the whole membership	3,273,145	2,368,480
Reductions arising from payments for approved PIPs	(2,481,113)	(1,667,273)
Adjustments incurred at completion or termination of PIPs	103,601	220,129
	<b>2,395,783</b>	1,500,150

## 17 Related Party Disclosure

### Transactions with related parties

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

Operational and support funding to AUS-MEAT Limited	550,000	550,000
Project funding to AUS-MEAT Limited	240,961	203,433

### Director related Plant Initiated Projects

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

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

	Transaction 2020 (\$)	Value 2019 (\$)	Balance 2020 (\$)	Outstanding 2019 (\$)
Plant Initiated Projects — project expenses	2,357,000	1,835,830	2,079,213	1,351,883
Plant Initiated Projects — member contributions	776,215	—	138,500	—

## 18 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.

## 19 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. The current Funding Agreement is due for renewal in November 2020.

## 20 Associated Entities

	Principal Activity	Percentage Owned (%)** 2020	Percentage Owned (%)** 2019
AUS-MEAT Limited	Services to the Food Ind	50	50

	2020 (\$)	2019 (\$)
<b>Summarised financial position of associate</b>		
<b>CURRENT ASSETS</b>		
Cash	1,177,455	1,143,290
Receivables	2,264,346	2,605,795
Other financial assets	5,472,699	6,486,637
Other	760,092	789,489
<b>NON-CURRENT ASSETS</b>		
Plant and equipment	4,724,044	3,736,486
<b>CURRENT LIABILITIES</b>		
Trade and other payables	1,965,464	2,158,859
Provisions	2,233,018	1,873,554
Lease liability	977,650	—
<b>NON-CURRENT LIABILITIES</b>		
Provisions	—	308,252
<b>NET ASSETS</b>	<b>9,222,504</b>	<b>10,420,932</b>
Net surplus for the period	362,043	239,785
Other comprehensive income	—	—

## 21 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:

	2020 (\$)	2019 (\$)
<b>Movements during the financial year</b>		
Opening balance	6,926,549	6,748,471
Allocation of current year surplus	140,934	178,078
	<b>7,067,483</b>	6,926,549

### (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 2016–2020:

	2020 (\$)	2019 (\$)
<b>Movements during the financial year</b>		
Opening balance	20,050,800	20,697,838
Allocation of current year surplus	1,385,789	(647,038)
	<b>21,436,589</b>	20,050,800

### (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 2016–2020:

	2020 (\$)	2019 (\$)
<b>Movements during the financial year</b>		
Opening balance	11,067,965	8,602,612
Allocation of current year deficit	2,489,898	2,465,353
	<b>13,557,863</b>	11,067,965

## 22 Contingencies

### Contingent Liabilities

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

The 25 percent of received levies allocated to the Plant Initiated Projects (PIP) program remains available for three years, after which the commitment lapses. From 1 July 2019, the PIP balance will accumulate at a rate of 35% and will be available for five years. As a result of this change, the commitment relating to amounts accumulated in the 2016–2017 financial year that were due to lapse during 2018–2019 have not lapsed. The contingent liability amount is reflective of this change. As at 30 June 2020, the total Research and Development funds held in reserve for potential PIPs is \$10.0M (30 June 2019: \$7.1M).

### Contingent Assets

There were no contingent assets identified as at 30 June 2020.

## 23 Commitments

The company had no commitments for expenditure as at 30 June 2020 and 30 June 2019.

## 24 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 2020, 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 matters or circumstances have arisen since 30 June 2020 which significantly affected or may significantly affect the operations of the Company, the results of those operations or the state of affairs of the Company 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

The directors of the Company declare that:

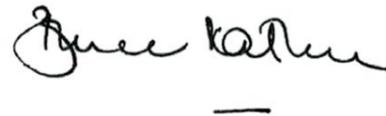
1. The financial statements and notes, as set out on pages 51 to 67, are in accordance with the *Corporations Act 2001* and:
  - a. comply with Australian Accounting Standards Reduced Disclosure Requirements and the *Corporations Regulations 2001*; and
  - b. give a true and fair view of the financial position as at 30 June 2020 and of the performance for the year ended on that date of the Company.
2. In the directors' opinion, there are reasonable grounds to believe that the Company will be able to pay its debts as and when they become due and payable.

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



Director  
John Berry

Dated 25 September 2020



Director  
Bruce Rathie



## 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 2020, 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 2020 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 2020, 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.

#### Sydney Office

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#### **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 Partnership**



**Lester Wills**  
Partner

Dated: 15 September 2020  
Sydney

**Acknowledgement**

3D Models of Robotic Cutter (pages 2 and 8) and Hide Palletising Machine (covers, page 8) courtesy of Scott Technology.

**Disclaimer**

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