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**SHEEP**  
**PRODUCERS**  
**AUSTRALIA**

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**ANNUAL REPORT**  
**2022–2023**

*your*  
*voice*



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*producers*  
*sheep*

# Sheep Producers Australia

Sheep Producers Australia (SPA) acknowledges and pays respect to the past, present, and future Traditional Custodians and Elders of this nation and recognises the continuation of cultural, spiritual, and educational practices of Aboriginal and Torres Strait Islander peoples.

SPA is the voice on issues that affect Australian sheep production businesses. As the successor entity to Sheepmeat Council of Australia which formed in 1978, SPA is the peak industry organisation for sheep and lamb producers. SPA works on a daily basis to enhance the industry's productivity, profitability, and sustainability by representing all producers to industry decision-makers and stakeholders.

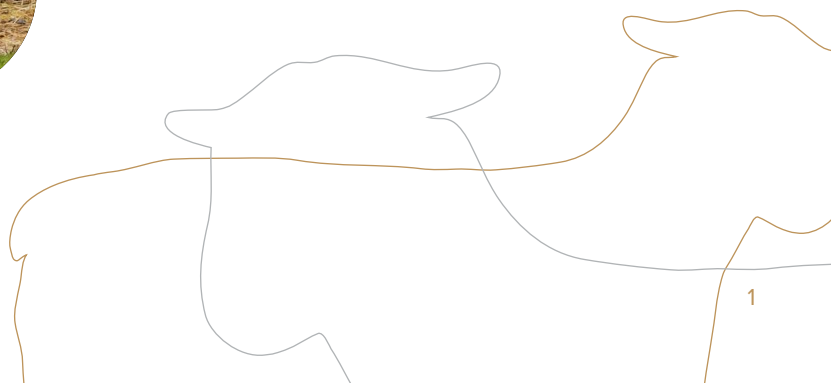
As the national peak industry council, SPA has a legislative responsibility under the *Australian Meat and Live-stock Industries Act 1997* to recommend sheep and lamb levy rates to the Australian Government and provides policy recommendations to the Federal Minister for Agriculture.

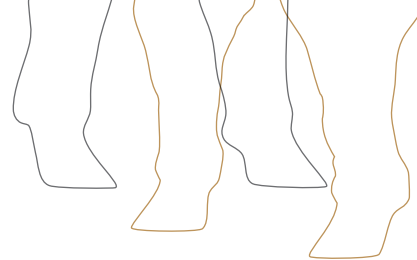
## Sheep Producers Australia supports Australian sheep farmers through:

- Speaking on behalf of industry issues of national importance.
- Leading and influencing industry discussions and decisions for the best interests of sheep meat producers.
- Enabling producers to influence policy and drive change in their industry.

## Partners integral to the company's success are:

- **Members – the state farming organisations (SFOs)**
  - AgForce Queensland Farmers Limited (AgForce)
  - Livestock South Australia (LSA)
  - New South Wales Farmers' Association (NSWF)
  - Pastoralists and Graziers Association of WA (PGA)
  - Tasmanian Farmers' and Graziers' Association (TFGA)
  - Victorian Farmers' Federation Livestock (VFF)
  - The Western Australian Farmers Federation (Inc) (WAFarmers)
- **Service providers include:**
  - Animal Health Australia (AHA)
  - Integrity Systems Company (ISC)
  - Meat & Livestock Australia (MLA)
  - National Residue Survey (NRS)
- **Industry partners include:**
  - Australian Livestock Exporters Council (ALEC)
  - Australian Meat Industry Council (AMIC)
  - Australian Lot Feeders Association (ALFA)
  - Goat Industry Council of Australia (GICA)
  - Cattle Australia (CA) previously Cattle Council of Australia (CCA)
  - National Farmers Federation (NFF)
  - Red Meat Advisory Council (RMAC)
  - SAFEMEAT
  - WoolProducers Australia (WPA)





## Chair's Report | Mr Andrew Spencer

### **It is my pleasure to present the Sheep Producers Australia Limited Annual Report for 2022-2023.**

Our journey as an organisation continues to evolve in a positive direction around building the professionalism, high levels of governance and performance orientation required for an effective representative body. I have been asked the question relating to why we don't have more sheep producers on our Board. It's important for us to have on farm production experience accessible through our Board directors, but an organisation such as ours can only optimally function if we have a much broader skill set. I often use the analogy of the rugby team with 15 fullbacks and the fact that despite their fullbacks being of excellent quality, they can never win a game. We need a breadth of skills on our Board including on-farm production experience, marketing, supply chain understanding, international trade knowledge, corporate agriculture structures, agri-food technology, research, financial, legal and governance skills. Our members and constituents can be secure in the knowledge that we have an excellent Board exhibiting a remarkable diversity of these skills.

Our Policy Council is moving forward with a focus on continuous improvements. A recent review into the effectiveness of the new structure of the Policy Council was very positive in terms of its performance and the performance of the Chair. Due to the workload and subject matter being considered, there is a need for a higher level of on-farm production experience than there is in our Board, and this is reflected in the profile of the Council. We will continue to encourage the Council to be confident in taking the lead as the major policy development forum for Australia's sheepmeat industry. The Board has no intention of duplicating the Council's work, and it is happy to support those outcomes emerging from the deliberations of the Council subject to the normal checks and balances for which a Board is legally and ethically responsible.

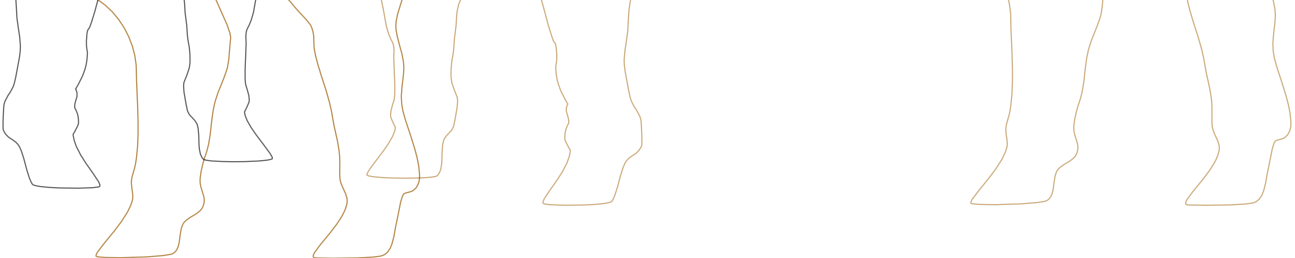
We continue to reinforce a positive relationship with our key industry services provider, Meat and Livestock Australia (MLA). In a world where values around our commodity have become increasingly complex, the demands on our scarce resources for research, development and marketing become ever greater and more challenging to deliver. We respect the role that MLA plays in improving our industry, and in our collaboration to ensure that resources are being placed in the best possible areas for prosperity of the industry.

As always, there have been several issues come across our desks that Sheep Producers Australia has been involved with over the past year. These include, amongst others, the forthcoming mandatory electronic ID (eID) tagging for the sheep and goats, the government's planned phase out of the live sheep export industry by sea and the future direction of the industry with respect to carbon emissions and climate change for the future.

Consistent with the government's increased commitment to funding biosecurity for Australia's agricultural industries, we see increased emergency disease threats to our flock as requiring a more serious commitment to traceability. The planned introduction of eID tags for sheep will be a major step forward in improving traceability systems and we must attempt to have the implementation done in such a way as we are all working to the same rules and the same time frame. State sheepmeat industries do not operate in isolation of each other and any threat to a harmonised approach will mean frustration and difficulties for sheep producers.

Sheep Producers Australia opposes the government's intention to phase out the live sheep export trade by sea. Discussions with our live sheep trading partners inevitably end up in the frustration of them having done everything that was expected of them by Australia's government, only to have the trade taken away. This trade is worth far more than the official figures show in terms of its impact on the overall Western Australian sheep industry and with that, the whole Australian industry. The live sheep export trade is a legitimate industry that can be proud of its standards and its improvements, and it needs to be recognised and not punished for these achievements.

Australia's sheepmeat industry depends enormously on our ability to trade internationally. Overseas trade is facilitated by more than just having a good product at a good price in these times. Well-established market research demonstrates that the wealthy consumers who purchase Australian sheepmeat look for additional attributes which they value such as production based on environmentally sustainable standards, emissions with a low carbon profile, good animal welfare standards and ethical production practises. We need to be cognisant of these needs and we need to recognise what it means to do the right thing in the preparation and presentation of our high-quality product and changing consumer and customer expectations.



Positive market and climatic conditions have seen significant growth for our industry over the past few years. Whilst we're very keen for this to continue, we know that seasonal conditions change, and this may be presenting some challenges for later in this calendar year. Predictions indicate a rise in the sheep flock to around 80 million Australia wide, numbers not seen since around 2007 and lamb slaughter is up around 23 million, increasing by up to 3% over the previous year. International trade volumes are also positive - demands for our product reflects its high-quality reputation and the consistency of supply that we can deliver. We also expect to benefit somewhat from the reduction in the New Zealand sheep flock which is presently occurring.

Sheep Producers Australia is a small organisation, but we have been achieving some large and important outcomes for Australia's sheep producers. Sheep Producers Australia is looking to increase our producer contacts and develop a more direct relationship with Australia's sheep producers so they can appreciate that we are here working on their behalf and ultimately under their instruction.

Under the leadership of our CEO Bonnie Skinner, the Sheep Producers Australia team has grown and matured and settled into a performance groove that gives the Board a lot of satisfaction. The output that such a small team can produce is somewhat astounding and we continue to look for ways to bolster the resources of our organisation where we have so much to do, and our team is so enthusiastic to get it done.

The support and hard work of the Sheep Producers Australia Board, as I mentioned earlier, is an amazing resource for the industry with enormously divergent skills and a passion that is unbounded. I thank them for doing their job well and for giving me the support required to hopefully be a Chair that can be a positive influence on the organisation.

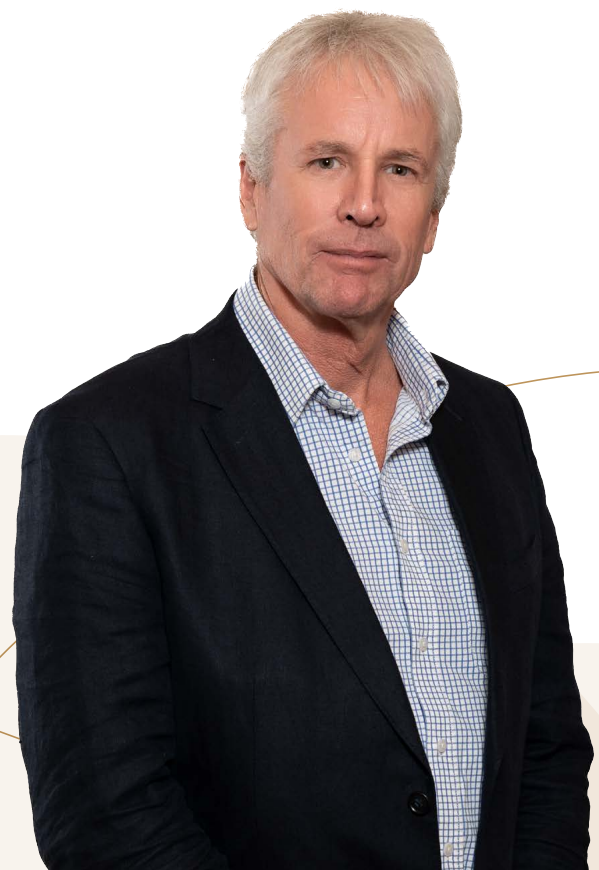
Mr Jamie Heinrich was reappointed for a third term at the Annual General Meeting, and I'd like to acknowledge the contribution that Ms Allison Horswill and Dr Anne Astin brought to the Board. Allison brought a wealth of experience and her contribution to the board was her knowledge of governance, policy analysis and systems analysis. Anne's contribution and guidance in her role as Independent Director and Chair of the Finance, Audit and Risk Management Committee has been key in seeing the organisations growth and financial stability.

I'd also like to thank Bonnie and her team for not only all of the hard work and achievements that they've made during the year, but also for being a fun team to work with.

I look forward to it being so over the next year as well.



**Andrew Spencer**  
Chair



## Chief Executive Officer's Report | Ms Bonnie Skinner

### **As the peak sheepmeat industry body, Sheep Producers Australia works to enhance the productivity, profitability and sustainability of the Australian sheep and lamb industry.**

Policy development is at the heart of the organisation's operations to ensure we are proactive and responsive to issues that have a direct and positive impact on sheep producers and the industry.

Sheepmeat production is a significant industry that supports nearly every region in Australia and has employed generations of Australians. Lamb production was unrivalled in 2022 and the national flock continued growing off the back of favourable conditions over the least three years. The long-term outlook for global sheepmeat consumption remains strong - OECD-FAO expects global sheepmeat consumption to increase by 15% to 18.1 million tonnes over the next decade. In the short term, there are a number of significant challenges that will test the resilience of producers and reinforce the importance of collaboration to support the sector.

The Federal Budget delivered a \$12.3 million commitment to support regional agricultural trade events to promote the agricultural sectors domestically and internationally, including \$1 million in funding allocated for LambEx. This announcement supports the work Sheep Producers Australia has been undertaking over the past year to have LambEx governed through its own enduring company structure - a subsidiary company of Sheep Producers Australia - with a management committee dedicated to undertaking the necessary contracting, event management and, financial and administrative support that is required to host this world-class international showcase of the Australian sheepmeat industry. Sheep Producers Australia looks forward to collaborating with government and all relevant stakeholders to reinstate LambEx as the flagship biennial event for the sheep industry.

Australian sheepmeat benefits from a wide and diverse range of export markets and enjoys strong trading relationships with high-consumption growth markets. The security and expansion of export markets remains a top priority for the Australian sheepmeat industry to maximise the value of each carcass and reduce the risk of being overly reliant on one market. A key role of Sheep Producers Australia is to promote free and fair trade for Australian producers.

This year a series of free trade agreements (FTAs) came into force or have provisions that come into effect that will improve access to markets and Australia's international competitiveness. The Australia-United Kingdom Free Trade Agreement and the Australia-India Comprehensive Economic Cooperation Agreement open new opportunities for Australian sheepmeat, that together are worth 7% of global Gross Domestic Product. On entry into force, the Australia-UK FTA will almost triple the amount of Australian sheepmeat that can be exported to the UK tariff-free. In 2023 under the China Australia FTA and the Korean Australia FTA all tariffs on sheepmeat exports to both countries are now eliminated.

Australia is also seeking improved access for sheepmeat as part of the Australia-EU FTA negotiations. To support the Australian government's ongoing negotiations for an EU Free Trade Agreement it is important to develop people-to-people relations to promote trade and Australian agriculture's reputation. I was invited by the National Farmers' Federation to be one of 10 Australian agricultural representatives to visit France and tour key French agricultural regions. The delegation met with farmers, industry leaders, and government officials to form direct relationships between industries and proactively promote the high-quality production that occurs in the industry.

French farmers are very similar to Australian farmers: both wanting the best outcomes for their land, livestock, and livelihood. Although our production systems are vastly different, sustainability, food safety and food security are common goals. Working collaboratively on many global issues we face around food production and supply chains is crucial to ensure sustainable food production.

In July 2022, the first Australian Sheep Sustainability Framework (SSF) Annual Report was released at the Australian Sheep and Wool Show in Bendigo delivering on the world-first commitment of the Australian sheep and wool industry to create a data-driven yearly snapshot of sustainability performance. Led by Sheep Producers Australia and WoolProducers Australia (WPA), the SSF is underwritten by four themes: caring for our sheep; enhancing the environment and climate; looking after our people, our customers and the community; and ensuring a financially resilient industry.



The SSF's second Annual Report was released in May 2023, recording directional improvements across 18 indicators with eight indicators holding steady. The SSF is important to maintain our credibility and convey the reality of sheep production in Australia to our customers and our supply chain partners, and that we understand the need for ongoing improvement and sustainable, trustworthy production.

In September 2022, Agriculture Ministers reaffirmed their commitment (first agreed in July 2022) for government to work collaboratively with industry to advance work on a national approach to Australia's livestock traceability systems. This includes Ministers' collective agreement to introducing a national mandatory individual electronic identification (eID) system for sheep and goats, working towards implementation from 1 January 2025. Sheep Producers Australia is a member of the national Sheep and Goat Traceability Taskforce (SGTTF) in addition to representatives from wool, goats, processing, and the jurisdictions.

Sheep Producers Australia has undertaken several activities throughout the year to support the delivery of communications and awareness about the implementation of eID, including facilitating and promoting webinars throughout our networks. Sheep Producers Australia has initiated a national tag procurement project to develop a greater understanding of the requirements and options for procurement of eID to reduce the cost burden faced by Australian sheep producers.

In March 2023, the Federal Government announced the establishment of an independent expert panel to oversee the phase out of live sheep exports by sea. The Government's decision to recommit to its policy to phase out live sheep export by sea threatens to remove a critical demand for WA sheep, thereby reducing farmgate competition and threatening the very livelihoods of the families, businesses, and communities reliant on the WA sheep supply chain.

To support producers and to engage with the consultation process Sheep Producers Australia developed and circulated political engagement resources, contact details and templates, and hosted a webinar with industry partners and members to help industry participants understand the consultation process and how they can contribute.

Not only will Sheep Producers Australia continue to strongly oppose this policy, but we will continue to work with industry allies to call on Government to uphold its responsibility to develop agricultural policy that is evidence based, strategic, inclusive, and collaborative.

I would like to acknowledge the support I have received from the Chair Andrew Spencer, the Board, and the team at Sheep Producers Australia whose efforts continue to place the organisation in a strong position to capture the opportunities ahead.

We will continue to work collaboratively with all our Members, Board, Policy Council, Service Providers, and Industry Partners to achieve the strategic goals of the organisation and industry over the next year.

I would like to acknowledge our members for their input, contribution, and collaboration over the past financial year. The sheep industry is extremely fortunate to have committed producers who take the time to develop and advocate for policy that affects the entire industry.

I am proud to present this Annual Report highlighting the organisations achievements over the last 12 months and look forward to delivering outcomes for sheep producers in the coming year.

**Bonnie Skinner**  
Chief Executive Officer



# Sheep Producers Australia Strategic Plan 2021-25

**SPA's strategic plan was approved by the Board in February 2021.**

As a signatory to the Red Meat Memorandum of Understanding, SPA has developed its strategic plan to align with the red meat industry strategic plan, Red Meat 2030. While this interaction provides overall direction to the red meat industry, the SPA Strategic Plan has unique goals that are relevant to the sheepmeat industry.

These are organised into strategic objectives, priorities, and focus areas.

Each of the metrics of the Strategic Plan are monitored and assessed through an Annual Operating Plan. The first Annual Operating Plan under the SPA Strategic Plan was approved for the 2021-22 financial year.

## **Strategic Objectives:**

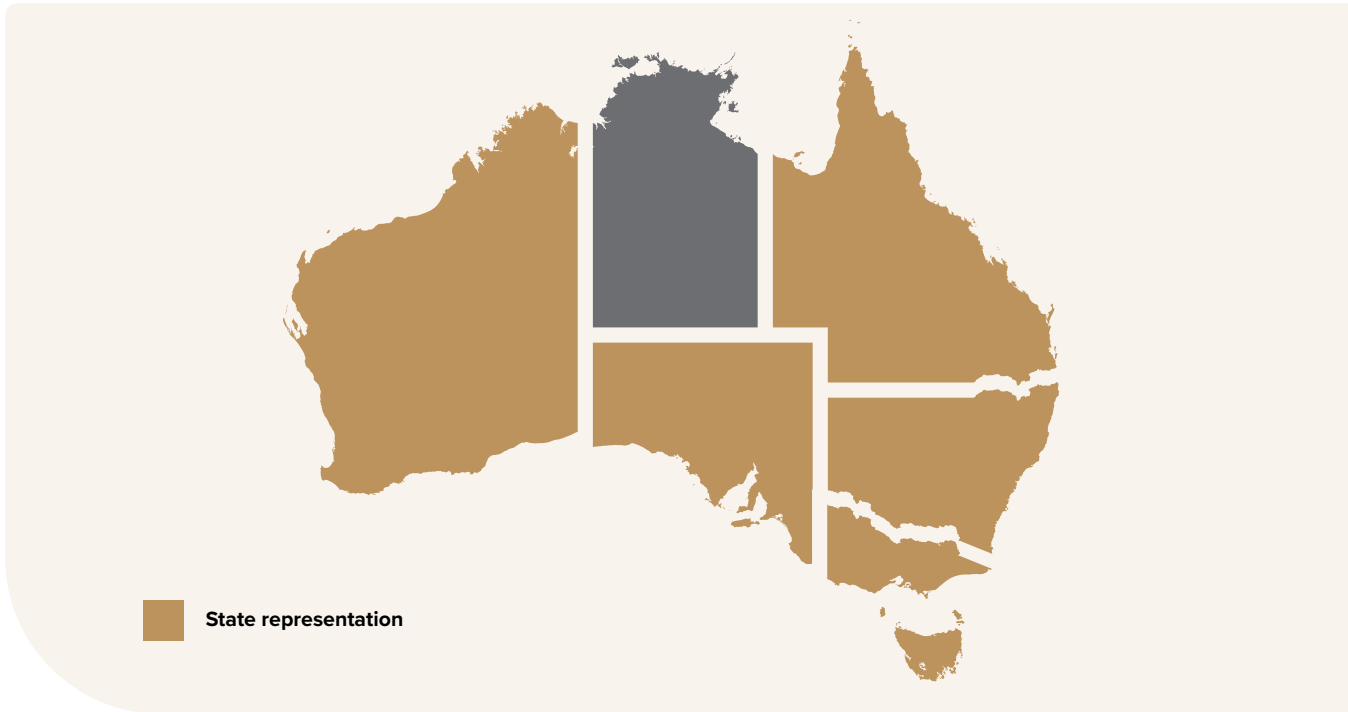
SPA has three Strategic Objectives:

- **Effective Policy and Advocacy**
  - Enable producers to influence government policy and drive change in their industry
  - Engage members to provide a united voice on national industry issues
  - Solve emerging industry issues and advocate with contemporary science and farming knowledge
- **Strategic Leadership**
  - Lead and influence industry discussions, decisions, and delivery
  - Facilitate collaboration to engage, inform and advise stakeholders
  - Maximise value for levy payer investment
- **Sustainable Organisation**
  - Financial sustainability
  - Quality governance, management, and team
  - Demonstrate value and impact





# Council Members



## Chair:

Daryl Quinlivan

## Policy Council Management:

Bonnie Skinner  
Ben Antenucci  
Dr Dan Forwood

## Council Members:

### SFO Representatives

**Allan Piggott**  
Livestock SA

**Stephen Tully**  
AgForce Queensland

**Jenny Bradley**  
NSW Farmers

**Celia Scott**  
VFF Livestock

**David Slade**  
WAFarmers

**George Nichols**  
Tasmanian Farmers and Graziers Association

**Vacant**  
Pastoralists and Graziers Association of WA

### Independent Representatives

**Penny Schulz**

**Nigel Gosse**

**Mark Inglis**

**Matt Dagleish**

**Bill O'Halloran**

### Observer Members

**Ian Randles**  
Pastoralists and Graziers Association of WA

**Melanie Tolich**  
WAFarmers

**Jacinta Pretty and Tony Harris**  
VFF Livestock

**Michael Allpass**  
AgForce Queensland

**Olivia Pineau**  
NSW Farmers

**Bonnie Kenner**  
Tasmanian Farmers and Graziers Association

# Key Policy Achievements and Activities

## The Policy Council is the engine room of Sheep Producers Australia.

As an organisation with national influence, Sheep Producers Australia is a leader in the industry and is responsible for looking beyond state borders and jurisdictions and advocate for issues that are not confined to individual regions or enterprises.

The independent review of the inaugural year of the council completed in December 2022 to ensure it was operating towards its intended purpose while also being effective. The review concluded that the Policy Council enables producer representation, consultation, and input into the development of proactive industry policy to benefit the Australian sheep industry. The review found that the Council is working cohesively and in accordance with the terms of reference, with the skills of the Policy Council diverse and well-rounded. All recommendation arising from the review have been agreed and implemented.

## Policy Council Workplan

In 2022, the Policy Council agreed to an updated workplan that prioritised issues as guided by the Annual Operating Plan. Additionally, the Council agreed that any policies which presented opportunities for industry should be included in the workplan. The workplan focused on issues including sheep welfare, traceability, and climate change in an organized, controlled, and measured manner. The development and agreement of policy positions is a priority of the Policy Council but is not its sole objective. The Council must also ensure that policy is effectively advocated to stakeholders and is monitored and adjusted where necessary. This ongoing monitoring process is achieved through continual scanning of the political, trade and industry landscapes, as well as reviewing the allocation and spending of sheep industry levies.



# Summary of key policy issues 2022-23

## National Traceability

Sheep Producers Australia agreed that broad whole-of-system reform, of which individual electronic identification is a vital component, provides a viable opportunity for the sheep industry to strengthen traceability for biosecurity, food safety and emergency response, and for supporting trade and market access requirements. On 20 July, Agriculture Ministers agreed to work collaboratively with industry to advance work on a national approach to Australia's livestock traceability systems. Ministers collectively agreed to introducing a national mandatory individual electronic identification (eID) system for sheep and goats, working towards a start date of 1 January 2025. Ministers directed officials to progress a proposal with industry, including planned implementation and funding arrangements and approved the formation of the Sheep and Goat Traceability Taskforce (the Taskforce) to provide Ministers with advice on implementation matters.

The Australian Government announced the investment of \$46 million to support national traceability reform. Funding of \$26.6 million has been allocated to support upgrades to the National Livestock Identification System database, which has been one of the key traceability reform recommendations that Sheep Producers Australia has been advocating for in support of the SAFEMEAT traceability reform recommendations delivered to the National Biosecurity Committee since 2019. The NLIS Uplift Project, led by Integrity Systems Company will commence in July 2023.

States and territories have co-invested \$26.1million to support industry traceability improvements, including to support transition to a nationally harmonised individual electronic identification system for sheep and goats. The cost to transition eID and the associated system changes required to support that transition are the most significant steps in constructing a more robust system. The cost of tags is critical to the overall value proposition and supporting producers with transitional assistance is crucial to support the implementation dates set by government.



Sheep Producers Australia initiated a national tag procurement project to develop a greater understanding of the requirements and options for eID tag procurement to reduce the cost burden faced by Australian sheep producers. The project explores the requirements and positions of key stakeholders regarding the development and maintenance of a national procurement process and identify the opportunities, risks and complexities associated with developing and maintaining of a national service and to assist decision making.

Key considerations for practical eID implementation that continue to be worked through include updating national standards for sheep and goat traceability arrangements, incentive programs to support voluntary uptake, prioritisation and staging of implementation efforts to support smooth transition and minimise supply chain disruption. Jurisdictions are working with industry stakeholders to develop and action state-based implementation plans to progress a nationally harmonised sheep and goat eID traceability system.

An ongoing focus of the Taskforce is to ensure consistent and accurate eID implementation information is available to stakeholders nationally. To support this outcome, the Taskforce has established a dedicated communications sub-group to help facilitate consistency in national communication efforts by peak industry bodies and jurisdictions. Since October 2022, the Taskforce has supported a series of roundtable meetings with representatives from state consultative groups and peak bodies and a Sheep and Goat eID webinar and panel discussion on 3 November 2022.

## Sheep Health & Welfare Practices

### Best Practice Sheep Husbandry

Animal welfare remains a high priority for the Australian sheepmeat and wool industry, for Sheep Producers Australia and its members. Sheep producers perform routine husbandry procedures at lamb marking to enhance an animal's lifetime health and welfare outcomes, which ultimately translates to sustainability and productivity. The use of suitable products to manage pain, relieve inflammation, reduce blood loss, disinfect, and protect wounds is regarded as best practice in animal husbandry.

Driven by best practice, community expectation and sustainability, the Policy Council has been developing policy for sheep health and welfare, including positions on mulesing and pain relief, for many years. At its June 2022 meeting, the Council indicated that the policy relating to pain relief at that time for mulesing was not aligned with industry standards or best practice.

The Council held an out-of-session meeting in July 2022, with an agreement to strengthen the existing policy concerning mulesing and pain relief. The Council agreed to support a position that mandates the use of pain relief for mulesing through industry developed compliance programs and that supports mandatory pain relief for mulesing to be included into The Australian Animal Welfare Standards and Guidelines for Sheep and their adoption in all states and territories.

The advocacy provided by Sheep Producers Australia and other industry allies to increase the accessibility of pain management options for producers was successful, with the Therapeutic Goods Administration agreeing to amend the scheduling of oral transmucosal meloxicam and upholding the rescheduling of injectable lidocaine in August 2022. This enables both products to be available to producers without veterinary prescription.





Sheep Producers Australia contributed to the compilation of a Best Practice Lamb Marking pamphlet published by Animal Health Australia, explaining the different pain relief modalities depending on whether the procedure creates an open wound, or not. Without committing to the endorsement of any company's product(s), Sheep Producers Australia discussed its commitment to pain relief for routine husbandry procedures considered aversive as one component of the refine-reduce-replace strategy, with at least two agrochemical companies active in this market.

This year, in collaboration with WoolProducers Australia (WPA), Sheep Producers Australia finalised the scope and design of a project called 'Best Practice Lamb Marking'. This project aims to define 'best practice', engage, and encourage producers to conduct best practice husbandry procedures, including reducing, refining, and replacing routine husbandry procedures considered aversive at lamb marking.

To achieve this aim, increasing the level of on-farm analgesia, adopting the latest research and production tools and strategic and effective communication are equally paramount to identifying the benefits and opportunities to individual producers of the replacement or refinement of aversive husbandry procedures that may become unnecessary in future. The 'Best Practice Lamb Marking' project is slated to commence in October 2023.

#### **Emergency Animal Disease (EAD) preparedness**

The emergence of Foot and Mouth Disease (FMD) and Lumpy Skin Disease (LSD) in Indonesia prompted a number of activities in Australia, in which Sheep Producers Australia participated. The Department of Agriculture, Fisheries and Forestry convened a series of workshops to draft national action plans for dealing with the threat of FMD and LSD. In both instances, ensuring an adequate supply of vaccines for use in Indonesia and, in the event of an incursion of either disease, to contain potential spread within Australia, was a top priority. Currently, there are no LSD vaccines suitable for use in Australia.

In the event of an LSD incursion. This decision was supported by Sheep Producers Australia. In parallel, the NSW Department of Primary Industries acquired an international licence for the manufacture of mRNA vaccines, which can be designed and produced in a relatively short time and does not necessitate the introduction of an exotic disease virus into Australia for experimental purposes. The Elizabeth Macarthur Agricultural Institute (EMAI) at Menangle commenced a proof-of-principle trial, producing a pestivirus (endemic to Australia) vaccine for sheep (Border Disease). It was established that, despite the phylogenetic proximity of the Capripox viruses (LSD, Goat Pox, Sheep Pox), LSD in cattle was highly unlikely to be infectious to sheep and would not result in cases of Sheep Pox in Australia.

Another activity prompted by the incursion of these two EADs in neighbouring countries was a revision and update by Animal Health Australia (AHA) of the disease specific AusVetPlan action plans. Sheep Producers Australia was represented in the Writing Group, which met at regular intervals (virtually and occasionally face-to-face) for a few months.

The Writing Group dedicated time to finalising an update of the Nationally Agreed Standard Operating Procedure (NASOP) for animals in transit at the time when a national livestock standstill is called (specifically, in the event of an FMD incursion). The different constraints and imperatives faced by intensive and extensive livestock industries made it clear that a “one-size-fits-all” policy would not be possible. However, should a standstill be called, the Group agreed that animals already in transit to a processing plant should proceed to the destination as originally planned, provided the remaining journey did not cross jurisdictional boundaries.

A review meeting of the National Arbovirus Monitoring Program raised the transmission of lumpy skin disease as arthropod-borne, but this was not deemed a justification to modify the program’s activity. Should Buffalo Fly be deemed an effective LSD vector, that will require a novel approach for monitoring and management.

Sheep Producers Australia represented the extensive industries of the AHA Industry Forum in a workshop of the advisory committee reviewing the National Animal Health Information Program (NAHIP) and the National Significant Disease Investigation Program (NSDIP). Both programs will be affected during the planned transition from the outdated National Animal Health Information System (NAHIS) database to the new AusPestCheck, which will also have tenancies for plant and aquatic pests. Two reports emanating from these programs are Animal Health in Australia (AHiA), and Animal Health Surveillance Quarterly (AHSQ), which are downloadable from the AHA website (<https://animalhealthaustralia.com.au/resources>), as is the report from the NAMP.





## Sheep Health

Sheep Producers Australia is a member of the AHA's Sheep Health Project (SHP) steering committee, that met twice in FY22/23. A salient item for discussion has been the development and implementation of the Integrity Systems Company's (ISC) MyFeedback program to replace Livestock Data Link (LDL). A major innovation will be the inclusion of disease and defect data in the processing report, a concept that was trialled over many years, using disease data captured by the National Sheep Health Monitoring Program (NSHMP). This is purported to increase the number of subscribing producers to the program, boosted by linking an NLIS account to LPA reaccreditation.

The NSHMP no longer records Ovine Johne's Disease (OJD) on the list of endemic diseases. Although the previous strict control measures have largely been shelved, OJD remains a notifiable disease, which means that every recording still necessitates an onerous administrative impost. Leaving OJD off the list poses the risk of it being neglected as an endemic disease of great economic importance. The progress made by producers in reducing the quantity of clinical cases through vaccinating lambs in the last ten years or more is at risk of being lost, should vaccination rates decrease. Further, decreased significance may lead to reduced research interest, diminishing improvements in vaccine research and development.

Footrot remains as a significant component of sheep foot health, and its management is hampered by difficult access to a serotype-specific vaccine, which has proven success. SPA has participated in negotiations with the Australian Pesticides and Veterinary Medicines Authority (APVMA) to have the vaccine's status of availability under a Minor Use Permit (MUP) changed to that of a registered product. At this stage, the vaccine's commercial market potential does not justify investment in the generation of the additional data required by the APVMA for this to happen. Negotiations for a reduction of the data requirements remain on the agenda.

Sheep Producers Australia participates in AHA's Sheep Health Forum (SHF), with Wool Producers Australia (WPA), Australian Wool Innovation (AWI) and Meat & Livestock Australia (MLA). The SHF considered proposals for: investigating the genetic basis for foot health problems; the possibility of replacing drench resistant worm larvae on pasture with susceptible strains; the sterile insect technique for replacing sheep blowfly to be trialled on Kangaroo Island, the prevalence and cause(s) of sheep pneumonia and the business case for a vaccine. Additionally, a request for the possibility of exploiting the known anthelmintic properties of some fodder crops were also considered.

Chlamydiosis was considered as a possible subject for research investment, but a comprehensive literature survey by SPA Technical Consultant Dr Johann Schröder did not support this. At least two of the eight *Chlamydia* species recognised to cause disease in animals are known to be endemic in Australia, but *C. abortus*, the most common cause of infectious abortion, is not one of them. *Chlamydia* spp. commonly reside in the gastrointestinal tract of sheep and only sporadically cause disease. Humans are susceptible to chlamydial infection, necessitating hygiene and personal protection when treating sick animals or lambing ewes.

## Carbon Neutrality and Climate

Sheep Producers Australia engaged Integrity Agriculture and Environment to progress the development of a paper seeking to ground truth to the sheepmeat industry's contributions to climate change and opportunities for mitigation. This project builds on the Australian Wool Innovation (AWI) & Meat & Livestock Australia (MLA) 'Pathways to low emissions in the Australian sheepmeat industry' report due for release later this year.

The Council was provided with an overview of the findings from the AWI & MLA project being completed by Integrity Agriculture and Environment at the August 2022, meeting. The presentation highlighted that the industry is on track to reduce emissions by up to 48% from 2005 levels under business-as-usual modelling. Achieving carbon neutrality will require some adjustment and investment from industry. The Council was provided with a high-level overview of the policy considerations that the Sheep Producers Australia project will aim to cover and what this may mean for producers as part of the industry.

This analysis will enable Sheep Producers Australia to develop evidence-based policy and support the consideration of emissions reduction measures that could be applied at a sectoral (rather than enterprise) level with the aim of stimulating industry adoption of emissions reduction technologies and practices at the required rate. Sheep Producers Australia is expecting the paper to be completed toward the latter end of 2023.

### **Sheep Sustainability**

In August 2022, the Policy Council received a presentation at a Policy Council meeting on the 'Social Science of sheep production' report. Sheep Producers Australia and Animal Health Australia commissioned this report as part of a suite of pieces of work under the banner Sheep Supply Project. This project component undertook social research combined with empirical analysis of the population dynamics of sheep producers.

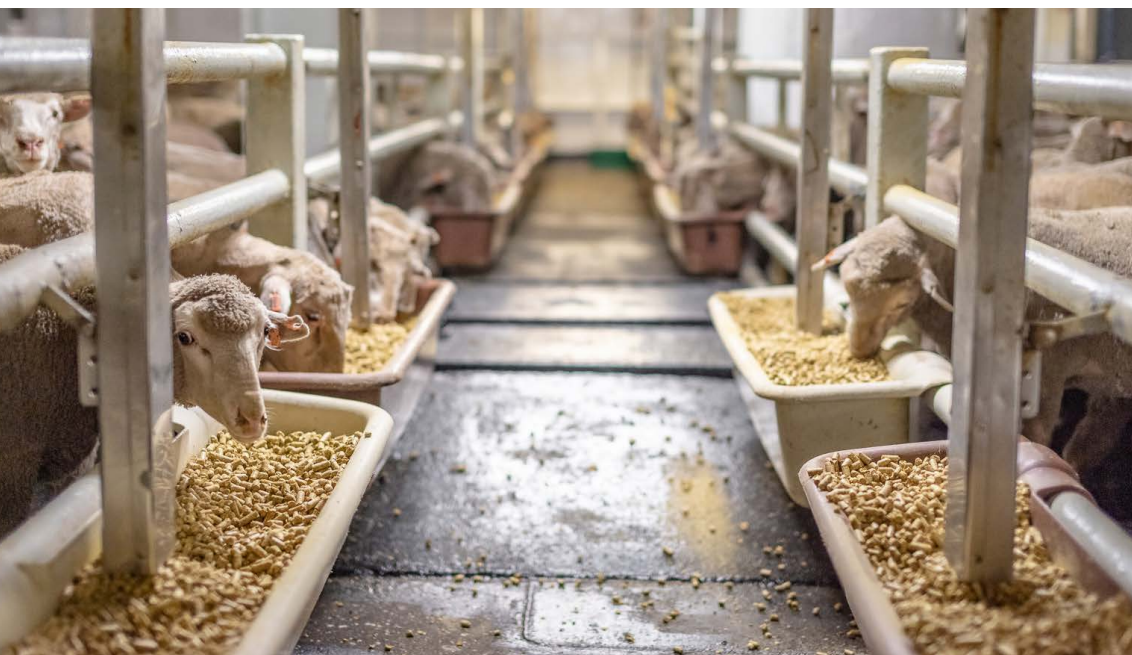
Additionally, qualitative analysis of in-depth interviews with a national sample of 41 sheep producers was conducted to examine their attitudes, beliefs, and behaviours around sheep production.

The report provided several recommendations for Sheep Producers Australia to consider. These included identifying the market signals for sheep farmers in their decision to increase flock size, further research, and development on shearing and shearing alternatives, including shedding breeds, and research and development into labour-saving technology and systems specific to sheep production. It was noted in the report that any strategies to increase the national flock size should target existing sheep producers to grow their enterprises with respect to quality and output, rather than attract new entrants into the sheep industry.

The reports developed as part of the Sheep Supply Project will assist in developing a national growth strategy, due for development in 2023.

### **Levy Review**

This year Sheep Producers Australia has commenced engagement with the Policy Council, other red meat peak industry bodies and the Australian Government on the long-standing priority to review current sheep and lamb transaction levies. Since their initial introduction in 1997, the sheep and lamb transaction levies have remained unchanged. ACIL ALLEN previously scoped the opportunity for change, indicating a case for changing the levies based on industry priorities and levy payer equity. The Policy Council has prioritised a levy review as one of its top three issues for progression on the 2023-24 workplan.





## Accelerated R&D Adoption

### Sheep Reproductive Strategic Partnership

Sheep Producers Australia is a member of the Sheep Reproductive Strategic Partnership Committee which oversees the direction of the strategic partnership managed by Meat & Livestock Australia (MLA). The initiative seeks to increase lamb production profitably and sustainably by increasing weaning rates and decreasing mortality. This year saw the release of the 'Fit to Join' ewe assessment tools to help producers improve ewe and lamb survival. These tools assess criteria including udder health, body condition, lameness, teeth, and age, which may assist producers with decision-making on culling or keeping ewes based on joining fitness. Based on these decisions, the benefit of classing and culling ewes as unfit to join could, see economic benefits of up to \$8per ewe. Two projects are being progressed which examine the impact of shade and shelter on sheep reproduction and welfare to inform management strategies to minimise the impact of heat stress on reproductive performance. The Towards 90 adoption program was launched in July at the Sheepvention Rural Expo, consisting of modules that detail best practice for the entire reproductive cycle. The program reflects the aspirational targets of achieving 90% or more in lamb survival across single and twin-bearing ewes.



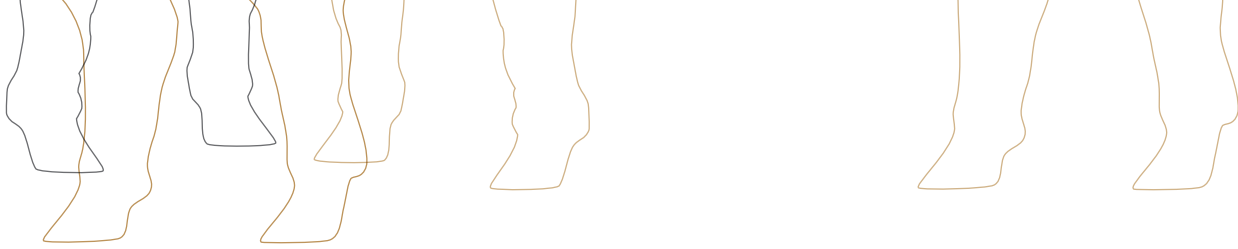
### MLA Red Meat Panel

Sheep Producers Australia participates on MLA's Red Meat Panel, which provides the strategic oversight of MLA's Regional Consultation model. Through this model, research priorities that are identified by grass-roots producers through regional committees and industry forums are consolidated by the Regional Advisory Councils (RAC): the Western Australia Livestock Research Council, the Southern Australian Livestock Research Council, and the Northern Australian Beef Research Council. These research priorities are then developed into Terms of Reference for MLA's Investment Call. The Red Meat Panel is focused on ensuring that research and development outcomes are relevant and impactful for industry. This year saw the implementation of the changes to the Investment Call process, which included a shift from an annual to biennial submission of regional research priorities, with a focus on improving the engagement and feedback of information back to the RACs and producers about what research and tools are already available or in development.

As a key component to the implementation of the new approach of the Investment Call Process, the first Extended Red Meat Panel Workshop was held in August. The workshop was a valuable opportunity for peak industry council representatives and MLA program managers to spend time with producers from the RACs who have put forward the various priorities who could provide further explanation or clarity on issues. Extensive feedback was collated from all participants by MLA to guide improvement for future workshops.

Terms of Reference were subsequently developed to call for projects in the sheep industry in the following areas:

- Merino ewe mortality: evaluation of the key causes and prevalence of Merino ewe mortality
- Precision sheep management: development and implementation of precision management techniques to enhance ewe lifetime reproductive performance and the reproductive performance of sheep enterprises.
- Sheep pneumonia: regional capability building and adoption of new best management practices management of pneumonia on farm, and adaptation of resources appropriate to local producers, climates and environmental conditions.



## Market Access and Trade Barriers

### Live Export

Australia's live sheep export trade has fundamentally changed over the past few years, with industry initiatives, regulatory reviews, and research all contributing to continual improvements in animal welfare outcomes. The live export sector is essential to the success of sheep producers across Australia and critical to Western Australian producers. It plays a significant role in underpinning the lamb and sheep prices by providing increased competition, is complementary to wool and boxed meat production systems and satisfies the needs of essential markets that cannot be met through the export of chilled and frozen sheepmeat.

It will continue to make a significant impact on Australia's post-pandemic economic recovery and contribute positively to the overall value of Australia's red meat industry.

Sheep Producers Australia supports a sustainable and ethical live export trade based on evidence-based regulation, further supported by the Export Supply Chain Assurance System (ESCAS) for Australian livestock and the Livestock Global Assurance Program (LGAP), which pushes for a lifting of global standards. Sheep Producers Australia also supports the continued program of research and adoption to allow the trade to expand in a fully sustainable manner program. Sheep Producers Australia is a founding member of AniMark, the independent company responsible for delivering the LGAP, and continues to provide input into and support for full program implementation.

The government announced the commencement of the live sheep phase-out consultation period in March 2023. Formal consultation would be focused on how and when the government will phase out live sheep exports by sea, rather than the merits of the policy. The Minister for Agriculture appointed an independent panel including the former Chief Executive of the Murray Darling Basin Authority, senior public servant Phillip Glyde, Ms Sue Middleton, Hon. Warren Snowdon, and former RSCPA CEO Ms Heather Neil. The panel was asked to report their findings to the Minister by 30 September 2023 (the deadline has been extended to 25 October 2023).

Sheep Producers Australia worked closely with various stakeholders, including Australian Livestock Exporters Council (ALEC), National Farmers Federation, WoolProducers Australia (WPA), The Livestock Collective, WAFarmers and the Pastoralists and Graziers Association of WA, to ensure the live export industry has a clear, coordinated, and deliberate approach to this issue to inform advocacy and engagement. The agreed industry approach reiterated whole-of-sector support for the trade, outlining significant welfare improvements, economic and employment contributions, and the impacts on trading relationships, both indirectly and directly. Sheep Producers Australia, along with all industry stakeholders, continue to oppose the phase out. Sheep Producers Australia and its key stakeholders provided its members and the broader industry with assistance and guidance materials to support engagement with key politicians in Western Australia and support in developing submissions as part of the consultation process. Sheep Producers Australia, ALEC and WPA hosted several meetings and webinars to support the industry and contribute to the consultation process.

Sheep Producers Australia CEO Bonnie Skinner and Chair Andrew Spencer travelled to Perth in April 2023 to undertake a live export vessel tour and gain insight into the high standards industry adheres to. Sheep Producers Australia met with the Independent Panel in May to reiterate the industry's opposition to the policy while highlighting the likely impacts of the government implementing the policy.

In June Sheep Producers Australia made a 35-page submission to the phase out of live sheep export by sea with the following recommendations:

**Recommendation 1** To secure the future of the Australian sheep industry, and support the communities in the Central Eastern Wheatbelt, Wheatbelt South, Great Southern and Upper Great Southern regions of WA, the Federal Government should immediately reverse its decision to phase out sheep live export by sea.

**Recommendation 2** To ensure perverse competition outcomes do not occur as a result of the Federal Government policy - particularly in the WA sheep industry - independent expert analysis, on farmgate competition forces in the market must be completed to better inform competition policy and associated viable structures.

**Recommendation 3** To support future policy discussions about the sheep live export industry by sea, the Federal Government must undertake independent economic and community sentiment studies which provide unbiased and robust analysis about the trade’s performance and consequences of policy reforms for Australian sheep producers.

**Recommendation 4** To ensure genuine consultation and engagement on future pathways for the Australian sheep industry, the Federal Government must commit to a policy process that is evidence based, strategic, inclusive and collaborative.

The submission included four case studies outlining the impact a policy phase out would have to people throughout the live sheep supply chain. This approach has been taken to further illustrate the critical role that the live sheep export industry plays in driving farmgate competition and, ultimately, a sustainable sheep industry. [www.sheepproducers.com.au/\\_files/ugd/dbbadb\\_e2cdb2948d8d4412b7a5a6845c9bbf0d.pdf](http://www.sheepproducers.com.au/_files/ugd/dbbadb_e2cdb2948d8d4412b7a5a6845c9bbf0d.pdf)

### Middle East Delegation

In May 2023, Chair Andrew Spencer, directors Bindi Murray and Jamie Heinrich and CEO Bonnie Skinner visited the Middle East region. The purpose of the trip was to reinforce the importance and value Australian sheep producers place on the trading relationships with the countries in the region, and to understand the value of the red meat and livestock trade to these countries. The trip has provided invaluable insights for the organisation to report back and advocate on key issues to government and industry stakeholders about its trading relationships and opportunities with the region.

The Middle East is a large and diverse region with varied consumer requirements for sheepmeat. Australia has been a key sheepmeat supplier to Middle Eastern markets for over 50 years – “The sheep was the official ambassador of Australia”. All countries are driven to meet and exceed the food security requirements of their constituents. Australian sheep and sheepmeat products are known for their quality, safety, and continuity of supply as a sustainable source of protein.



Cultural diversity does mean that there will be continued base commodity consumption. Live sheep remain in high demand due to a preference for local, freshly slaughtered Halal accredited meat for use in religious observances and daily diet (including consumption of raw offal), as well as limited growth potential for local production at the scale required to meet food security needs. In the years since its introduction, ESCAS has been seen to add value and a competitive advantage to some countries, despite initially being an impediment to live trade in some countries.

Identifying and capturing premium markets is a significant opportunity and the growth of premium-lamb offerings in affluent countries with fast-growing tourism and social change has significant growth potential. Growth in fresh carcass and boxed meat trade with the Middle East will largely move separately to any future shift in the live sheep trade. Relationship and trust-building activities will be critical to nurture the relationship that Australia has with its Middle Eastern trading partners, particularly critical with the re-emerging market in Saudi Arabia.

## Economic sanctions and free trade agreements

### European Union Free Trade Agreement (EU FTA) Negotiations

Sheep Producers Australia is a member of the red meat industry EU Taskforce and has been engaging in a range of advocacy activities to promote improved and meaningful access Australian sheepmeat to compete on the same terms in the EU market as European companies do in Australia. The negotiations will continue in 2023.

### Australia-India Economic Cooperation and Trade Agreement (AI-ECTA)

The security and expansion of current markets remains a top priority for Sheep Producers Australia and creates ongoing certainty for the industry. Access to a wide array of global markets allows Australian exporters to maximise the value of each carcass and reduce the risk of being overly reliant on any one buyer.

On 29 December 2022, the interim agreement AI-ECTA entered into force, immediately removing the 30% tariff on Australian sheepmeat. This opens opportunities for exporters in food service channels and supports access to a country with rapid economic growth that is expected to increase its sheepmeat consumption to 940,000 tonnes by 2031. Australia has been exporting frozen high value lamb cuts to supply high-end restaurants and hotels. The removal of the tariff will enhance Australia's competitiveness against New Zealand sheepmeat and improve affordability.





## Policy Council review – inaugural year of operation

The second half of 2022 signalled a full year of operation for the now centralised Policy Council. The Council also plays a vital role in advising the Board on matters relating to the strategic objectives of the organisation and its members. The move to a one policy-making unit allows for a more efficient mechanism to develop, agree, and advocate on policy.

A requirement of the Policy Council Terms of Reference included a review of its first year of operations to ensure it was operating towards its intended purpose. Sheep Producers Australia engaged an independent consultant to conduct the Council review.

The review process included an online survey of all Policy Council members, one-on-one interviews between the consultant and Policy Council members, and the opportunity for State Farming Organisations (SFO) to provide feedback on perceived effectiveness and operation of the Policy Council.

Overall, the review report findings were positive. The report indicated that the Council is cohesive for a newly formed group, with the skills of the Policy Council diverse and well-rounded. The Chair, Daryl Quinlivan, is perceived by Council members as performing positively, allowing for opinions to be heard with the opportunity to provide input by all members. Key recommendations from the report included greater feedback from the Board to the Council and Council members to communicate more effectively with their SFO on key items.

All seven recommendations from the report have been implemented, to continue improvement and evolution of the Council.

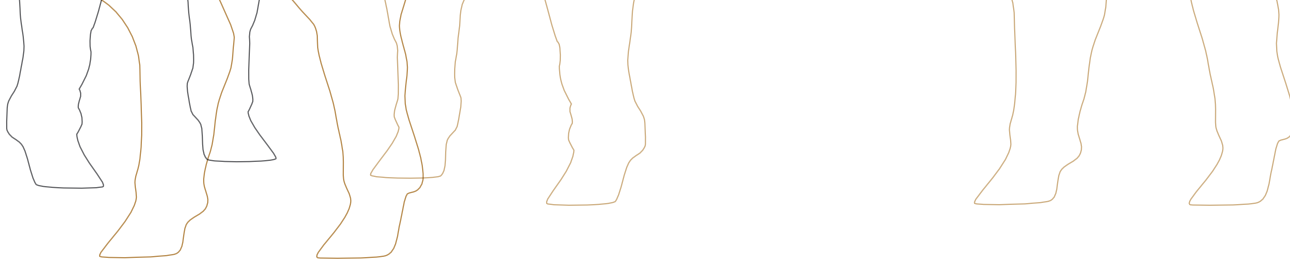
### Maximising Value

Sheep Producers Australia supports the adoption and recognition of cuts-based Meat Standards Australia (MSA) for sheepmeat throughout the supply chain, and the development and implementation of improved objective measurement technologies for key quality traits both on-farm and in abattoirs.

After over 10 years of research, this year MLA announced the sheepmeat cut by cooking method model. The model uses three measurements on each carcass: hot carcass weight, lean meat yield and intramuscular fat (IMF). The MSA model then predicts the eating quality of nine cut by

cooking method outcomes (grill and roast) for each carcass. The commercialisation of the MSA sheepmeat model has the potential to also incentivise and reward producers by creating opportunities to boost profitability and productivity. Sheep Producers Australia will continue to support the activities of MLA implement the model in sheepmeat supply chains.

Sheep Producers Australia is working with MLA on the refinement of eating quality R&D priorities as part of the 2020-25 MSA strategy midterm-review to underpin the MLA 2025-2030 strategy development. The Policy Council has established an eating quality working group to review which priorities are of highest priority and impact for investment.



## Board Selection Committee

The closing of the 2022 Sheep Producers Australia's Annual General Meeting held in November marked the conclusion of the membership tenure of the immediate past Board Selection Committee. (BSC) Sheep Producers Australia would like to thank the efforts and time of the Committee in assisting Sheep Producers Australia in selecting both its Board members and Policy Council representatives.

Our members are integral to Sheep Producers Australia as representatives on the BSC. Your representation on the BSC helps inform the future direction of SPA via the candidates you place on our Board and Policy Council. A BSC must be established under Clause 8.9 of Sheep Producers Australia's Constitution to review all Non-Executive Member Elected Director nominations to the Board and the Policy Council. The BSC's guiding principle is to recommend the best candidates for appointment to the vacant positions on both the SPA Board and the Policy Council.

After the 2022 Sheep Producers Australia Annual General Meeting, the Board requested that leadership should review the BSC Terms of Reference to ensure they reflected the needs of the organisation and the current constitution. The Board-endorsed changes that were made to the Terms of Reference, which included the appointment of an Independent Chair and secretariat to oversee all BSC processes. Additionally, and in recognition of the important role BSC members play in the governance of the organisation it was agreed to reimburse all future members for their time in undertaking BSC business.

The Board has completed its selection process to implement a new Independent Chair of the Board Selection Committee and is finalising the selection process for the four SFO-nominated positions on the BSC.

## Sheep Producers Australia Submissions

Sheep Producers Australia has provided input into the following public consultations:

- 2023–2024 Pre-Budget Submission
- Inspector-General of Animal Welfare: Consultation Paper
- Making national biosecurity funding sustainable
- Updating the guide for determining a minor use Discussion paper
- Senate standing committee on environment and communications: Inquiry into greenwashing
- Phase out of live sheep exports by sea: consultation paper
- Review of Australian carbon credit units (Accu)
- Senate inquiry into the adequacy of Australia's biosecurity measures and response preparedness



**The full submissions are available on the website**  
[www.sheepproducers.com.au/submissions](http://www.sheepproducers.com.au/submissions)



# Leadership Network



## Sheep Producers Australia Industry Leadership

The Leadership Network was developed to accelerate the development of current and future leaders to ensure strong leadership for the long-term success of the Australian sheep industry. Sheep Producers Australia recognises the importance of confident and competent people in driving our industry forward and values investment in building future leaders and positioning the industry for a strong, sustainable future.

The leadership program continues to have significant impact across the industry and has enhanced and developed participants' confidence and capability. Current and emerging leaders have provided positive feedback on the opportunities offered to them through the leadership program and their increased confidence and skills contributing to their ability to advance their professional development. Sheep Producers Australia has supported two emerging leaders to participate in the leadership program through a competitive selection process; they have been successful in placements in the Young Farmers Council and the National Agricultural Leadership Program.

## Young Farmers' Council

The Young Farmers' Council is a new initiative to increase youth engagement with the National Farmers Federation (NFF). The Council gives young producers an opportunity to contribute to NFF policy and share ideas and activities to engage more young people in policy and advocacy.

The Council provides an opportunity for members to:

- Share information about youth focused activities across Australian agriculture
- Discuss policy relevant to young producers
- Gain exposure to policy issues and advocacy structures
- Build networks across industry organisations
- Gain experience developing and advocating policy that promotes young people in Australian agriculture
- Work with Telstra to promote digital adoption and innovation within Australian agriculture

This is the second term for the organisations sponsored young producer representing Sheep Producers Australia on the Council.

*"Thanks to Sheep Producers Australia for supporting and giving me the opportunity to be on the National Farmers Federation (NFF) Young Farmers Council. From this opportunity I was lucky to be nominated by the NFF and offered a place in the World Farmers Organisation (WFO) Gymnasium program - which I wouldn't have had the opportunity to be part of if it wasn't for Sheep Producers Australia. The WFO Gymnasium is a high-level capacity building programme aimed at training young farmers to make them become future leaders in the agricultural sector, implemented in close partnership with Bayer. The WFO program focusses on advocacy, public speaking, networking, along with a series of technical sessions."*

[www.wfo-oma.org/the-gymnasium](http://www.wfo-oma.org/the-gymnasium)

## National Agricultural Leadership Program

The National Agricultural Leadership Program (NALP) is an annual leadership program for young and emerging leaders in agriculture. It builds leadership skills and provides direct experience in policy development, advocacy, governance and communications and media.

### The NALP has four components:

- Leadership Workshop – three-day intensive workshop in Canberra, meeting with key stakeholders in agriculture including, federal politicians, government departments, media and private sector lobbyists.
- Policy Project – experience researching and developing a new policy on a key issue facing agriculture.
- Inspiring Speakers Webinars – webinars from leaders in agriculture talking about their leadership journey.
- Mentoring Program – specific mentoring to support ongoing leadership and development.

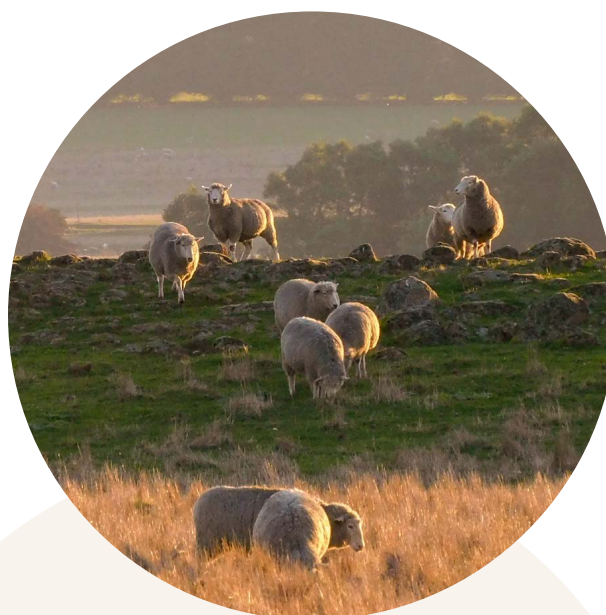
Each of these components are designed to complement one another and give participants an interesting and engaging experiences in the NFF's agricultural advocacy work. At the end of the NALP, participants are well placed to use their skills in agriculture, advocacy organisations and their local communities. Sheep Producers Australia has sponsored and supported an emerging leader to be able to access professional development and increase her skills in advocacy for agriculture.

*“When I joined the National Agricultural Leadership Program (NALP) I wanted to grow my network and learn about decision-making in agricultural policy. NALP provided me with all of that and more! I was humbled with the investment of time from the politicians, government bodies, lobbyists, media and other key stakeholders on my leadership journey. Can't thank Sheep Producers Australia enough for supporting my position and providing the opportunity to be exposed to mentors, decision-makers and industry leaders.”*

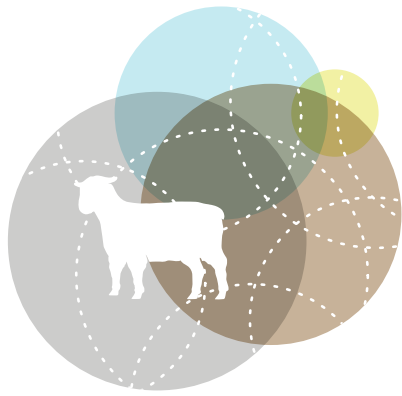
## Good Meat Summit

Sheep Producers Australia was invited by Meat & Livestock Australia (MLA) to join the Good Meat Summit which was held in Sydney on 21 March 2023. The Summit group had approximately 50-60 people in attendance and was strictly invitation only, to discuss the future of global meat and livestock production with a range of scientists and specialists who were part of the Dublin Declaration. The red meat industry faces unprecedented pressure at a global scale by presenting the scientific evidence that supports a balanced dialogue, Sheep Producers Australia invited and supported six sheep producers to join the CEO to hear the facts from an Australian perspective, and to have their say to support a collaborative industry response. The event presented the evidence-based facts on meat's positive contribution to our diets, the environment, and society.

The summit coincided with the release of a special March 2023 issue of *Animal Frontiers*, the Journal of the American Society of Animal Science, which will consolidate over 1,000 peer-reviewed research papers which supports the positive role of meat and livestock production.







# GLOBAL SHEEP FORUM

## Global Sheep Producers Forum

The Global Sheep Producers Forum (GSPF) is a global program to provide a common voice for the global sheep community that reflects our collective vision of the future sustainability of the sector. Members of the GSPF include the American Lamb Board, Beef + Lamb New Zealand, British National Sheep Association, Canadian Sheep Federation, National Sheep Association, National Wool Growers' Association of South Africa, and Sheep Producers Australia. The GSPF strives to foster global collaboration to develop evidenced and united positions and collective actions that address the shared challenges and opportunities facing those in the sheep industry irrespective of global boundaries.

### Principles

The guiding principles for the setting of priorities are that they must be:

#### Adaptable

Sheep producers around the world farm in different climatic conditions and have established practices to manage both their animals and the environment. These goals will recognise these differences and provide producers the flexibility to meet the goals in ways that work for their conditions.

#### Trustworthy

While recognising the need for adaptability to achieve these goals in different ways, the goals must demonstrate that they are in effective in meeting their stated purpose. Global consumers and the public must be able to trust that these goals will continue to be effective in verifying that sheep production is sustainable and is a responsible source of food and fibre.

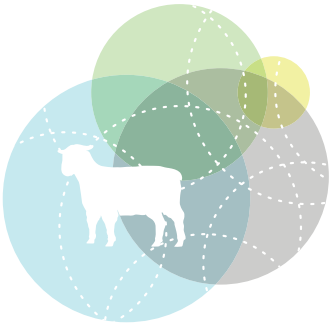
#### Ambitious

The goals must demonstrate the shared ambition of all members to continue improving the global sheep industry. We want the sheep industry to be valued by consumers and the public as an important and responsible partner in the global food and fibre system. Producers should be proud to farm sheep and be confident that their industry has a bright future based on sound and progressive credentials.

#### Collaborative

The Global Sheep Producers Forum aims to bring sheep producers from around the world together to work together on improving and demonstrating that sheep production is environmentally and animal welfare friendly. We will share ideas, technologies, and approaches to ensure this is recognised by global consumers.

[www.globalsheepforum.com](http://www.globalsheepforum.com)



# GLOBAL SHEEP FORUM

## NEXT GENERATION

### The Next Generation Global Sheep Producers Forum

The Next Generation Global Sheep Producers Forum has come out of a group of international sheep producer organisations the American Lamb Board, Beef + Lamb New Zealand, British National Sheep Association, Canadian Sheep Federation, National Sheep Association, National Wool Growers' Association of South Africa, and Sheep Producers Australia.

One of its purposes is to share information and support sheep farming around the world. One way we aim to do this by connecting young farmers through a live podcast which is hosted by AgWatchers. AgWatchers aim is to educate but also to entertain, to have engaging conversations with those involved in agriculture.

The Next Generation Global Sheep Forum is an important aspect of the GSPF and one of its objectives is to share information and support sheep farming around the world by connecting young farmers through an interview recorded as a podcast and hosted by AgWatchers.



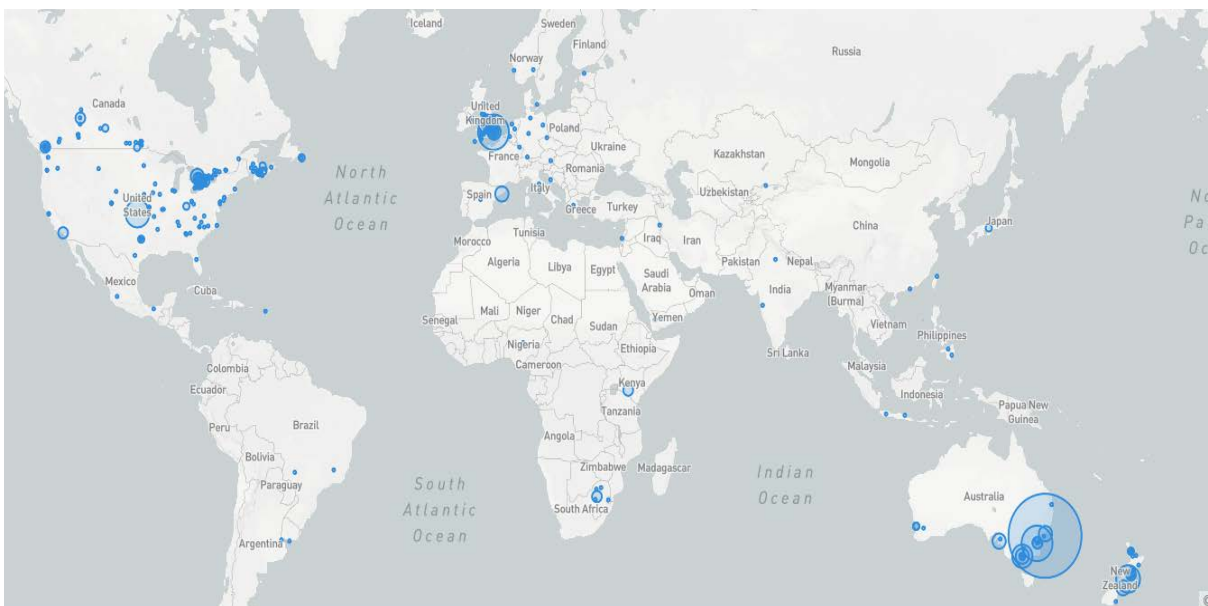
The Canadian Sheep Federation hosted the 2022 GSPF face to face event and Bonnie Skinner attended the event representing Sheep Producers Australia.



**The Global Sheep Forum Podcasts are available here**

[www.globalsheepforum.com/nextgen2022podcasts](http://www.globalsheepforum.com/nextgen2022podcasts)

### Global Sheep Producers Forum newsletter global reach



# Media, Communication and Events

Sheep Producers Australia has continued to support our industry partners, stakeholders, and membership through social media and mainstream media.

Having a full time General Manager Public Relations has enabled the organisation's profile to be raised and to strengthen its reputation as a trusted advisor for the Australian sheep industry. There has been a strong focus on increasing the political and stakeholder engagement, the organisations media presence, and growing the social media platforms across Facebook, Twitter, LinkedIn, and Instagram. The organisation has had a refresh of its brand to align with a more corporate look and feel.

## Website

The website has been rebuilt with the inclusion of a CRM system to assist with more effective communications and the team's workload and progress. Google analytics has enabled tracking on how the website is used and the most clicked pages. This data is used to understand what the organisation is expected to provide and what information visitors are looking for.

## Social Media

The social channels LinkedIn and Twitter continue to have the most engagement with Twitter now having the highest number of followers. As part of raising the profile, and specifically for the leadership aspect of Sheep Producers Australia an Instagram profile has been created. The Instagram channel remains as an avenue to support stakeholder messaging, continues to organically grow followers, and is supporting the messaging of bridging the city and rural divide through visual imaging and short sharp calls to action.



### Facebook 28-day activity and analytics June 2023

Followers are over 4,700 with the most engagement for the last 28 days being Mandatory electronic identification for Australian sheep and goats: What you need to know - which Sheep Producers Australia took from the Farm Biosecurity website. The post was shared and reached over 2,500 people and post engagement was over 480. All posts remain organic, and no paid posts have been made. Sheep Producers Australia consistently receives traffic to Facebook through Google searches and website referrals.



### Twitter

Followers are just over 6,000 with tweet impressions just under 4,000 with the top tweet for June 2023 being the Non-Executive Board Directors recruitment. Sheep Producers Australia manages Twitter as a supporting channel for stakeholders and to amplify the industry messages.



### LinkedIn

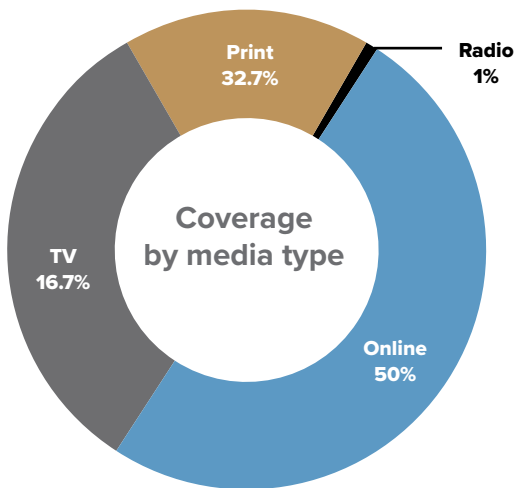
LinkedIn followers have increased to just under 2,700 since the last Annual Report which is an increase of 150%, sharing posts has increased as have comments; this is the organisation's most active and engaging social channel.



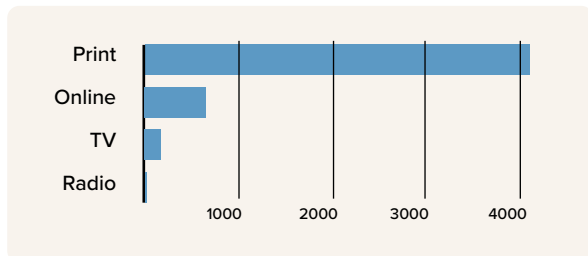
## Media coverage

The organisation has received extensive media coverage during May to 30 June 2023.

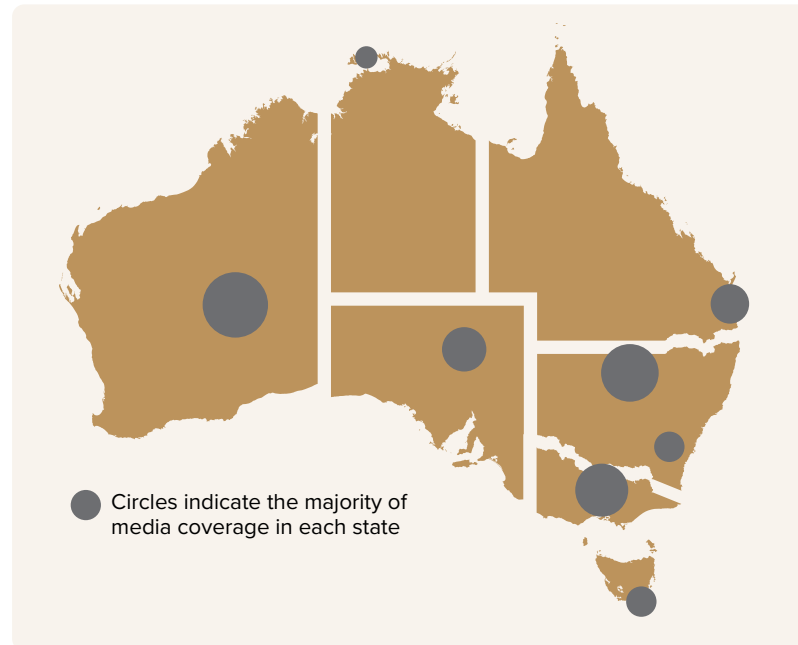
The following graph shows the reach and specific media platforms SPA has been featured on.



**Figure 2:** Potential Audience Reach 4,990,544 across the following media outlets.



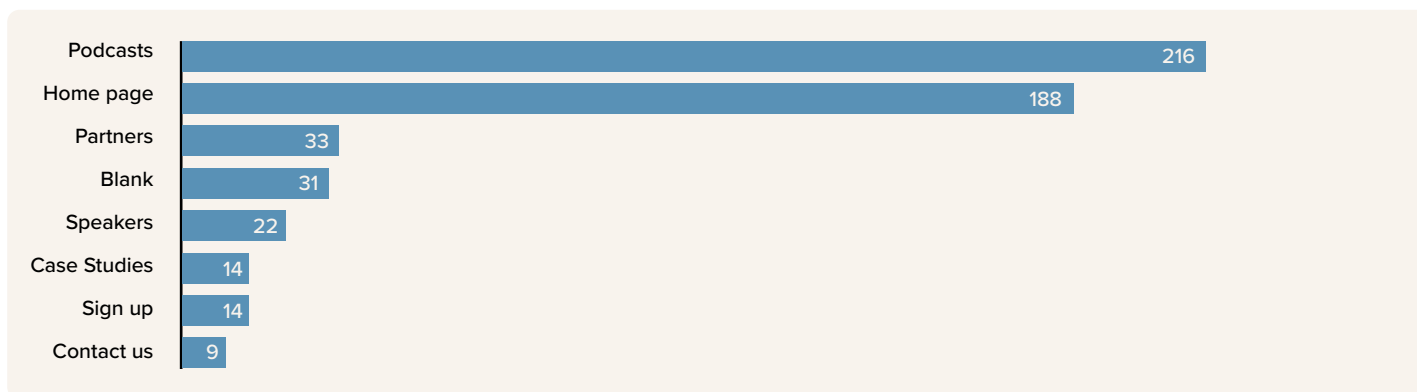
**Figure 1:** Sheep Producers Australia’s media coverage reached every state of Australia.



**Figure 3:** The most frequently mentioned keywords taken from the organisations media monitoring Stream.



**Figure 4:** Website Global Sheep Producers Forum.



## Member Updates

A monthly newsletter update has been replaced by regular Member Updates which are circulated by the CEO. This update focuses on the organisation's activities, policy council, board meetings, upcoming events and as needed a media overview of any current or emerging issues. The Update is emailed to the State Farming Organisations, Policy Committee members, and Board Members. A bi-monthly policy specific newsletter will commence next financial year to communicate the organisation's policy work and advocacy.



## Lambassador

Melbourne hosted the 2023 Lambassador Delegation in May which included 19 International Chefs from Japan, Korea, China, Saudi Arabia, United Kingdom, United States of America, Canada, Indonesia, Malaysia, Taiwan, Singapore, Thailand, Vietnam, and the Philippines.

The week in Melbourne provided an opportunity for the Lambassador's to immerse themselves in all things Australian lamb, including farm visits, butchery demonstrations and cooking masterclasses. They'll also shared ideas on innovative lamb uses, networked with lamb supply chain stakeholders, explored Melbourne's vibrant food scene and learned about local industry trends. Through this annual program, Meat & Livestock Australia continues to strengthen relationships with key international markets and drive demand for Australian lamb.

[#lambassador2023](#) [#lambassador](#) [#aussielamb](#)



## The Parliamentary Friends of Australian Red Meat

Together with the Red Meat Advisory Council (RMAC) celebrated red meat with a smoked brisket roll event over lunchtime at Parliament House. More than 450 servings of Australian smoked brisket burgers were offered to staffers, front desk workers, grounds people and parliamentarians over lunchtime.

Later that evening an event in the Speaker's Courtyard of APH was hosted by the Speaker of the House of Representatives, Milton Dick MP, and co-chairs of Parliamentary Friends of Red Meat, Senator McDonald, and Senator Ciccone. Minister Murray Watt was also in attendance along with 160 guests. Sustainability was the theme – with the red meat and livestock sector delivering on its plan to reach carbon neutrality by 2030.

## Partnership and Sponsorship Program

Sheep Producers Australia sponsored industry events this last financial year to invest into the industry and raise the profile of the organisation. The events sponsored were the Bendigo Sheep and Wool Show which included a speaking opportunity, Merino Link, and the Australian Sheep Breeders Association. To support Sheep Producers Australia to increase revenue a partnership program will commence next financial year as a framework has been developed and approved by the board.

In addition, we joined The Livestock Collective's membership to support the organisation and the work it does to increase engagement in Western Australia and support the messaging of what a phase out of live export by sea would do to the industry nationally and the devastating flow on effects.

Meat Business Women (MBW) is a global professional community for women working across the meat industry. Membership was secured by Sheep Producers Australia and offered to the female members of the Policy Council, Board, and up and coming leaders who were either not successful in securing leadership programs or important partners to access mentoring and to be part of a global community. The MBW Sydney event enabled the organisation to support a female industry leader to attend and network with Sheep Producers Australia being a major partner.



# Governance and Financial Reporting

**Sheep Producers Australia is a public company limited by guarantee.**

Section 4.1 of the SPA Constitution (November 2021) identifies the Members of SPA and State Farming Organisations (SFOs) are as follows:

- AgForce Queensland Farmers Limited
- Livestock South Australia
- New South Wales Farmers' Association
- Pastoralists and Graziers Association of WA
- Tasmanian Farmers' and Graziers' Association
- Victorian Farmers' Federation Livestock
- The Western Australian Farmers Federation (Inc)

The Constitution is available here <https://sheepproducers.com.au/wp-content/uploads/2022/08/4-Constitution-November-2021.pdf>

SPA is the recognised peak body for the sheepmeat industry under the Australian Meat and Livestock Industry Act 1997; SPA sets the strategic objectives to be pursued by the levy-funded organisations MLA, AHA and the NRS, examining and approving their programs and budgets.

## Board of Directors

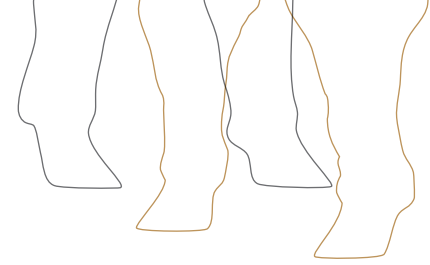
SFOs play an integral role in governance of SPA. There are currently six non-executive member elected directors (NEMED) on the SPA Board of Directors.

The company is governed by a skills-based board of directors. It includes a maximum of nine directors a minimum of four and maximum of seven member-elected directors and up to two board-appointed members. There are to be no more than two directors from any one state.

The directors are active in many forums in the Australian sheep industry and broader agri-food supply chain and bring this experience, knowledge, and insights to the organisation.

Directors have undertaken professional development with the Australian Institute of Company Directors ensuring the board is skilled at this level. Directors continue to be provided with professional development opportunities aligned to their capability development priorities identified in the board skills matrix. The board skills matrix is refreshed each year with directors self-assessing their skills and attributes against the criteria.

For more information on SPA's directors refer to the Directors' Report in the Sheep Producers Australia Limited Financial Statements for the year ended 30 June 2023. Appendix 1.



## Board Selection Committee

Sections 8.9-8.12 of the Constitution (November 2021) articulates the role of the Board Selection Committee (BSC). The BSC comprises of four SFO members, one independent member, and two observers from the SPA board, who make recommendations on the appointment of the NEMED.

When vacancies on the SPA Board arise, the BSC is tasked to assess NEMED candidates against a range of criteria, including experience and skills, personal qualities, their available time commitment, and report to SPA Members on the suitability of candidates for election.

Following a rigorous interview and selection process of candidates by the BSC and in accordance with good governance practice, appropriate checks of each NEMED candidate are undertaken before each nominee is put forward to Members as a potential candidate for election to the SPA Board.

The members of the 2023 BSC are:

- John Webster (Independent Chair)
- Rupert Gregg (Member) Tasmania
- Lucy Morris (Member) Western Australia
- Chris Kemp (Member) New South Wales
- Peter Star (Member) Victoria
- Elizabeth Jackson (Observer) Sheep Producers Australia Board
- Ben Thomas (Observer) Sheep Producers Australia Board

All BSC Member appointment terms will expire at the conclusion of the 2023 Annual General Meeting. The BSC Independent Chair term will expire at the conclusion of the 2024 Annual General Meeting.

## Annual General Meeting

Sheep Producers Australia continued to conduct business in a virtual environment, with the second virtual Annual General Meeting (AGM) held on 22 November 2022.

The AGM confirmed returning director, Mr Jamie Heinrich who was appointed for three years with the term expiring on day prior to the 2025 AGM.

## Conflicts of interest

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

In certain circumstances, directors will abstain from participating in any discussion or voting on matters in which they have a material personal interest. At the time of their appointment and as notified from time to time, each director provides to the Board information about their business and other interests. The Board records such notifications in its minutes and maintains a register in accordance with the ASX Corporate Governance Council's Corporate Governance Principles and Recommendations (4th edition).

## Risk Management Plan

The Board manages the organisation's risk through a comprehensive Risk Management Plan. This plan identifies financial, legal and compliance risk for the company as well as reputational, strategic, and regulatory risks that are faced by the sheep industry. The Risk Management Plan is managed and monitored by the Board through the Finance Audit and Risk Management Committee (FARMCo).

## Finance, Audit, and Risk Management Committee

FARMCo is a committee of the SPA Board and assists the Board to fulfil its oversight responsibilities relating to SPA's risk management plan, the company's treasury and financial reporting, internal control structure and the external audit functions. In keeping with community expectations, the Chair of FARMCo is not the Chair of the Board.

FARMCo is required to meet at least four times a year and holds closed sessions with SPA's appointed external auditor at least once each year. FARMCo is responsible for making recommendations to the Board for the approval of the annual FARMCo workplan and annual financial statements.





As of 30 June 2023, FARMCo members comprised of Ms Kerry Harris (Chair), taking over from the inaugural FARMCo chair Dr Anne Astin who retired in November 2022, Ms Bindi Murray, Mr Robert Herrmann, and Mr Ben Thomas.

FARMCo has received a written declaration from the CEO that the financial reports represent a true and fair view, in all material respects, of the company's financial condition and operating results, and are in accordance with relevant accounting standards.

### External Auditor

SPA's external auditor is Bandle McAneney & Co (BM&Co). FARMCo holds discussions with the external auditor and management before the annual financial statements are submitted to the Board.

FARMCo oversees SPA's relationship with BM&Co, including:

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

### Personnel

Sheep Producers Australia has a small highly skilled and dedicated workforce who manage the day-to-day operations of the company, implement both the Annual Operating Plan and strategy set by the Board.

As of the 30 June 2023, seven staff were employed in a variety of full-time and part-time roles. Sheep Producers Australia's workforce profile reflects a balanced gender profile and age distribution across the organisation.

In addition, two non-executive independent directors of the Board are employed on a part-time basis:

- Independent Chair: Mr Andrew Spencer
- Independent Member: Ms Kerry Harris (Chair FARMCo)



### Diversity

Sheep Producers Australia recognises the importance of a diverse workplace, values and acknowledges the individual strengths of each employee and the potential they bring to build a successful, thriving workplace and a fair work culture. Workplace diversity creates greater opportunities for professional growth, better decision-making, and a greater understanding of our members' and industry needs.

As of 30 June 2023, more than 50% of Sheep Producers Australia's employees were female and the Board had equal gender representation.

### 28 National Limited: The home of LambEx

Sheep Producers Australia incorporated a subsidiary entity, 28 National Limited (28NL), a company limited by guarantee to provide an enduring governance structure and permanent home for LambEx, the flagship biennial event for the sheep industry.

As the sole Member of 28NL, Sheep Producers Australia has worked collaboratively with the dedicated, skills-based Board of Directors and organising committee via arm's length service level agreements to mobilise 28NL ahead of the next LambEx, LambEx2024 which will be held in Adelaide 7-9 August 2024.

**For more information on LambEx**  
[www.lambex.org.au](http://www.lambex.org.au)

**For more information on 28National Limited**  
[www.28national.com.au](http://www.28national.com.au)

**LambEx**

**TWENTY8  
NATIONAL  
LIMITED**

*producers*  
*sheep*



# Appendix 1:

## Sheep Producers Australia Limited Financial Statements

For the Year Ended 30 June 2023

ACN 621 947 206

ABN 21 256 252 885



|   |    |
|---|----|
| DIRECTORS REPORT  | 1  |
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### Preface

These financial statements are to be read in conjunction with the specific activities described in the 2022-23 Annual Report.

## Directors' Report 30 June 2023

The Directors present their report on Sheep Producers Australia Limited (SPA) for the financial year ended 30 June 2023.

### General information

#### Director Information

The names of the directors in office at any time during or since the end of the year are:

| Names                | Position                | Appointed                 |
|----------------------|-------------------------|---------------------------|
| Mr Andrew Spencer    | Independent Chair       |                           |
| Ms Kerry Harris      | Independent Director    | Appointed November 2022   |
| Dr Anne Astin        | Independent Director    | Retired November 2022     |
| Mr Jamie Heinrich    | Member Elected Director | Reappointed November 2022 |
| Ms Belinda Murray    | Member Elected Director |                           |
| Dr Elizabeth Jackson | Member Elected Director |                           |
| Mr Robert Herrmann   | Member Elected Director |                           |
| Mr Ben Thomas        | Member Elected Director |                           |

Directors have been in office since the start of the financial year to the date of this report unless otherwise stated.

#### Company Secretary

Tracey-Anne Leahey currently holds the position of Company secretary.

#### Principal activities

SPA is the peak industry organisation for sheep and lamb producers. SPA works to enhance the industry's productivity, profitability and sustainability by effectively representing all producers to Government and Industry decision-makers.

#### Key Objectives for 2023

- Consolidate Sheep Producers Australia Financial Position
- Implement the Annual Operating Plan
- Increase the profile and awareness of SPA's role, activities, and programs
- Represent and promote the interests of sheep producers
- Contribute to the RedMeat2030 Annual Performance Review Project

#### Performance Measures

- Net assets of \$1.000m
- There is a monitoring and evaluation framework in place reviewing performance against the Annual Operating Plan and associated work programs
- Attendance of SPA representatives and at major events and timely reporting of outcomes.
- Policy priorities are communicated to the Agriculture Minister, government, supply chain and industry partners
- A Progress Report on the status of the RedMeat 2030 success indicators is published

### **Members' Guarantee**

Sheep Producers Australia is a company limited by guarantee. In the event of, and for the purpose of winding up of the company, the amount capable of being called up from each member and any person or association who ceased to be a member in the year prior to the winding up, is limited to \$ 10 for members that are corporations and \$ NIL for all other members, subject to the provisions of the company's constitution.

At 30 June 2023 the collective liability of members was \$70 (2022: \$70).

### **Information on Directors**

**Mr Andrew Spencer** Independent Non-executive Chair

#### **Qualifications**

Bachelor of Agricultural Science (BAgSc – Melb)  
Graduate of the Australian Institute of Company Directors (GAICD)  
Fellow of the Institute for Managers and Leaders (FIML)  
Associate Fellow of the Australian Rural Leadership Foundation (AFARLF)

#### **Experience**

Australian Farm Institute: Chair  
Sheep Industry Health and Welfare Trust: Non-executive Director  
Red Meat Advisory Council: Non-executive Director  
PorkScan Pty Ltd: Chair  
Ancer Consulting Pty Ltd: Principal

#### **Prior Experience**

Cooperative Research Centre for High Integrity Australian Pork: Director  
Australasian Pork Research Institute Ltd: Director  
Australian Pork Ltd: Chief Executive Officer  
Agribusiness professional for the past 38 years

## Information on Directors continued ...

**Ms Kerry Harris** Independent Non-executive Director

**Qualifications** Bachelor of Commerce (BComm – Curtin University)  
CPA Fellow  
Graduate Australia Institute of Company Directors (GAICD)

### Experience

28 National Limited: Chair  
Rocky Bay: Non-executive Director  
Veterinary Practitioners Registration Board: Non-executive Director  
Volunteering Australia: Non-executive Director and Chair: Finance and Audit Committee  
Women Onside: Chair

### Prior Experience

CPA Australia: Victorian and WA Councillor, Member: Appointments Council, and Member: Nominations Committee  
Football Australia: Member, Finance Audit and Risk Committee  
Executive career as COO and CFO in professional and in Member based organisations

**Mr Jamie Heinrich** Member Appointed Director

**Qualifications** Bachelor of Business (International Business)  
Nuffield Scholarship: *“The key factors for attracting and retaining young people in the sheep industry”*  
Certificate III in Rural Operations

### Experience

Agriculture Kangaroo Island: Chair  
Ella Matta Pastoral: Owner, Director  
Meat and Livestock Australia: Board Selection Committee  
Sheep Industry Sustainability Framework: Board Member

### Prior Experience

Thomas Foods International  
Beef Livestock Coordinator and Project Coordinator of Systems Integration  
International Trade Delegate: various  
Livestock SA: Director  
On farm positions: domestic and international

## Information on Directors continued ...

**Mr Robert Herrmann** Member Appointed Director

### Qualifications

Associate Diploma of Business Management (Marketing): Deakin University.  
Authorised Representative of Australian Financial Services Licence (AFSL) 516316  
Responsible Authority of AFSL 516316  
Marcus Oldham Rural Leadership Program: *"A vision for agriculture"*  
Certificate 4 in Assessment & Workplace Training  
Member of Australian Institute of Company Directors (MAICD)

### Experience

Nutrien Ag Solutions, Agency, Market & Product Specialist  
Forty years of experience in all aspects of agriculture, including production, service delivery and development of business strategy.  
Understanding of the challenges and opportunities of the sector.  
Vast connections across producers and the agricultural industry.  
Strong communication skills and ability to articulate and prosecute a point of view.  
Ability to listen to other views, and to include and engage all participants in discussion  
Sheep Producers Australia: Finance Audit and Risk Management Committee: Member

**Dr Elizabeth Jackson** Member Appointed Director

### Qualifications

Bachelor of Agribusiness Marketing (Hons I)  
Master of Business Administration  
Doctorate of Philosophy (PhD) in Agribusiness  
Senior Fellow of the Higher Education Academy (UK)  
Graduate of the Australian Institute of Company Directors (GAICD)

### Experience

Member elected Non-executive Director of Agribusiness Australia (2023-present)  
International Journal of Logistics: Research & Applications: Regional editor (2020 – present)  
Associate Professor of Supply Chain Management & Logistics (Curtin University)  
Visiting Academic at the Royal Veterinary College (UK) (2020 – present)  
Visiting Academic at Heriot-Watt University (2023)  
WA Farmers Livestock Council: Member  
Farm experience: grains, sheep, cattle (intensive, extensive & pastoral), stud breeding (various)

### Former Experience

Senior Lecturer in Business Management (Royal Veterinary College, UK)  
Lecturer in Agribusiness (Newcastle University, UK)  
Canola Breeders Australia: Business Development Manager  
CBH Group: District Manager  
Royal College of Veterinary Surgeons' EBVM Knowledge Group (Business) (2015-2017): Chair

## Information on Directors continued ...

**Mr Ben Thomas** Member Appointed Director

**Qualifications** Bachelor Rural Science (UNE)  
Masters of Agribusiness (University of Melbourne)  
Melbourne Business School Meat Executive Program  
Graduate Australia Institute of Company Directors (GAICD)

### Experience

Sheep Sustainability Framework: Board Member  
Sheep Producers Australia: Finance Audit and Risk Management Committee: Member  
Portfolio Manager for an Agricultural Asset Manager, overseeing livestock and cropping farms across southern Australia for clients

### Prior Experience

Media and Sponsorship Coordinator for the Australian Intercollegiate Meat Judging Association  
Agri-banking and finance (Rabobank)  
Livestock market analysis and presentations: Meat and Livestock Australia  
Managing a mixed sheep, cattle and hay farm, Canada  
Cadetship with Twynam Pastoral Company

**Ms Belinda Murray** Member Appointed Director

**Qualifications** Bachelor of Animal Science (Hons I)  
Certificate IV Business  
Graduate Australian Institute of Company Directors (GAICD)

### Experience

Kunmallup Pastoral Company: Owner, Director  
Live Export Research and Development Advisory Committee: Member  
Meat and Livestock Association Red Meat Panel: Member  
Pastoralists & Graziers Association (PGA): Executive Committee Member  
PGA Livestock Committee: Vice Chair  
28 National Limited: Non-executive Director  
Sheep Producers Australia : Finance Audit and Risk Management Committee : Member

### Prior Experience

Dept Primary Industry IRD Live Export Reference Group: Member  
LambEx 2018 Organising Committee: Chair  
PGA of WA Policy Director Property Rights and Business Management  
Red Meat Industry Council Industry Corporate Affairs Advisory Group: Member  
Sheep genetics research officer  
West Australian Meat Industry Authority: Director  
WoolPoll 2015: Panel Member



## Operating results and review of operations for the year

### Operating results

The profit of the company after providing for income tax amounted to \$39,674 (2022: surplus of \$32,563).

### Review of Operations

A review of the operations of the company during the financial year and the results of those operations show a profit of \$39,674.

### Meeting of Directors

During the financial year, 7 (including Annual General meetings) meetings of directors were held.

| Director                  | Eligible to attend | Board Meetings Attended |
|---------------------------|--------------------|-------------------------|
| Mr Andrew Spencer (Chair) | 7                  | 7                       |
| Dr Anne Astin             | 2                  | 2                       |
| Ms Kerry Harris           | 3                  | 3                       |
| Mr Jamie Heinrich         | 7                  | 7                       |
| Mr Robert Herrmann        | 7                  | 6                       |
| Dr Elizabeth Jackson      | 7                  | 7                       |
| Ms Belinda Murray         | 7                  | 7                       |
| Mr Ben Thomas             | 7                  | 7                       |

The auditor's independence declaration in accordance with section 307C of the *Corporations Act 2001*, for the year ended 30 June 2023 has been received and can be found on page 25 of the financial report.

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



Director  
Mr Andrew Spencer  
1 November 2023



Director  
Kerry Harris  
1 November 2023



Chartered Accountants

18 Napier Close  
DEAKIN ACT 2600  
PO Box 52, DEAKIN WEST ACT 2600  
AUSTRALIA

Ph: (02) 6282 3341  
Fax: (02) 6282 3342  
Email: banmca@interline.com.au  
ABN: 87 955 412 345

## Independent Auditor's Report to the members of Sheep Producers Australia Limited

### Report on the Audit of the Financial Report

#### Opinion

We have audited the financial report of Sheep Producers Australia Limited (the company), which comprises the statement of financial position as at 30 June 2023, the statement of profit or loss and other comprehensive income, the statement of changes in equity and the statement of cash flows for the year then ended, and notes to the financial statements, including a 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 2023 and of its financial performance for the year ended; and
- (ii) complying with Australian Accounting Standards – Simplified Disclosures 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 auditor independence requirements of the *Corporations Act 2001* and the ethical requirements of the Accounting Professional and Ethical Standards Board's APES 110 *Code of Ethics for Professional Accountants* (the Code) that are relevant to our audit of the financial report in Australia. We have also fulfilled our other ethical responsibilities in accordance with the Code.

We confirm that the independence declaration required by the *Corporations Act 2001* has been given to the directors of the company at the date of this 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 obtained at the date of this auditor's report is included in the Directors' Report and Surplus and Loss Account Statement, (but does not include the financial report and our auditor's report thereon).

Our opinion on the financial report does not cover the other information and accordingly we do not express any form of assurance conclusion thereon.

In connection with our audit of the financial report, our responsibility is to read the other information and, in doing so, consider whether the other information is materially inconsistent with the financial report, or our knowledge obtained in the audit or otherwise appears to be materially misstated.

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

#### **Responsibilities of Directors for the Financial Report**

The Directors of the company are responsible for the preparation of the financial report that gives a true and fair view in accordance with Australian Accounting Standards - 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 Responsibilities for the Audit of the Financial Report**

Our objectives are to obtain reasonable assurance about whether the financial report as a whole is free from material misstatement, whether due to fraud or error, and to issue an auditor's report that includes our opinion. Reasonable assurance is a high level of assurance but is not a guarantee that an audit conducted in accordance with 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 the financial report.

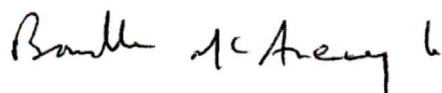
As part of an audit in accordance with the Australian Auditing Standards, we exercise professional judgement and maintain professional scepticism throughout the audit.

We also:

- Identify and assess the risks of material misstatement of the financial report, whether due to fraud or error, design and perform audit procedures responsive to those risks, and obtain audit evidence that is sufficient and appropriate to provide a basis for our opinion. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control.
- Obtain an understanding of internal control relevant to the audit in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the company's internal control.

- Evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by the directors.
- Conclude on the appropriateness of the directors' use of the going concern basis of accounting and, based on the audit evidence obtained, whether a material uncertainty exists related to events or conditions that may cast significant doubt on the company's ability to continue as a going concern. If we conclude that a material uncertainty exists, we are required to draw attention in our auditor's report to the related disclosures in the financial report or, if such disclosures are inadequate, to modify our opinion. Our conclusions are based on the audit evidence obtained up to the date of our auditor's report. However, future events or conditions may cause the company to cease to continue as a going concern.
- Evaluate the overall presentation, structure and content of the financial report, including the disclosures, and whether the financial report represents the underlying transactions and events in a manner that achieves fair presentation.

We communicate with the directors regarding, among other matters, the planned scope and timing of the audit and significant audit findings, including any significant deficiencies in internal control that we identify during our audit. We also provide the directors with a statement that we have complied with relevant ethical requirements regarding independence, and to communicate with them all relationships and other matters that may reasonably be thought to bear on our independence, and where applicable, related safeguards.



Bandle McAneney & Co



Anthony J Bandle FCA  
Partner

Canberra  
Dated 1 November 2023

## Directors' Declaration

The directors of the company declare that:

1. The financial statements and notes, as set out on pages 11 to 24, are in accordance with the *Corporations Act 2001* and:
  - a. comply with Australian Accounting Standards – Simplified Disclosures; and
  - b. give a true and fair view of the financial position as at 30 June 2023 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.



Mr Andrew Spencer  
Dated 1 November 2023



Ms Kerry Harris  
1 November 2023

**SHEEP PRODUCERS AUSTRALIA LIMITED FINANCIAL STATEMENTS  
FOR THE YEAR ENDED 30 JUNE 2023**

ACN 621947 206 ABN 21 256 252 885

**Statement of Profit or Loss and Other Comprehensive Income  
For the Year Ended 30 June 2023**

|  | <b>Note</b> | <b>2023</b>          | <b>2022</b>          |
|--|-------------|----------------------|----------------------|
|  |             | <b>\$</b>            | <b>\$</b>            |
| Revenue  | <b>3(a)</b> | 1,769,023            | 1,526,759            |
| Investment income                              | <b>3(b)</b> | 4,441                | 369                  |
| Board and Committee expenses                   |             | (250,507)            | (248,105)            |
| Subscriptions                                  |             | (58,340)             | (49,929)             |
| Project expenses                               |             | (384,297)            | (237,584)            |
| Operating Expenses                             |             | (154,882)            | (117,998)            |
| Employment expenses                            |             | (799,133)            | (754,353)            |
| Property Operating expense                     |             | (74,640)             | (82,356)             |
| Finance expenses                               |             | (1,576)              | (667)                |
| Depreciation                                   |             | (10,415)             | (3,573)              |
| <b>Surplus for the year</b>                    |             | <u>39,674</u>        | <u>32,563</u>        |
| <b>Total comprehensive income for the year</b> | <b>4</b>    | <u><u>39,674</u></u> | <u><u>32,563</u></u> |

THE ACCOMPANYING NOTES FORM PART OF THESE FINANCIAL STATEMENTS.

**Statement of Financial Position As At 30 June 2023**

|                                  | Note | 2023<br>\$       | 2022<br>\$       |
|----------------------------------|------|------------------|------------------|
| <b>ASSETS</b>                    |      |                  |                  |
| CURRENT ASSETS                   |      |                  |                  |
| Cash and cash equivalents        | 5    | 224,465          | 498,342          |
| Trade and other receivables      | 6    | 487,566          | 203,151          |
| Financial assets                 | 7    | 599,388          | 450,000          |
| Other assets                     | 8    | 44,140           | 64,842           |
| <b>TOTAL CURRENT ASSETS</b>      |      | <b>1,355,559</b> | <b>1,216,355</b> |
| NON-CURRENT ASSETS               |      |                  |                  |
| Property, plant and equipment    | 9(a) | 4,604            | 7,342            |
| Right of use asset               | 9(b) | 426,403          | 576,906          |
| <b>TOTAL NON-CURRENT ASSETS</b>  |      | <b>431,007</b>   | <b>584,248</b>   |
| <b>TOTAL ASSETS</b>              |      | <b>1,786,566</b> | <b>1,800,583</b> |
| <b>LIABILITIES</b>               |      |                  |                  |
| CURRENT LIABILITIES              |      |                  |                  |
| Trade and other payables         | 10   | 199,947          | 89,011           |
| Employee benefits                | 11   | 30,599           | 24,685           |
| Contract liabilities             | 12   | 215,891          | 234,543          |
| <b>TOTAL CURRENT LIABILITIES</b> |      | <b>446,437</b>   | <b>348,239</b>   |
| NON-CURRENT LIABILITIES          |      |                  |                  |
| Contract liabilities             | 12   | 315,777          | 467,666          |
| <b>TOTAL LIABILITIES</b>         |      | <b>315,777</b>   | <b>815,905</b>   |
| <b>NET ASSETS</b>                |      | <b>762,214</b>   | <b>984,678</b>   |
| <b>EQUITY</b>                    |      |                  |                  |
| <i>Retained earnings</i>         |      | <b>1,024,352</b> | <b>984,678</b>   |
| <b>TOTAL EQUITY</b>              |      | <b>1,024,352</b> | <b>984,678</b>   |

THE ACCOMPANYING NOTES FORM PART OF THESE FINANCIAL STATEMENTS.

**SHEEP PRODUCERS AUSTRALIA LIMITED FINANCIAL STATEMENTS  
FOR THE YEAR ENDED 30 JUNE 2023**

ACN 621947 206 ABN 21 256 252 885

**Statement of Changes in Equity For the Year Ended 30 June 2023**

**2023**

|   | <b>Retained<br/>earnings</b> | <b>Total</b> |
|---|------------------------------|--------------|
|   | <b>\$</b>                    | <b>\$</b>    |
| <b>Balance at 1 July 2022</b>                 | 984,678                      | 984,678      |
| Surplus attributable to members of the entity | 39,674                       | 39,674       |
| <b>Balance at 30 June 2023</b>                | 1,024,352                    | 1,024,352    |

**2022**

|   | <b>Retained<br/>earnings</b> | <b>Total</b> |
|---|------------------------------|--------------|
|   | <b>\$</b>                    | <b>\$</b>    |
| <b>Balance at 1 July 2021</b>                           | 952,115                      | 952,115      |
| Surplus/(deficit) attributable to members of the entity | 32,563                       | 32,563       |
| <b>Balance at 30 June 2022</b>                          | 984,678                      | 984,678      |

THE ACCOMPANYING NOTES FORM PART OF THESE FINANCIAL STATEMENTS.



**Statement of Cash Flows For the Year Ended 30 June 2023**

|   | 2023                | 2022        |
|---|---------------------|-------------|
| Note  | \$                  | \$          |
| <b>CASH FLOWS FROM OPERATING ACTIVITIES:</b>              |                     |             |
| Receipts from members and funding bodies                  | 1,516,550           | 1,817,734   |
| Payments to suppliers and employees                       | (1,470,961)         | (1,322,967) |
| Interest received   | <b>4</b> 4,383      | 389         |
| Net cash provided by/(used in) operating activities       | <b>16</b> 49,972    | 495,156     |
| <b>CASH FLOWS FROM INVESTING ACTIVITIES:</b>              |                     |             |
| Allocations to term deposit                               | (149,388)           | 0           |
| Purchase of property, plant and equipment                 | <b>9(a)</b> (7,677) | (3,668)     |
| Net cash provided by/(used in) investing activities       | (157,065)           | (3,668)     |
| <b>CASH FLOWS FROM FINANCING ACTIVITIES</b>               |                     |             |
| Repayments of lease liabilities                           | (166,784)           | (161,145)   |
| Net cash used in financing activities                     | (166,784)           | (161,145)   |
| <b>CASH FLOWS FROM FINANCING ACTIVITIES:</b>              |                     |             |
| Net increase/(decrease) in cash and cash equivalents held | (273,877)           | 330,343     |
| Cash and cash equivalents at beginning of year            | 498,342             | 167,999     |
| Cash and cash equivalents at end of financial year        | <b>5</b> 224,465    | 498,342     |

## Notes to the Financial Statements For the Year Ended 30 June 2023

The financial report covers Sheep Producers Australia Limited as an individual entity. Sheep Producers Australia Limited is a not-for-profit company limited by guarantee, incorporated and domiciled in Australia.

The functional and presentation currency of Sheep Producers Australia Limited is Australian dollars. Comparatives are consistent with prior years, unless otherwise stated.

### Basis of preparation

The financial statements are general purpose financial statements that have been prepared in accordance with the Australian Accounting Standards – Simplified Disclosures and the *Corporations Act 2001*.

The financial statements have been prepared on an accruals basis and are based on historical costs modified, where applicable, by the measurement at fair value of selected non-current assets, financial assets and financial liabilities.

Significant accounting policies adopted in the preparation of these financial statements are presented below and are consistent with prior reporting periods unless otherwise stated.

### Summary of significant accounting policies

#### (a) Income tax

Sheep Producers Australia Limited is exempt from company income taxation under Division 50 of the *Income Tax Assessment Act 1997*.

#### (b) Revenue and other income

Revenue is recognised when the amount of the revenue can be measured reliably, it is probable that economic benefits associated with the transaction will flow to the company and specific criteria relating to the type of revenue as noted below, has been satisfied.

Revenue is measured at the fair value of the consideration received or receivable and is presented net of returns, discounts and rebates.

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

Subscriptions

Revenue from the provision of membership subscriptions is recognised on a straight-line basis over the financial year.

#### Revenue from contracts with project funding bodies

The core principle of AASB 15 is that revenue from project contracts is recognised on a basis that reflects the transfer of promised services to at an amount that reflects the consideration the company expects to receive in exchange for those services. Revenue is recognised by applying a five-step model as follows:

1. Identify the contract with the funding body
2. Identify the performance obligations
3. Determine the transaction price
4. Allocate the transaction price to the performance obligations
5. Recognise revenue as and when control of the performance obligations is transferred

**Contract assets and liabilities**

Where the amounts invoiced under project contracts are based on the achievement of various milestones and performance obligations established in the contract, the amounts recognised as revenue in a given period do not necessarily coincide with the amounts invoiced to funding bodies in the period.

When a performance obligation is satisfied before the funding body pays consideration or the before payment is due, the company presents the contract as a contract asset, unless the company's rights to that amount of consideration are unconditional, in which case the company recognises a receivable.

When an amount of consideration is received from the funding body prior to the company satisfying the contracted milestones and performance obligations, the company presents the contract as a contract liability.

**(c) Revenue and other income**

**Other income**

Other income is recognised on an accruals basis when the company is entitled to it.

**(d) 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).

Receivables and payables are stated inclusive of GST.

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

**(e) Property, plant and equipment**

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

**Plant and equipment**

Plant and equipment are measured using the cost model.

**Depreciation**

Plant and equipment is depreciated on a reducing balance basis over the asset's useful life to the company, commencing when the asset is ready for use.

The depreciation rates used for each class of depreciable asset are shown below:

| <b>Fixed asset class</b> | <b>Depreciation rate</b> |
|--------------------------|--------------------------|
| Plant and equipment      | 10 - 40%                 |

At the end of each annual reporting period, the depreciation method, useful life and residual value of each asset is reviewed. Any revisions are accounted for prospectively as a change in estimate.

**(f) Financial instruments**

Financial instruments are recognised initially on the date that the company becomes party to the contractual provisions of the instrument.

On initial recognition, all financial instruments are measured at fair value plus transaction costs (except for instruments measured at fair value through profit or loss where transaction costs are expensed as incurred).

*Financial assets*

Financial assets comprise trade other receivables and term deposits and are measured at amortised cost using the effective interest method, less provision for impairment. Any change in their value is recognised in profit or loss.

*Financial liabilities*

The company's financial liabilities include trade and other payables which are measured at amortised cost using the effective interest rate method.

*Impairment of financial assets*

At the end of the reporting period the company assesses whether there is any objective evidence that a financial asset is impaired.

If there is objective evidence that an impairment loss on financial assets carried at amortised cost has been incurred, the amount of the loss is measured as the difference between the asset's carrying amount and the present value of the estimated future cash flows discounted at the financial assets original effective interest rate.

Impairment on loans and receivables is reduced through the use of an allowance account, all other impairment losses on financial assets at amortised cost are taken directly to the asset.

Subsequent recoveries of amounts previously written off are credited against other expenses in profit or loss.

**(g) Impairment of non-financial assets**

At the end of each reporting period the company determines whether there is evidence of an impairment indicator for non-financial assets.

Where an indicator exists and regardless for indefinite life intangible assets and intangible assets not yet available for use, the recoverable amount of the asset is estimated. Where the amount is less than the carrying amount, an impairment loss is recognised in profit or loss. Reversal indicators are considered in subsequent periods for all assets which have suffered an impairment loss.

**(h) Intangible assets**

**Amortisation**

Amortisation is recognised in profit or loss on a straight-line basis over the estimated useful lives of intangible assets, from the date that they are available for use.

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

**(i) Cash and cash equivalents**

Cash and cash equivalents comprises cash on hand, demand deposits and short-term investments which are readily convertible to known amounts of cash and which are subject to an insignificant risk of change in value.

**(j) Employee benefits**

Provision is made for the company's liability for employee benefits arising from services rendered by employees to the end of the reporting period. Employee benefits that are expected to be wholly settled within one year have been measured at the amounts expected to be paid when the liability is settled. Employee benefits expected to be settled more than one year after the end of the reporting period have been measured at the present value of the estimated future cash outflows to be made for those benefits. In determining the liability, consideration is given to employee wage increases and the probability that the employee may satisfy vesting requirements. Changes in the measurement of the liability are recognised in profit or loss

**(k) Leases**

At inception of a contract, the company assesses whether a lease exists – i.e., does the contract convey the right to control the use of an identified asset for a period of time in exchange for consideration.

This involves an assessment of whether:

- The contract involves the use of an identified asset – this may be explicitly or implicitly identified within the agreement. If the supplier has a substantive substitution right, then there is no identified asset.
- The organisation has the right to obtain substantially all the economic benefits from the use of the asset throughout the period of use
- The organisation has the right to direct the use of the asset i.e., decision-making rights in relation to changing how and for what purpose the asset is used.
- The organisation has elected not to separate non-lease components from lease components and has accounted for all leases as a single component.

At the lease commencement, the organisation recognises a right-of-use asset and associated lease liability for the lease term. The lease term includes extension periods where the company believes it is reasonably certain that the option will be exercised. The right-of-use asset is measured using the cost model where cost on initial recognition comprises of the lease liability, initial direct costs, prepaid lease payments, estimated cost of removal and restoration less any lease incentives. The right-of-use asset is depreciated over the lease term on a straight-line basis and assessed for impairment in accordance with the impairment of assets accounting policy.

**(k) Leases continued...**

The right-of-use asset is assessed for impairment indicators at each reporting date. The lease liability is initially measured at the present value of the remaining lease payments at the commencement of the lease. The discount rate is the rate implicit in the lease, however where this cannot be readily determined then the organisation's incremental borrowing rate is used. After initial recognition, the lease liability is measured at amortised cost using the effective interest rate method. The lease liability is remeasured whether there is a lease modification, change in estimate of the lease term or index upon which the lease payments are based (e.g., CPI) or a change in the company's assessment of lease term. Where the lease liability is remeasured, the right-of-use asset is adjusted to reflect the remeasurement or is recorded in profit or loss if the carrying amount of the right-of-use asset has been reduced to zero. The organisation has elected to apply the exceptions to lease accounting for leases of low-value assets. For these leases, the organisation recognises the payments associated with these leases as an expense on a straight-line basis over the lease term.

**3 Revenue and other income**

**(a) Revenue from continuing operations**

|  | <b>2023</b>      | <b>2022</b>      |
|--|------------------|------------------|
|  | \$               | \$               |
| Operating                              |                  |                  |
| State Farming Organisation Memberships | 109,460          | 104,148          |
| Red Meat Industry Fund Distributions   | 253,554          | 237,107          |
| Project Income                         | 1,406,009        | 1,185,026        |
| Other Income                           | 0                | 478              |
|  | <u>1,769,023</u> | <u>1,526,759</u> |

**(b) Investment income**

|                     |                  |                  |
|---------------------|------------------|------------------|
| Interest received   | 4,441            | 369              |
|                     | <u>4,441</u>     | <u>369</u>       |
| <b>TOTAL INCOME</b> | <u>1,773,464</u> | <u>1,527,128</u> |

**4 Result for the year**

The result for the year includes the following specific expenses:

Depreciation and amortisation:

|  |                |                |
|--|----------------|----------------|
| Depreciation – property, plant and equipment | 10,415         | 3,573          |
| Depreciation – Right of use asset            | 150,504        | 150,504        |
|  | <u>160,919</u> | <u>154,077</u> |

**5 Cash and cash equivalents**

|                          | 2023    | 2022    |
|--------------------------|---------|---------|
|                          | \$      | \$      |
| Cash at bank and in hand | 224,465 | 498,342 |
|                          | 224,465 | 498,342 |
|                          | 224,465 | 498,342 |

**(a) Reconciliation of cash**

Cash and cash equivalents reported in the statement of cash flows are reconciled to the equivalent items in the statement of financial position as follows:

|                           |         |         |
|---------------------------|---------|---------|
| Cash and cash equivalents | 224,465 | 498,342 |
|                           | 224,465 | 498,342 |
|                           | 224,465 | 498,342 |

**6 Trade and other receivables**

CURRENT

|                     |         |         |
|---------------------|---------|---------|
| Trade receivables   | 487,566 | 203,093 |
| Interest receivable | 0       | 58      |
|                     | 487,566 | 203,151 |
|                     | 487,566 | 203,151 |

**7 Financial assets**

CURRENT

|                               |         |         |
|-------------------------------|---------|---------|
| Term deposits and Investments | 599,388 | 450,000 |
|                               | 599,388 | 450,000 |
|                               | 599,388 | 450,000 |

**8 Other assets**

CURRENT

|             |        |        |
|-------------|--------|--------|
| Prepayments | 44,140 | 64,842 |
|             | 44,140 | 64,842 |
|             | 44,140 | 64,842 |

**9(a) Property, plant and equipment**

PLANT AND EQUIPMENT

Property, plant and equipment

|                                     |          |          |
|-------------------------------------|----------|----------|
| At cost                             | 53,682   | 46,005   |
| Accumulated depreciation            | (49,078) | (38,663) |
|                                     | 4,604    | 7,342    |
| Total property, plant and equipment | 4,604    | 7,342    |
|                                     | 4,604    | 7,342    |

**9(a) Property, plant and equipment continued**  
**Movements in carrying amounts**

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

|                                       | <b>2023</b>         | <b>2022</b>  |
|---------------------------------------|---------------------|--------------|
|                                       | \$                  | \$           |
| <b>Year ended 30 June 2023</b>        |                     |              |
| Balance at the beginning of year      | 7,342               | 7,246        |
| Additions                             | 7,677               | 3,668        |
| Disposals                             | 0                   | 0            |
| Depreciation expense                  | <b>(4)</b> (10,415) | (3,572)      |
| <b>Balance at the end of the year</b> | <b>4,604</b>        | <b>7,342</b> |

**9(b) Right of use asset**

Right of use asset is the Company's non-cancellable property lease of the Sheep Producers Australia Limited Office

**AASB 16 related amounts recognised in the balance sheet:**

|                                    |                |                |
|------------------------------------|----------------|----------------|
| Right of use asset leased premises | 752,498        | 752,498        |
| Accumulated depreciation           | (326,095)      | (175,592)      |
| <b>Total right of use asset</b>    | <b>426,403</b> | <b>576,906</b> |

**AASB 16 related amounts recognised in the statement of profit and loss:**

|  |                |                |
|--|----------------|----------------|
| Depreciation charge relating to right of use asset | 150,504        | 150,504        |
| Interest expenses on lease liabilities             | 28,242         | 35,084         |
| <b>Total</b>                                       | <b>178,746</b> | <b>185,588</b> |

**10 Trade and other payables**

**CURRENT**

|                     |                |               |
|---------------------|----------------|---------------|
| Trade payables      | 71,427         | 6,952         |
| GST payable         | 28,438         | 47,855        |
| Accrued expenses    | 99,517         | 4,900         |
| Payroll liabilities | 565            | 29,304        |
|                     | <b>199,947</b> | <b>89,011</b> |



## 11 Employee benefits

|                    | 2023   | 2022   |
|--------------------|--------|--------|
|                    | \$     | \$     |
| CURRENT            |        |        |
| Long service leave | 0      | 0      |
| Annual leave       | 30,599 | 24,685 |
|                    | 30,599 | 24,685 |

## 12 Contract liabilities

|   |         |         |
|---|---------|---------|
| CURRENT   |         |         |
| Department of Agriculture, Fisheries and Forestry | 64,000  | 96,000  |
| Lease Liability – Right of use asset              | 151,891 | 138,543 |
|   | 215,891 | 234,543 |
| NON-CURRENT                                       |         |         |
| Lease Liability – Right of use asset              | 315,777 | 467,666 |
|   | 315,777 | 467,666 |

## 13 Key management personnel remuneration

Key management personnel are those persons having authority and responsibility for planning, directing and controlling the activities of the company, directly or indirectly, including any director of the company.

The total remuneration paid to key management personnel of the company is \$269,691 (2022 \$281,405).

## 14 Related parties

### (a) The company's main related parties are as follows:

The company's related parties include key management personnel - refer to Note 13.

Other related parties include close family members of key management personnel and entities that are controlled or significantly influenced by those key management personnel or their close family members.

### (b) 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.

Other than remuneration as Per Note 13, reimbursement of direct expenses and affiliation fees from state members as disclosed in Note 3(a) there have been no other transactions with related parties.

## 15 Contingencies

In the opinion of the Directors, the company did not have any contingencies on 30 June 2023.  
(30 June 2022: NIL).

## 16 Cash flow information

### (a) Reconciliation of result for the year to cashflows from operating activities

Reconciliation of net income to net cash provided by operating activities:

|  | <b>2023</b> | <b>2022</b> |
|--|-------------|-------------|
|  | \$          | \$          |
| Surplus/(deficit) for the year   | 39,674      | 32,563      |
| Cash flows excluded from profit attributable to operating activities           |             |             |
| Non-cash flows in profit:  |             |             |
| - depreciation, lease depreciation and interest expense on right of use assets | 189,161     | 189,161     |
| Changes in assets and liabilities:   |             |             |
| - (increase)/decrease in trade and other receivables                           | (284,415)   | 258,122     |
| - (increase)/decrease in other assets  | 20,702      | (27,623)    |
| - increase/(decrease) in trade and other payables                              | 110,936     | 23,907      |
| - increase/(decrease) in contract liabilities                                  | (32,000)    | 32,873      |
| - increase/(decrease) in employee benefits                                     | 5,914       | (13,847)    |
| Cash flows from operations   | 49,972      | 495,156     |

## **17 Property Operating Expenses**

Sheep Producers Australia Limited holds the sublease to the commercial office space it occupies at 28 National Circuit, Forrest ACT 2603.

In concert with the sublease, the company holds four Deeds of Underlease for the commercial office space. These Deeds are held with Red Meat Advisory Council, Australian Livestock Exporters Council, Meat and Livestock Australia and Australian Meat Industry Council. The amounts reflected in the Property Operating Expenses are the direct property operating costs associated with the operations of the company.

## **18 Statutory information**

The registered office and principal place of business of the company is:  
Ngunnawal Country  
Level 2, The Burns Centre  
28 National Circuit  
Forrest ACT 2603

## **19 Auditors remuneration**

Audit and review of the financial statements : Audit fees paid 30 June 2023 \$8,300  
(30 June 2022 \$8,000).



Chartered Accountants

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ABN: 87 955 412 345

### **Auditor's Independence Declaration under Section 307C of the Corporations Act 2001 to the Directors of Sheep Producers Australia Limited**

I declare that, to the best of my knowledge and belief, during the year ended 30 June 2023, there have been:

- (i) no contraventions of the auditor independence requirements as set out in the *Corporations Act 2001* in relation to the audit; and
- (ii) no contraventions of any applicable code of professional conduct in relation to the audit.

A handwritten signature in black ink, appearing to read 'Bandle McAneney &amp; Co.', written in a cursive style.

Bandle McAneney & Co

A handwritten signature in black ink, appearing to read 'Anthony J Bandle', written in a cursive style.

Anthony J Bandle FCA  
Partner

Canberra

Dated 1 November 2023

# Notes

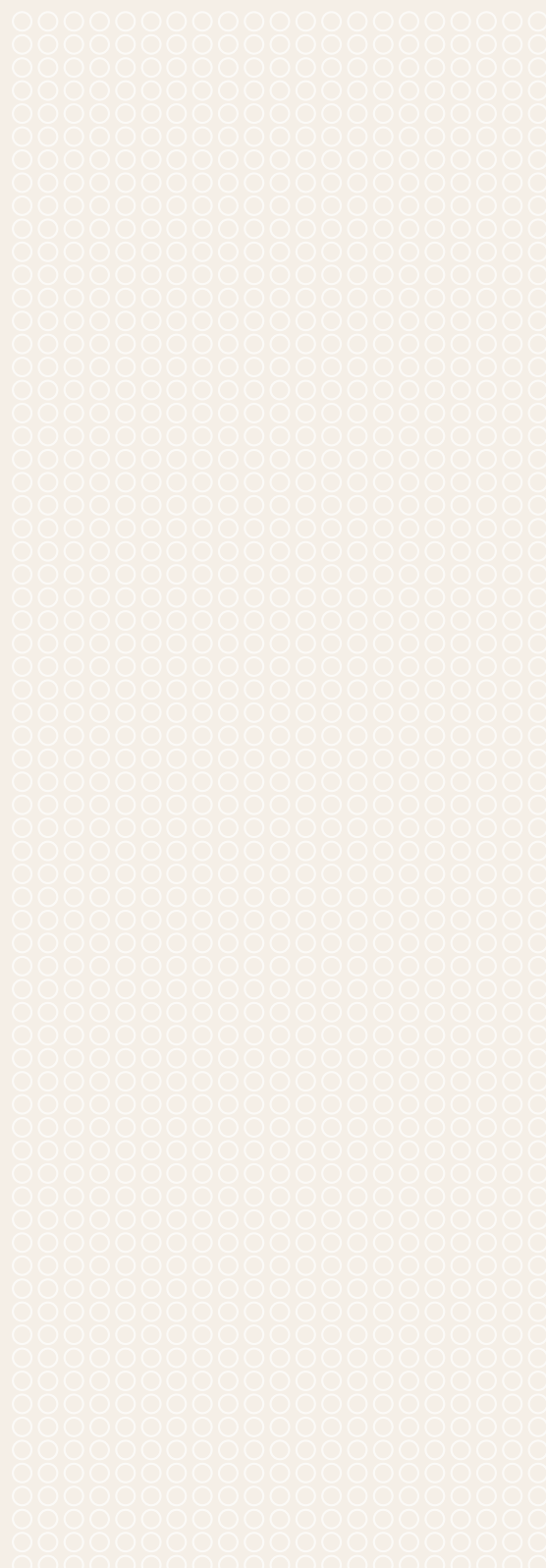
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# Notes

A series of horizontal dotted lines for writing notes.

## Acronyms and abbreviations

|   |            |
|---|------------|
| AgForce Queensland Farmers Limited                    | (AgForce)  |
| Australia-Gulf Cooperation Council                    | (GCC)      |
| Animal Health Australia                               | (AHA)      |
| Annual Operating Plan                                 | (AOP)      |
| Australian Livestock Export Corporation Ltd           | (LiveCorp) |
| Australian Livestock Exporters Council                | (ALEC)     |
| Australian Lot Feeders Association                    | (ALFA)     |
| Australian Meat Industry Council                      | (AMIC)     |
| Australian Meat Industry Language Standards Committee | (AMILSC)   |
| Australian Rural Leadership Foundation                | (ARLF)     |
| Board Selection Committee                             | (BSC)      |
| Cattle Council Australia                              | (CCA)      |
| Comprehensive Economic Partnership Agreement          | (CEPA)     |
| Customer Relationship Management                      | (CRM)      |
| Electronic National Vendor Declaration                | (eNVD)     |
| Export Supply Chain Assurance System                  | (ESCAS)    |
| Finance Audit and Risk Management Committee           | (FARMCo)   |
| Greenhouse Gas  | (GHG)      |
| Electronic identification (individual animal)         | (eID)      |
| Integrity Systems Company                             | (ISC)      |
| Livestock Global Assurance Program                    | (LGAP)     |
| Livestock South Australia                             | (LSA)      |
| Meat & Livestock Australia                            | (MLA)      |
| National Farmers Federation                           | (NFF)      |
| National Livestock Identification System              | (NLIS)     |
| National Residue Survey                               | (NRS)      |
| New South Wales Farmers' Association                  | (NSWF)     |
| Pastoralists and Graziers Association of WA           | (PGA)      |
| Red Meat Advisory Council                             | (RMAC)     |
| Regional Advisory Councils                            | (RACs)     |
| Share of Voice  | (SOV)      |
| Sheep Industry Health and Welfare Trust Limited       | (SIHWT)    |
| Sheep Industry Leadership Program                     | (SILP)     |
| Sheep Producers Australia                             | (SPA)      |
| Sheep Sustainability Framework                        | (SSF)      |
| State Farming Organisations                           | (SFOs)     |
| Tasmanian Farmers' and Graziers' Association          | (TFGA)     |
| Terms of Reference                                    | (ToR)      |
| The Livestock Collective                              | (TLC)      |
| Victorian Farmers Federation Livestock                | (VFF)      |
| The Western Australian Farmers Federation (Inc)       | (WAFF)     |
| WoolProducers Australia                               | (WPA)      |
| United Arab Emirates                                  | (UAE)      |



## CONTACT

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#### **Sheep Producers Australia**

E Sheepproducers.com.au

page 9,14,18,21,24,31

#### **The Livestock Collective**

www.thelivestockcollective.com.au

Pages: 14, 17

#### **Meat & Livestock Australia**

www.mla.com.au

Pages: 15, 27

#### **Red Meat Advisory Council**

www.rmac.com.au

Page: 28

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