



2015-2016

ANNUAL REPORT



WORKING TOGETHER FOR ANIMAL HEALTH

**We must continue to strengthen, enhance and
evolve the national animal health system.**

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ACN 071 890 956

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Design by Animal Health Australia

Printed by Instant Colour Press

Photos All images are from AHA unless credited otherwise

CONTENTS

ABOUT AHA	5
OUR MEMBERS	6
OUR PEOPLE	7
AHA STRATEGIC PLAN 2015–2020	8
STRATEGIC PRIORITIES 2015–2020	9
FROM THE CHAIRMAN	10
FROM THE CEO	12
PROJECTS OVERVIEW	14
FINANCIAL OVERVIEW	15
YEAR IN REVIEW	18
2015-16 COMMITTEE MEMBERSHIP	20
EMERGENCY ANIMAL DISEASE PREPAREDNESS AND RESPONSE STREAM	21
Table 1: EAD Project Areas – Deliverables and Outcomes	24
BIOSECURITY SERVICES STREAM	29
Table 2: BSS Project Areas – Deliverables and Outcomes	32
MARKET ACCESS SUPPORT STREAM	37
Table 3: MAS Project Areas – Deliverables and Outcomes	40
CORPORATE AND MEMBER SERVICES STREAM	43
Table 4: CMS Project Areas – Deliverables and Outcomes	46
Table 5: Communications and Partnerships Project Areas – Deliverables and Outcomes	50
CORPORATE GOVERNANCE	54
FINANCIAL STATEMENTS	57
ABBREVIATIONS	92



ABOUT AHA

OUR ROLE

Animal Health Australia (AHA) is a not-for-profit public company that facilitates partnerships between governments, major livestock industries and other stakeholders to protect animal health and the sustainability of Australia's livestock industry.

AHA works in partnership with our Members and other stakeholders to keep Australia free of new and emerging diseases and to improve animal health, enhance market access and foster the resilience and integrity of the Australian animal health system.

OUR VISION

A resilient Australian animal health system through effective partnerships, known for its integrity, and recognised nationally and internationally.

OUR MISSION

To assist our Members and partners to enhance, strengthen and protect animal health and the sustainability of Australia's livestock¹ industries.

OUR VALUES

As a service and Member-oriented enterprise, AHA strives to model five key behaviours:

- Innovation and excellence
- Leadership through collaboration
- Integrity and commitment
- Making a difference
- Commitment to our people

¹ For AHA purposes, livestock are animals kept for use or profit including any class of cattle, sheep, goats, pigs, horses (including mules and donkeys), poultry, emus, ostrich, alpaca, deer, camel or buffalo, and farmed aquatic species.

OUR MEMBERS

The key factor behind the success of AHA's programs is the ability of Members to work together through partnerships to enable investments and outcomes that would never be possible if the parties operated alone.

Members have a high level of involvement in the management of all activities and have formal input to the development of company annual and strategic plans.

AHA has 32 Members spread across four categories:

- Australian Government, state and territory governments
- Livestock Industries
- Service Providers
- Associate Members

Australian Government

Australian Government Department of Agriculture and Water Resources

State and Territory Governments

The State of New South Wales

The State of Queensland

The State of South Australia

The State of Tasmania

The State of Victoria

The State of Western Australia

The Australian Capital Territory

The Northern Territory

Livestock Industries

Australian Alpaca Association Limited

Australian Chicken Meat Federation Inc.

Australian Dairy Farmers Limited

Australian Duck Meat Association Inc.

Australian Egg Corporation Limited

Australian Horse Industry Council

Australian Lot Feeders' Association Inc.

Australian Pork Limited

Cattle Council of Australia Inc.

Equestrian Australia Limited

Goat Industry Council of Australia Inc.

Harness Racing Australia Inc.

Sheepmeat Council of Australia Inc.

WoolProducers Australia Limited

Service Providers

Australian Veterinary Association Limited

Commonwealth Scientific and Industrial Research Organisation (CSIRO)

Associate Members

Australian Livestock Export Corporation Limited (LiveCorp)

Racing Australia Limited

Council of Veterinary Deans of Australia and New Zealand

Dairy Australia Limited

National Aquaculture Council Inc.

Zoo and Aquarium Association Inc.

Wildlife Health Australia

OUR PEOPLE

AHA prides itself on maintaining a work environment that supports and enhances the abilities of staff, fosters collaboration and encourages innovation. AHA's success is dependent upon its dedicated team applying their diverse range of skills and qualifications to develop and achieve agreed outcomes.



QUALIFICATIONS

- ✓ Veterinary science
- ✓ Training
- ✓ Communications
- ✓ Accounting and administration management
- ✓ Business management, leadership, company directorship and entrepreneurship
- ✓ Post-graduate qualifications in veterinary science, veterinary public health management and business administration
- ✓ Project and financial management

SKILLS

- ✓ Monitoring and evaluation
- ✓ E-learning development and design
- ✓ Social media, marketing and advertising
- ✓ Events management
- ✓ Work health and safety (WHS)
- ✓ Strategic planning and policy development
- ✓ Information technology

AHA Board of Directors

AHA's Board comprises seven non-executive part-time directors selected on the basis of complementary skill sets and appointed by Members. The primary role of the Board is to set and monitor the implementation of the company's strategic direction and establish goals by which the achievement of this may be measured.

2015-16 AHA Directors

- Mr Peter Milne – Chairman
- Dr Bruce Christie
- Dr Bill Darmody
- Professor Martyn Jeggo
- Mr David Palmer
- Dr Helen Scott-Orr PSM
- Ms Sharon Starick



AHA Board Directors L-R: Dr Bill Darmody, Professor Martyn Jeggo, Dr Bruce Christie, Mr David Palmer, Dr Helen Scott-Orr PSM, Mr Peter Milne and Ms Sharon Starick

AHA STRATEGIC PLAN 2015–2020

STRATEGIC JOURNEY OVERVIEW

The AHA Strategic Plan 2015–2020 was developed through extensive consultation and feedback with Members and stakeholders. AHA's overarching strategic direction is a resilient Australian animal health system through effective partnerships, known for its integrity, and recognised nationally and internationally.

The Plan is our blueprint for the future and sets AHA's direction to 2020. The strategy focusses on service innovation to enhance and evolve collaboration and engagement with our Members and stakeholders to

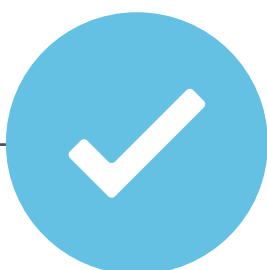
leverage our performance and enhance our services and delivery — to maximise the return on investment for our Members.

For the first three years of the Plan we will focus our efforts on realising organisation and service innovation to strengthen and enhance collaborations and the quality of these relationships and to ensure maximum leverage of these arrangements. The Plan is supported by four strategic priorities delivered through the implementation of specific strategies with explicit deliverables. Our progress and success in implementing this plan will be monitored, evaluated and reported against its success measures.

STRATEGIC PRINCIPLES 2015–2020



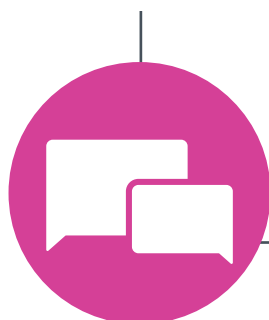
**SERVICE
EXCELLENCE**



**EFFICIENT
SYSTEMS**



**ENHANCED
PARTNERSHIPS**



**TAILORED
COMMUNICATION**



**SUSTAINABLE
FUNDING**



**INNOVATIVE
APPROACHES**

STRATEGIC PRIORITIES 2015–2020

STRATEGIC PRIORITY 1

Effectively manage and strengthen Australia's EAD response arrangements through successful partnerships with Members.

STRATEGIC PRIORITY 2

Enhance the EAD preparedness and response capability of AHA and its Members.

STRATEGIC PRIORITY 3

Strengthen biosecurity, surveillance and animal welfare to enhance animal health and support market access and trade.

STRATEGIC PRIORITY 4

Deliver Member value, organisational performance enhancement and sustainable resourcing.

FROM THE CHAIRMAN

The conclusion of the 2015-16 financial year for AHA presents an opportunity to look back at the year that was; to reflect on what went well and what didn't. While Kathleen Plowman and Tony Marks' comments and the Annual Report as a package will do all that in some detail, I will comment more generally on the past year for AHA and specifically on the Board itself.

The AHA Board has continued to be concerned by the declining biosecurity resources and capability of some of our Members to meet their commitments under the Emergency Animal Disease Response Agreement (EADRA). While we were contemplating how to best turn around this medium term disturbing trend, a number of things have happened:

- The World Organisation for Animal Health (OIE) conducted a Performance of Veterinary Services (PVS) evaluation in Australia. It highlighted "Australia's extraordinary commitment to biosecurity" and our "high animal health status." However, it also identified several areas of concern that need to be addressed.
- Some jurisdictions have completed their own reviews of biosecurity services and have a range of recommendations for improvement that are in various stages of adoption.
- On 31 March 2016 the Hon Barnaby Joyce announced a review of the Intergovernmental Agreement on Biosecurity (IGAB). This agreement has been the primary collaboration method for governments in dealing with biosecurity since 2012. An eminent panel is collaborating widely and there is broad expectation of recommendations in 2017 that will allow Australia's biosecurity systems to better meet the challenges of the times.

All reviews already completed encourage improvements in the current arrangements. We have sound recommendations and suggestions on the table now and more coming in the year ahead. The challenge for all of us working in this space is to clearly understand the shortcomings identified and for industry and government to work together to evaluate and utilise



the fixes proposed. AHA is a small but critical part of Australia's biosecurity system and we are committed to doing our bit in that process.

This year was also a period where an external review of the performance of the Board was undertaken. At the Annual General Meeting (AGM) in November 2015, I advised Members of the great results from the external Board Performance Review. I mentioned, despite the good outcome, that there were a number of recommendations from the consultant to further improve our governance processes and the operation of the Board. We accepted all of the recommendations and have had a section at every Board meeting since to deal with one or more of the specific items. At the time of writing, the Board has finalised six out of 10 recommendations, with four remaining to be dealt with by our Corporate Governance Committee. Given the focus and time spent on delivering the review recommendations over the past year, we have scheduled our next internal Board review in 2017, with another external review in 2018.

On 30 June, Helen Scott-Orr resigned as Director of AHA to take up a position as Inspector-General of Biosecurity for the Commonwealth. While we will miss her vast experience at AHA, she will make an enormous contribution to Australia in her new role and the Board wishes her every success. Because of the proximity to the normal Board selection process, we did not appoint a replacement as a casual vacancy from resignation date. The Selection Committee at the AHA AGM will nominate a replacement director for the remaining two years of Helen's term. The committee will also nominate three other names for directors for four-year terms at that time, in the normal director rotation process. Two of the three directors standing down this year and eligible for reappointment have provided me with early advice that they will not be reapplying for positions.

This will leave a significant gap on our Board, as well as an easier opportunity for new people to step forward and make a great contribution to AHA.

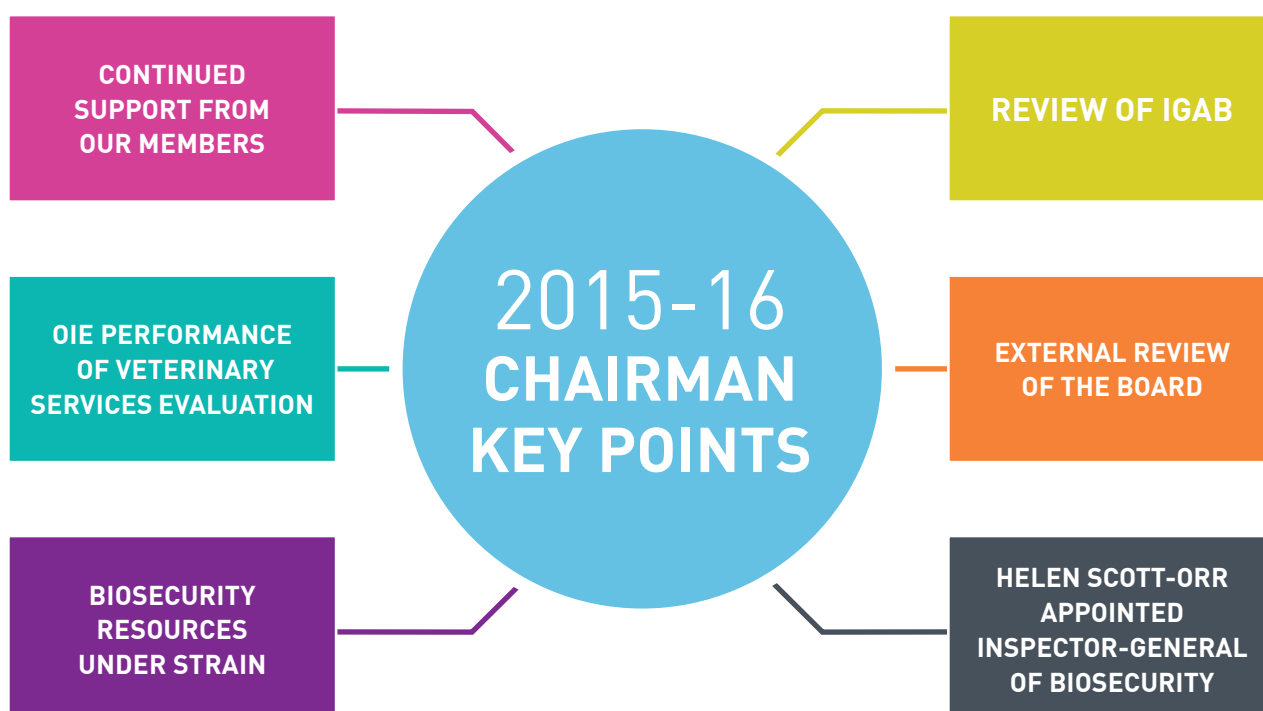
Also at the 2015 AGM, I was reappointed AHA Board Chair after a comprehensive process. I acknowledge the support of our Members in the appointment, and was pleased at the opportunity to continue leading the organisation through a period of significant change, as we deliver on the *AHA Strategic Plan 2015-2020*.

We have had a period of significant stability with the membership of the Board over the 2015-16 year and indeed for the last four years. I welcomed this stability during a period of transition for AHA; to our current *Strategic Plan*, to our new offices and location and to better ways of delivering the outcomes our Members expect of us. I acknowledge the contribution of all of our directors to the performance of the Board; they bring a diversity of experience and skill to the table and an ownership of ultimate decisions, regardless of their initial stance on an issue. The Board has been a pleasure to work with, not only because of what we could achieve together for AHA, but because of the goodwill and good humour that is always just beneath the surface. In the year ahead, there is potential for some of this to change, but also the potential for some fresh eyes and new ideas in our team and that is always a good thing.

I ACKNOWLEDGE THE CONTRIBUTION OF ALL OF OUR DIRECTORS TO THE PERFORMANCE OF THE BOARD; THEY BRING A DIVERSITY OF EXPERIENCE AND SKILL TO THE TABLE AND AN OWNERSHIP OF ULTIMATE DECISIONS, REGARDLESS OF THEIR INITIAL STANCE ON AN ISSUE.

In closing, I want to acknowledge the ongoing support of Members who in difficult economic times have been prepared to accept the value of what AHA does and support a modest increase in subscription. I want to thank our CEO Kathleen Plowman for being a key player in driving the change, which has positioned AHA for the future and better able to provide the evolving services our Members require as well as the ongoing programs that are too important to ever contemplate dropping. Last but not least, I want to say how proud the AHA Board is of our people – our greatest resource – who have been at the coalface of the transformation of the last few years. The Board had occasion to work with all of our staff recently and it was an enjoyable and constructive time, where we all came away more appreciative of the professional team we have at AHA.

Peter Milne
Chairman



FROM THE CEO

This Annual Report represents the first year in the life of the new five-year *AHA Strategic Plan 2015-2020*. 2015-16 was a year of repositioning AHA for the future, to support the deliverables of the *AHA Strategic Plan* and meet the changing needs of our Members and the biosecurity landscape. AHA has embarked on a comprehensive program to revitalise organisational and service innovation and to better equip itself by improving our systems and processes to deliver greater operational efficiency, improve our communications and partnerships and enhance our people's capability and skills. This has been in addition to achieving the business deliverables set out in the *2015-16 Annual Operating Plan (AOP)* and as reported here. Staff have met approximately 75% of all deliverables for core and special projects and are still working on 19% of deliverables due to delays, whilst 2% of projects were stopped during the year and another 3% never started. This result is a credit to the staff's commitment and passion to go the extra mile for the organisation and its Members.

AHA launched a number of innovative approaches and enhanced existing partnerships, with collaborations also extending further than our Members. Over the past 12 months AHA has contracted and worked on projects over and above those listed in the *2015-16 Annual Operating Plan* to the value of \$900,000 (refer to infographic on page 14 for more detail). Non-member funding sources for special projects include Australian Meat Processors' Corporation, Australian Renderers Association, Meat and Livestock Australia (MLA), Rural Industries Research and Development Corporation (RIRDC), Stock Feed Manufacturers' Council of Australia and universities.

A critical achievement this year was the unanimous agreement of Members to improve AHA's capability by increasing subscriptions by 6% for 2016-17 core funded programs spanning emergency preparedness and response, biosecurity, corporate and member services and market access. Following analysis of all AHA core projects at a workshop in November 2015, Members



agreed that all core projects remained priorities and that their operation should continue. This increase is the first in six years, in recognition of the ongoing importance of the core programs and the inflationary increases over the past six years. It is a testament to the value that Members place on the role of AHA and the services we deliver.

The 2016 year marked the Australian Veterinary Emergency Plan's (AUSVETPLAN) 25th anniversary and was also the year it received an Australian Biosecurity Award for its contribution to Australia's ongoing biosecurity integrity. It is a shining example of a successful core-funded project; of partnership and leveraging of Member investments to generate more effective sharing of available and finite resources. Since its inception in 1991, AUSVETPLAN has grown from 15 manuals to a suite of 95 technical documents that are now collaboratively written and reviewed using an online authoring system and published by AHA on behalf of its government and industry Members. It has proved its importance by guiding the successful response to Australia's 2007 equine influenza outbreak and addressed emerging diseases such as the Nipah virus. Twenty-five years on, AUSVETPLAN continues to meet the needs of initial responders and remains the cornerstone of Australia's emergency animal disease (EAD) preparedness and response.

Australia's emergency preparedness was strengthened further by the development of an online just-in-time training course for emergency foot-and-mouth (FMD)

IT IS A TESTAMENT TO THE VALUE THAT MEMBERS PLACE ON THE ROLE OF AHA AND THE SERVICES WE DELIVER.

vaccination of livestock and the delivery of training to AHA's industry members for the new *Liaison: Livestock Industry* function.

A key achievement contributing to the overall integrity of the Australian animal health system was the endorsement by all Members of the *National Surveillance and Diagnostics Business Plan*, after several years of difficult planning and negotiation. This success was the result of AHA's close collaboration with the Department of Agriculture and Water Resources (DAWR) in the development of the plan and consultation with Members.

The completion of the Bovine Johne's Disease (BJD) review marked a new approach to managing BJD and endemic diseases and perhaps epitomises what AHA does best; navigate sensitive issues involving many diverse stakeholders nationwide to achieve successful outcomes for our Members. The new BJD Framework document offers a fresh approach to the management of the endemic disease and prioritises on-farm biosecurity risk management, leading to increased market options for every livestock producer. The Livestock Biosecurity Network (LBN) Pty Ltd, a three year initiative piloted by the cattle and sheep industries, has also made inroads into better preparing Australia's livestock industries to manage biosecurity risks and improve practice change on-farm. In May, towards the end of the pilot period, AHA and Cattle Council of Australia (CCA) began discussions to 'partner' in the business of LBN, with the two companies agreeing to the LBN entity continuing, but as a subsidiary of AHA. This partnership provides an exciting opportunity to improve biosecurity awareness and practices across the livestock sector and supply chain.

We started the year by moving into our new premises at a more central location for our Members and partners and opening our on-site biosecurity and policy hub meeting facilities. Members have been quick to make use of this space! For all of us at AHA these events have provided the added benefit of having immediate access to Members and partners, which has improved information flows and strengthened relationships. Our internal communications have also been improved and AHA has established a new website and social media presence to further tailor our communications to Members and partners.

THE COMPLETION OF THE BOVINE JOHNE'S DISEASE (BJD) REVIEW MARKED A NEW APPROACH TO MANAGING BJD AND ENDEMIC DISEASES AND PERHAPS EPITOMISES WHAT AHA DOES BEST; NAVIGATE SENSITIVE ISSUES INVOLVING MANY DIVERSE STAKEHOLDERS NATIONWIDE TO ACHIEVE SUCCESSFUL OUTCOMES FOR OUR MEMBERS.

The improvements in AHA's environment, facilities and resources were reflected in the outstanding results of our first independently conducted staff survey. There is a lot to be proud of but for me the two standout results were that organisational commitment and teamwork rated so highly. Over the coming year we will be working on developing our People Plan as part of enhancing our people, capability and culture and to address areas that need improvement.

We continue to work on the implementation of our Monitoring and Evaluation (M&E) framework to ensure that AHA's services and projects are meeting the strategic priorities and that these are reported regularly both internally and externally. A key element of the M&E framework is using the findings to inform continuous improvement of AHA's work and highlight the importance of our investments in biosecurity.

The 2016 year marks AHA's 20th birthday, a milestone in the history of Australia's animal health system. AHA is now better positioned to respond to the needs of our Members and to contribute to strengthening and enhancing the Australian animal health system. My deepest thanks to the AHA management team, staff and Board for their support in bringing about change within the organisation, helping to deliver agreed outcomes to our Members and for their dedication to evolving AHA's services. I am also grateful to our Members for their continued support and commitment, exemplified by the resources and assistance they provide and invest in AHA.

Kathleen Plowman
Chief Executive Officer

PROJECTS OVERVIEW

6%

INCREASE IN CORE
PROJECT FUNDING FOR
THE 2016-17 AOP

75%

PROJECT
DELIVERABLES MET

3%

PROJECTS NOT
STARTED

2%

PROJECTS
STOPPED

19%

PROJECT DELIVERABLES
STILL IN PROGRESS

\$900k

ADDITIONAL PROJECT
REVENUE SOURCED

9

OUTSIDE OF AOP

26

CORE

37

SPECIAL

Projects outside the 2015-16 AOP

- Identifying lessons learnt from USA's highly pathogenic avian influenza outbreaks. [DAWR]
- Wool industry and government collaboration on FMD training program. [DAWR, WPA]
- Sheepmeat industry and government collaboration on FMD training program. [DAWR, SCA]
- Acquisition of second foam depopulation unit for chickens. [ACMF, AECL and Commonwealth, State and Territory Governments]
- Evaluation of training materials for private veterinarians. [DAWR]
- Exercise Athena: testing the International Animal Health Emergency Reserve. [DAWR]
- Cadmium project: study to determine the correlation of cadmium levels in sheep livers and kidneys. [MLA, NRS]
- New and emerging industries biosecurity and emergency animal disease (EAD) awareness. [RIRDC]
- National Feedlot Accreditation Scheme (NFAS) management: review and develop standards for biosecurity and welfare within the NFAS. [ALFA, AUS-MEAT]

FINANCIAL OVERVIEW



AHA's income for 2015-16 was \$16.25 million, compared to \$16.02 million in 2014-15. Income included EADRA levies of \$0.47 million collected from laying and meat chicken producers, which has subsequently been repaid to the Commonwealth for its underwriting of three avian influenza outbreaks in 2012-13. Regular levy income also exceeded the 2014-15 by \$0.55 million reflecting the large final instalment from the Commonwealth for the year, which was accrued in 2015-16. The underlying income (excluding EADRA levies) exceeded AOP budget by almost \$1.5 million. This was primarily due to two substantial expenditures, one each for National Arbovirus Monitoring Program (NAMP) and FMD risk management being incurred in 2015-16 for laboratory work undertaken in the previous year. Income was recognised and drawn from project funds in 2015-16 to match the expenditure.

Expenditure was \$16.77 million, compared to \$15.17 million in 2014-15. The expenditure includes the EADRA repayment to the Commonwealth, and 2014-15 un-expensed NAMP and FMD laboratory expenditures. These items together with the final funding to LBN Pty Ltd from Sheepmeat Council of Australia (SCA) & WoolProducers Australia (WPA) reserves, resulted in a figure \$1.73 million greater than the 2015-16 *Annual Operating Plan*. The 2016-17 AOP expenditure returns to a more regular level following the additional expenditure in 2014-15 for the FMD vaccine bank and in 2015-16 for LBN and delayed laboratory expenditures.

The resulting deficit operating outcome of \$0.52 million is attributable to industry initiatives covered by service level agreements (SLA) and final payment to LBN Pty Ltd that are funded by industry Members' reserves.

In the 2015-16 year, the support of Members assisted AHA to introduce some key changes to its financial operations. Members were presented with the costs of AHA's core business and the programs covered by core subscriptions, AHA's own reserves and interest and

overhead cost recovery from special projects. Members noted that core subscriptions had not increased for six years, interest earnings had reduced by 70% over recent years and that despite AHA's continuing efforts to find efficiencies in service delivery, inflation had increased the cost of core business. Members agreed that core programs were important and necessary to continue and resolved at the general meeting in May 2016 to increase core subscriptions by 6% overall in 2016-17 and to apply an annual CPI-based adjustment in future.

The financial management information system continued to be refined, with the accounts structure and AHA's overhead cost allocation methodology simplified. The overhead cost allocation is comprised of two parts:

- The 'Finance & Facilities charge,' (previously known as the 'General Administration charge').
- The 'Project Fee,' which is the overhead allocation to special projects. This has increased to 6% of expenditure and helps cover all other 'corporate' costs of AHA's operation which are not otherwise fully covered by core subscriptions for which all Members contribute.

Regular reporting of financial information was enhanced during the year providing project managers with more timely, consistent and accurate details to support their project planning and delivery and advice to Members. Industry levy Members received quarterly reports including levies, project expenditures and reserve balances, enabling them to better plan and prioritise investments in special projects.

In terms of new business, AHA negotiated with LBN Pty Ltd and CCA for LBN to become a subsidiary of AHA from 2 September 2016. LBN has a surplus from its original funders - CCA, WPA and SCA - which will allow its activities to continue as new funding sources



currently under negotiation by CCA are locked in. LBN will operate within AHA, leveraging existing corporate and technical support while remaining as a legal entity with a Board of directors. The partnership of LBN with AHA provides greater opportunity for cost effective delivery of biosecurity services and the widening of awareness and practice change to other industries.

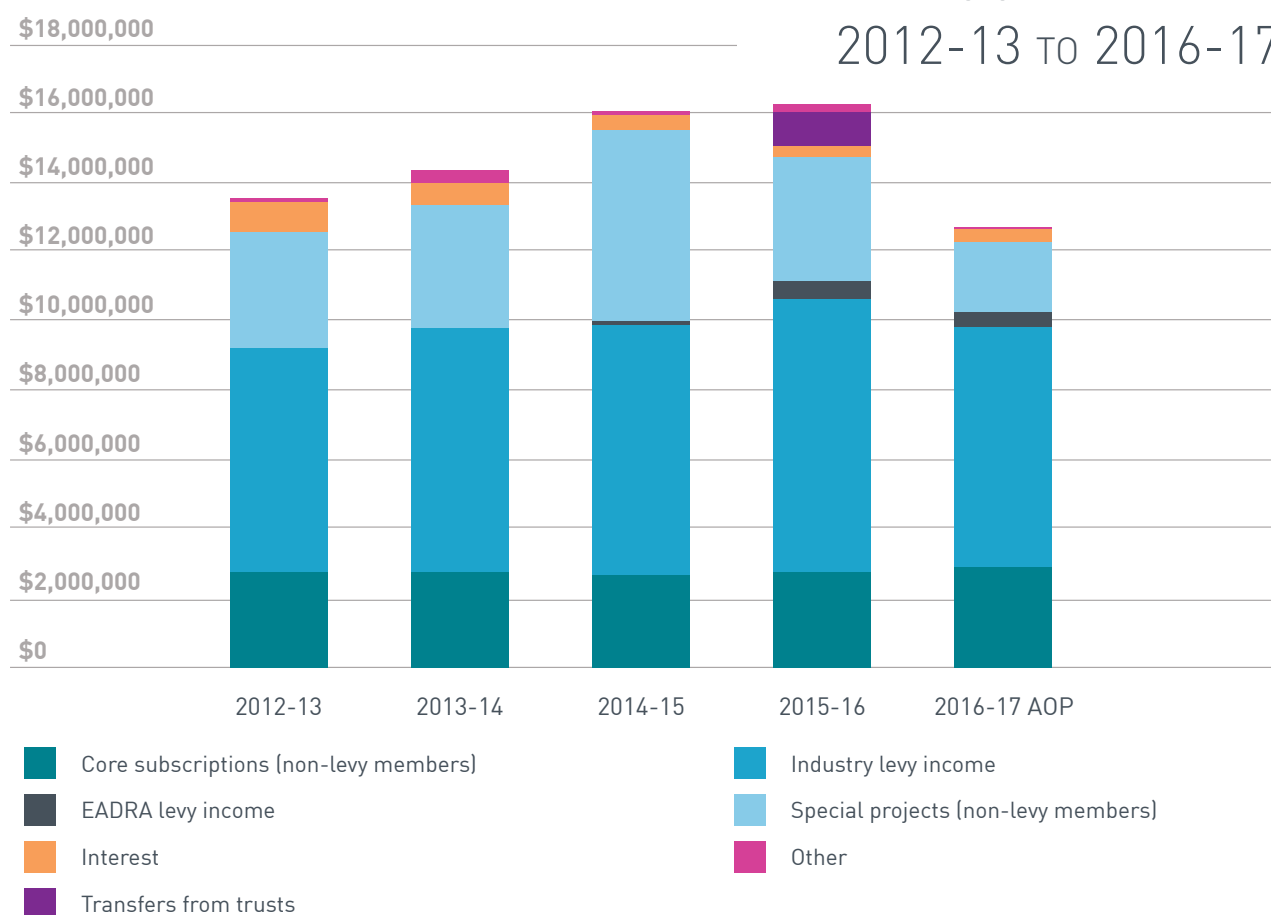
During the year the final steps were taken to formally cease the Honey Bee Disease Contingency Fund Pty Ltd (HBDCF), as levies relating to the period before 1 July 2015 continued to flow and were forwarded to

Plant Health Australia (PHA), where the bee industry is now a Member. The Australian Duck Meat Association (ADMA) negotiated with AHA for the creation of a voluntary levy and reserve Deed, enabling the simple and secure provision of voluntary levies from the duck industry and an accumulation over time of a reserve for emergency disease response or other biosecurity activities.

Tony Marks FCPA, FFin, CTA

Company Secretary, Executive Manager: Corporate and Member Services

INCOME TREND 2012-13 TO 2016-17



EXPENDITURE TREND 2012-13 TO 2016-17



YEAR IN REVIEW

JUL

2015

- Relocation of AHA offices to a central location; opening of on-site biosecurity and policy hub meeting facilities.

NOV

2015

- Launch of new AHA brand and website.

DEC

2015

- Online training course for emergency FMD vaccination developed.



JUN

2016

- Social media presence established.
- Exercise Sheepcatcher II undertaken.
- Members approve 6% increase in core subscriptions to improve AHA's capability.
- *ICT Strategic Review* and Staff Engagement Survey completed.
- *Australian Industry Welfare Standards and Guidelines for Goats* finalised.
- Implementation of new corporate overhead cost allocation model.



JAN**2016**

- New version of the EADRA published.
- Official 20th anniversary of AHA's advent.

**FEB****2016**

- Review of AHA and related companies' treasury/investment options and policies.
- The *Animal Welfare Standards and Guidelines for Cattle and Sheep* are agreed by the state and territory governments.

**MAR****2016**

- BJD Review completed.
- National Animal Health Performance Standards (NAHPS) workshop.
- *Communications and Partnerships Strategy 2016-2020* finalised, leading to enhanced Member communication.
- AUSVETPLAN Technical Review Group receives Australian Biosecurity Award.

MAY**2016**

- CCA and AHA agreed that LBN becomes a subsidiary of AHA.
- Migration of all AUSVETPLAN documents to the online authoring platform MasterDocs.
- AHA initiated update of the APAV Initial Accreditation Training course and administrative processes.
- Significant contribution to planning and conduct of Exercise Apollo (WA).

**APR****2016**

- Endorsement of the *National Animal Health Surveillance and Diagnostics Business Plan* by industry and government.
- Delivered training to AHA Industry Members for the new *Liaison: Livestock Industry* function.

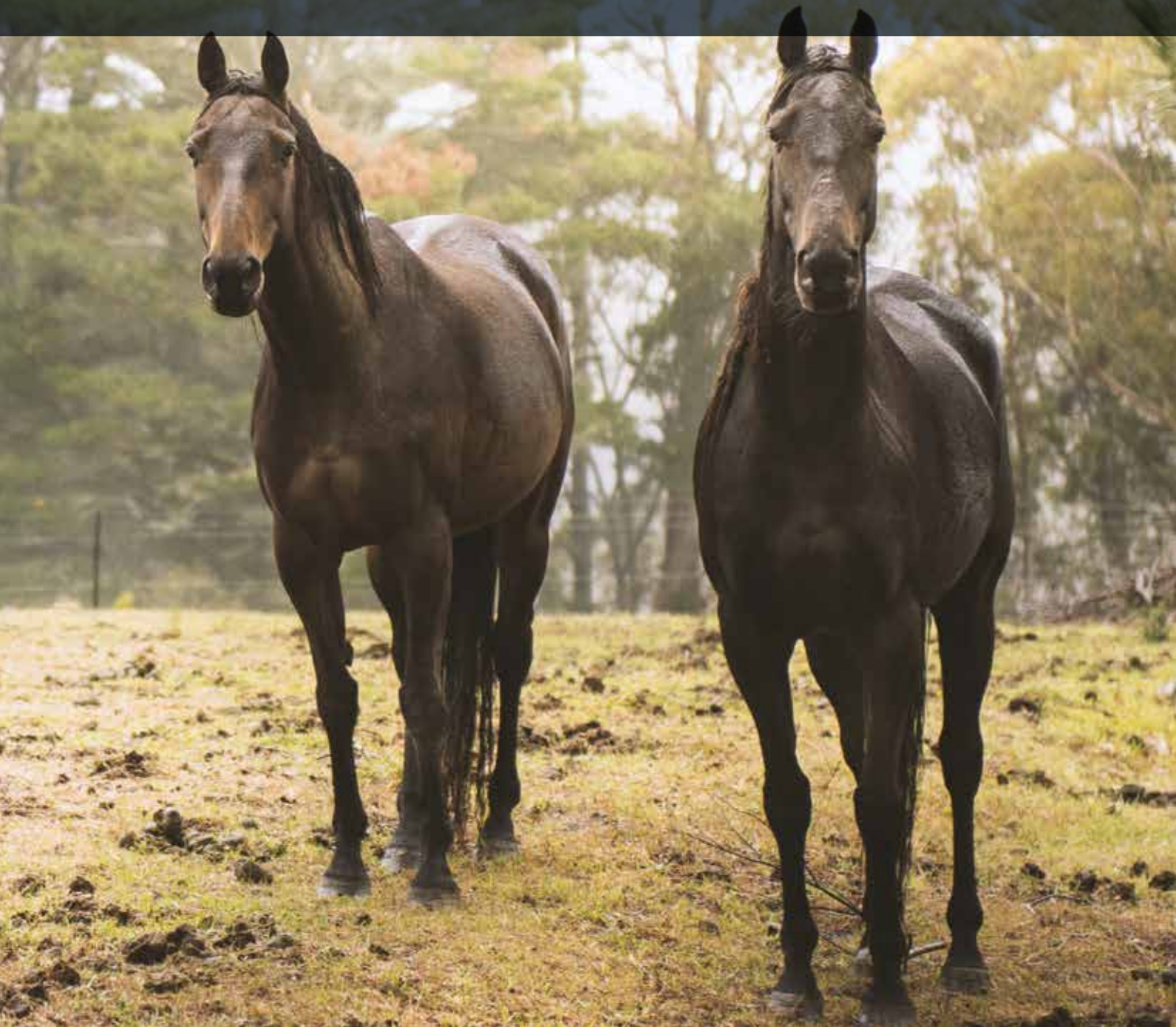
2015-16

COMMITTEE MEMBERSHIP

AHA's influence in the animal health system extends beyond its Members and this is reflected in AHA's involvement in a number of committees that are external to AHA. These committees are listed in the table below.

COMMITTEE NAME
Animal Health Committee
Australian Animal Health Laboratory Strategic Policy Group
Australian Pork Limited Special Group 6 Research, Development and Extension Committee
Australian Strategic and Technical Advisory Group
Australian Strategic and Technical Advisory Group Communication and Education Working Group
Biosecurity Emergency Training Working Group (National Biosecurity Committee)
Cattle Council's Animal Health, Welfare, Biosecurity and Sustainability Working Group
Cattle Disease Contingency Fund Pty Ltd
CSIRO Health and Biosecurity Advisory Committee
Exercise Odysseus Communications Working Group
Federation of Australian Wool Organisations' Emergency Animal Disease Preparedness Working Group
Intergovernmental Agreement on Biosecurity Surveillance & Diagnostics Working Group
National Animal Welfare Research, Development and Extension Strategy Committee
National Biosecurity Committee
National Biosecurity Committee Benchmarks Working Group
National Biosecurity Committee Biosecurity Roundtable (NSW/ACT)
National Biosecurity Committee Exotic Weeds Task Force
National Biosecurity Emergency Preparedness Expert Group (including Training Specialist Task Group; Evaluation and Lessons Learnt Specialist Task Group)
National Communication Network
National Farmers' Federation Biosecurity Task Group
National Farmers' Federation Welfare Task Group
National Vendor Declaration Working Group
Northern Australia Biosecurity Framework Reference Group
Northern Australia Biosecurity Surveillance
Peri-mortem Inspection Working Group
QLD Biosecurity Preparedness Program (FMD) Program Steering Committee
Research and Innovation Sub-Committee Forum
SAFEMEAT Executive
SAFEMEAT Partners
Sheep Industry Health and Welfare Pty Ltd
Sheep Industry Biosecurity Working Group

EMERGENCY ANIMAL DISEASE PREPAREDNESS AND RESPONSE STREAM



EMERGENCY ANIMAL DISEASE PREPAREDNESS AND RESPONSE STREAM

INTRODUCTION

One of AHA's key functions is to help ensure that Australia is well prepared in the event of an outbreak of an EAD. Having a unified and agreed national approach to EAD responses is an asset to our Members, Australia's livestock industries and government, the economy and the community.

The purpose of this Stream is to ensure that stakeholders have a robust framework and the necessary tools readily available to deal effectively with EADs, and enhance capability to contribute to biosecurity preparedness and response.

As a strategic outcome, the Stream aims to effectively manage and strengthen Australia's EAD response arrangements through successful partnerships with our Members, and to enhance the EAD preparedness and response capability of AHA and its Members.

KEY HIGHLIGHTS

Response Framework and Obligations Program/EADRA

- Published a new version of the EADRA.
- Published a new EADRA Guidance Document: *Appointment of industry personnel in an EAD response*.
- Published an updated version of the EADRA Guidance Document: *Normal Commitments*.
- NAHPS workshop.
- All signatories to the EADRA are Members of AHA.

Response Tools/AUSVETPLAN

- Received an Australian Biosecurity Award on behalf of the AUSVETPLAN Technical Review Group.
- Received an Australian iAward nomination for the online authoring platform MasterDocs.
- Migrated AUSVETPLAN documents to MasterDocs.
- Published five disease strategies in the *Edition 4* format.

- Developed three new AUSVETPLAN documents.
- Review of AUSVETPLAN development and approvals process.

EAD Training/National EAD Training

- Developed and delivered training to Industry Members for the new *Liaison: Livestock Industry* function.
- Contribution to the National Biosecurity Emergency Preparedness Expert Group (a National Biosecurity Committee group) and its specialist task groups.
- Developed and launched biosecurity Incident Controller training resources in collaboration with South Australia.

EAD Training/Rapid Response Team (RRT) Training

- Engaged Industry Members in planning for and conducting RRT exercises.
- Helped plan and deliver Exercise Apollo – a national emergency response exercise based on a simulated livestock disease outbreak.

EAD Training/Online FMD Vaccination Training

- Online training course for emergency FMD vaccination developed.

Other

- Contribution to OIE evaluation of Australia's PVS.
- Facilitated a workshop to develop and propose to Animal Health Committee (AHC) work priorities arising from the OIE PVS evaluation of Australia.



Exercise Apollo

MAJOR ACHIEVEMENTS

- Received an Australian Biosecurity Award on behalf of the AUSVETPLAN Technical Review Group
- Online training course for emergency FMD vaccination developed

OUTLOOK 2016-17

- Involvement in the AHC *ad hoc* working group to address the recommendations of the OIE PVS evaluation of Australia.
- Conduct a number of response activities:
 - RRT professional development activity for an aquatic animal health incident.
 - *Exercise Hamlet*, an internal exercise to test AHA's Incident Management Plan and assess the preparedness of the company's staff and processes for an EAD incident.
- Transition all AUSVETPLAN Disease Strategies into the Edition 4 format.
- Lessons learnt from 25 years of AUSVETPLAN will be used to inform the scoping of future developments and opportunities.
- Significant contribution will be made to the national project on developing nationally consistent training and assessment resources for biosecurity emergency preparedness and response.
- Assist in the planning, management and facilitation of industry engagement in Phase 3 of the FMD Risk Management Project 2017-2020.
- NAHPS development.
- Initiate and progress the third five-year review of the EADRA.

TABLE 1: EAD PROJECT AREAS – DELIVERABLES AND OUTCOMES

KEY FOCUS AREA	PROJECTS	DELIVERABLES	TARGET	OUTCOME	COMMENTS
RESPONSE FRAMEWORK AND OBLIGATIONS PROGRAM	EADRA	Updated versions of Deed and EADRA endorsed and published.	October 2016	Achieved	Published January 2016.
		Guidance documents prioritised in the 2015-2016 EADRA work plan endorsed and published.	December 2016	Achieved	One new guidance document published and one updated.
	Aquatic EAD response arrangements [DAWR]	Principles of public/private benefits arising from control of aquatic EADs agreed by relevant stakeholders.	June 2016	In progress	Anticipated completion December 2016. Stakeholder feedback identified a number of issues requiring further work and time to resolve.
		Approach to categorisation developed and agreed criteria tested by applying to abalone diseases.	June 2016	In progress	Anticipated completion December 2016. The scope of the work has been expanded to include a broader number of aquaculture sectors and ornamentals requiring further work and time to address.
RESPONSE TOOLS	AUSVETPLAN	Complete a review of the AUSVETPLAN development and approvals process.	December 2015	Achieved	
		Priority manuals are updated to the Edition 4 format.	June 2016	Achieved	
	FMD Vaccine Bank Management	Develop business plan.	December 2015	In progress	Anticipated completion August 2016. Delayed by other high priority work.
		Confirm contractual arrangements with Cryosite.	March 2016	In progress	Anticipated completion August 2016. Delayed by other high priority work.
		Confirm Memorandum of Understanding with NJ Phillips.	March 2016	In progress	Anticipated completion August 2016. Delayed by other high priority work.
		Milestone reporting to Members.	Six monthly	Achieved	

cont.

KEY FOCUS AREA	PROJECTS	DELIVERABLES	TARGET	OUTCOME	COMMENTS
RESPONSE TOOLS <i>cont.</i>	Anthrax Vaccine	Develop business plan.	December 2015	In progress	Anticipated completion August 2016. Delayed by other high priority work.
		Assess inventory, batch expiry dates and sales of anthrax vaccine bank.	December 2015 and June 2016	Achieved	
		Milestone reporting to Members.	Six monthly	Achieved	
	FMD Risk Management	Milestone 4 report delivered.	1 July 2015	Achieved	
		Milestone 5 report delivered.	30 November 2015	Achieved	
		External scientific review meeting held.	29 February 2016	Achieved	
		Annual review and Project Oversight Committee meeting held.			
	Capripox	Milestone 2 report delivered on further international testing.	31 July 2015	Achieved	
		Final report on test validation.	29 February 2016	In progress	Anticipated completion February 2017. Delayed due to external factors.
EAD TRAINING	National EAD Training	Training resources are developed for industry functions as described in the revised AUSVETPLAN control centre management manuals.	June 2016	Achieved	
		Review structure, location and content of trainers' extranet in consultation with stakeholders.	December 2015	In progress	Delayed by the flow-on affects for Tocal College of recent changes to the Standards for Registered Training Organisations.
		AHA – sponsored trainers' professional development workshop/s attended and valued by EAD trainers nationally.	April 2016	Achieved	
	RRT Training	AHA, in consultation with a host jurisdiction, designs and delivers an annual RRT exercise.	May 2016	Achieved	

cont.

KEY FOCUS AREA	PROJECTS	DELIVERABLES	TARGET	OUTCOME	COMMENTS
EAD TRAINING <i>cont.</i>	Online FMD Vaccination Training	An online training resource for emergency FMD vaccination is developed and pilot-tested.	December 2015	Achieved	
PROJECTS OUTSIDE THE AOP	Identifying lessons learnt for Australia from the USA's highly pathogenic avian influenza (HPAI) outbreaks [DAWR]	Signed agreement with AHA.	19 June 2015	Achieved	
		Selection of experts (maximum of two).	Mid-Jul 2015	Achieved	
		Experts deployed to USA.	Mid-July 2015 onwards	Achieved	Funding was required for only one expert, other experts were self-funded.
		Written reports on the experience provided to DAWR, AHA and AHC.	31 December 2015	Achieved	
	Wool industry and government collaboration on FMD real-time training program [DAWR, WPA]	Enhanced wool industry FMD preparedness, including identification of FMD in a range of species, real-time epidemiological investigations and development of strategies to assist in resolving an FMD outbreak.	31 December 2015	Will be completed in the 2016-17 financial year	
		Raising awareness of the effects of FMD within the Australian wool industry through extension and communication activities.	31 December 2015	Will be completed in the 2016-17 financial year	
		Increased awareness of general biosecurity and surveillance principles.	31 December 2015	Will be completed in the 2016-17 financial year	

cont.

KEY FOCUS AREA	PROJECTS	DELIVERABLES	TARGET	OUTCOME	COMMENTS
PROJECTS OUTSIDE THE AOP <i>cont.</i>	Sheepmeat industry and government collaboration on FMD real-time training program [DAWR, SCA]	Enhanced sheepmeat industry FMD preparedness, including identification of FMD in a range of species, real-time epidemiological investigations and development of strategies to assist in resolving an FMD outbreak.	30 June 2016	Will be completed in the 2016-17 financial year	
		Raising awareness of the effects of FMD within the Australian sheepmeat industry through extension and communication activities.	30 June 2016	Will be completed in the 2016-17 financial year	
		Increased awareness of general biosecurity and surveillance principles.	30 June 2016	Will be completed in the 2016-17 financial year	
	Acquisition of second foam depopulation unit for chickens [ACMF, AECL and Commonwealth, States and Territory Governments]	Acquisition of a second foam depopulation unit for chickens, transported and stored in Queensland.	30 June 2016	Achieved	
	Evaluation of training materials for private veterinarians [DAWR]	Deliver an independent evaluation of training workshops and materials for veterinarians in emergency animal disease recognition, investigation and reporting, via engaging an external consultant.	30 April 2017	The majority of work completed in the 2016-17 financial year	
	Exercise Athena [DAWR]	Conduct an exercise that tests the policies, procedures and templates described as the International Animal Health Emergency Reserve Operations Manual.	28 February 2017	The majority of work completed in the 2016-17 financial year	



BIOSECURITY SERVICES STREAM



BIOSECURITY SERVICES STREAM

INTRODUCTION

The purpose of the Biosecurity Services Stream (BSS) is to strengthen awareness of the value and need for on-farm biosecurity practices and to provide tools for the tracing and assessment of risk associated with the movement of livestock.

Effective biosecurity is an essential element of good livestock production – benefiting the producer, associated industries and the wider community. The BSS team aims to provide producers and the production value chain with the tools for improved traceability and the assessment of risk with the movement of livestock. Cooperative management of the biosecurity risks facing the livestock production sector by government and industry is crucial to this success.

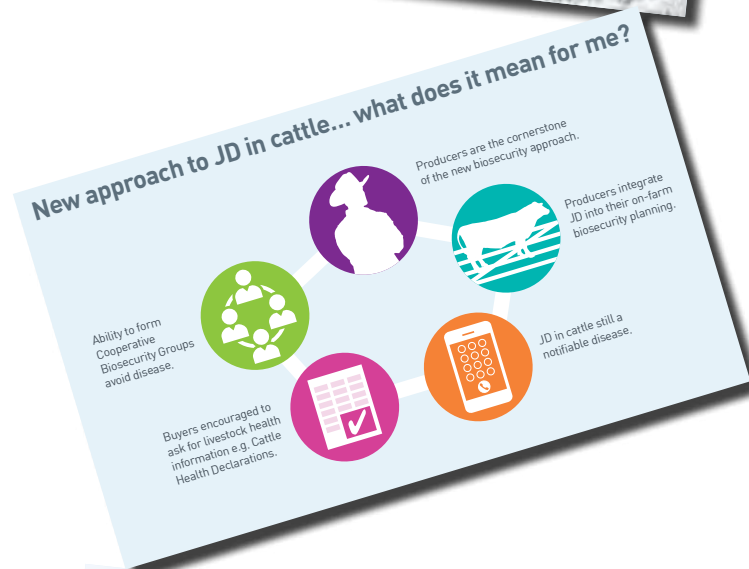
KEY HIGHLIGHTS

Biosecurity Risk Management Program

- BJD Review completed.
- Review of the National Sheep Health Monitoring Project (NSHMP) completed.
- Farm Biosecurity Project (FBP) review started.

Traceability Program

- Exercise Sheepcatcher II undertaken.
- NLIS Cattle Standards completed.
- NLIS Pigs Standards completed.



Infographics used to communicate the new, national approach to Johne's disease (JD) in cattle



MAJOR ACHIEVEMENTS

- BJD Review completed
- Exercise Sheepcatcher II undertaken

OUTLOOK 2016-17

- Commence work with LBN on identifying synergies that assist both organisations to improve biosecurity awareness and practice change on-farm.
- Instigate abattoir surveillance for cattle.
- Implement recommendations from the NSHMP review.
- Conduct two traceability exercises; Exercise Pigcatcher II and Exercise Cowcatcher III.
- Implement recommendations arising from Exercise Sheepcatcher II.
- Government members with a biosecurity statement will be required to review their statements in 2016-17.

TABLE 2: BIOSECURITY SERVICES PROJECT AREAS – DELIVERABLES AND OUTCOMES

KEY FOCUS AREA	PROJECTS	DELIVERABLES	TARGET	OUTCOME	COMMENTS
BIOSECURITY RISK MANAGEMENT PROGRAM	Farm Biosecurity Project	An increase from 49% to 60% in the number of producers who undertake a biosecurity action as a result of coming into contact with the FBP.	June 2016	In progress	Survey of stakeholders delayed due to development and integration of the AHA M&E system. All but two of the project deliverables were met.
	Biosecurity Planning and Implementation	Ensure government parties and industry signatories to the EADRA meet their biosecurity responsibilities as listed in Clause 14 of the Deed.	June 2016	Achieved	All industry members have biosecurity plans in place.
	Biosecurity Research, Development & Extension Strategy	75% of stakeholders believe the Strategy is a benefit to the biosecurity system.	June 2016	Delayed	Survey of stakeholders not undertaken. Delayed due to lack of resources as staff member resigned and have been unable to fill the position to date.
		Undertake and report on the results of a national biosecurity extension audit with PHA.	March 2016	Achieved	Audit and report completed with no further action undertaken.
	Newcastle Disease (ND) Strategy	Deliver against 90% of outcomes listed in the National ND Management Plan 2013-16.	June 2016	Delayed	Awaiting surveillance data from Queensland and Victoria prior to meeting outcomes of the Management Plan (2013-16).
	Swill Feeding Compliance and Awareness Project	Develop business plan and deliver against 90% of project activities.	June 2016	Achieved	Business plan and national uniform guidelines endorsed by AHC in March 2016.
		Coordinate the collection of swill feeding compliance activities and report to AHC/National Biosecurity Committee.	June 2016	Achieved	Collected and reported.

cont.

KEY FOCUS AREA	PROJECTS	DELIVERABLES	TARGET	OUTCOME	COMMENTS
BIOSECURITY RISK MANAGEMENT PROGRAM <i>cont.</i>	Alpaca Biosecurity [AAA]	Develop business plan and deliver against 90% of project activities.	June 2016	Never started	The Australian Alpaca Association (AAA) has requested that no work be undertaken in this project due to limited funds. National South American Camelid Declaration was promoted.
		Develop one effective tool or information piece for alpaca producers that will facilitate behavioural change on-farm.	June 2016	Never started	
	Goat Production Conditions [GICA]	The provision of two tools or information collateral to goat producers to facilitate behavioural change on farm.	June 2016	Achieved	Development of caprine arthritis encephalitis fact sheet completed. Updated National Kid Rearing Plan published.
		Develop business plan and deliver against 90% of project activities.	June 2016	Achieved	All business plan activities progressed in accordance with the business plan.
	Sheep Production Conditions	The provision of two tools and information collateral to sheep producers to facilitate behavioural change on-farm.	June 2016	Achieved	Development of 10 disease fact sheets in conjunction with LBN. Collection of animal health data from 4,569,697 sheep across 19,315 lines. Sheep Health Statement reviewed and writable PDF version developed.
		Deliver against 90% of project activities listed in the Sheep Production Conditions Business Plan.	June 2016	Delayed	Project Plan endorsed in March which therefore delayed the delivery of some milestones and impacted the budget. Review of the NSHMP undertaken.

cont.

KEY FOCUS AREA	PROJECTS	DELIVERABLES	TARGET	OUTCOME	COMMENTS
BIOSECURITY RISK MANAGEMENT PROGRAM <i>cont.</i>	Cattle Production Conditions (CPC)	The provision of two tools or information collateral to cattle producers to facilitate behavioural change on-farm.	June 2016	In progress	BJD Review completed; implementation of Framework commenced 1 July 2016. Cooperative biosecurity guidelines developed, awaiting endorsement. Cattle Health Declaration completed, awaiting endorsement. Biosecurity checklist completed, awaiting endorsement. Johnes'-Beef Assurance Score developed, awaiting endorsement. Financial non-Financial program completed with just non-financial support to continue next year. CattleMAP being evaluated.
		Develop business plan and deliver against 90% of project activities.	June 2016	Delayed	Business Plan drafted and awaiting results of BJD Review. Revised project proposal developed for an abattoir surveillance project accepted by CCA. Once BJD Framework implemented, work can commence on CPC project.

cont.

KEY FOCUS AREA	PROJECTS	DELIVERABLES	TARGET	OUTCOME	COMMENTS
BIOSECURITY RISK MANAGEMENT PROGRAM <i>cont.</i>	National Johne's Disease (JD) Project	Manage the cross sectoral issues associated with the administration of the MAP (e.g. communication and database management) so that producers can maintain trade in their stock.	June 2016	Achieved	Series of four JD webinars delivered. International Colloquium on Paratuberculosis attended and report produced.
		Develop business plan and deliver against 90% of project activities.	June 2016	Delayed	Project Plan being drafted. Delayed at request of Steering Committee due to review and implementation of BJD Review.
	Sheep Cooperative Research Centre (CRC)	To support and ensure the wool industry's investment in the Sheep CRC delivers value.	June 2016	Achieved	Managed the funding arrangements for the WPA's funding commitments to the Sheep CRC.
TRACEABILITY PROGRAM	National Livestock Identification System (NLIS) Program	Collaboratively develop implementation and compliance rules for the four NLIS species programs.	June 2016	Achieved	NLIS Cattle Standards and NLIS Pig Standards endorsed by SAFEMEAT Partners. Drafting National PIC Business Rules. Assessing trials for registration of new NLIS devices. Budget was impacted because resources were focused on delivering against the BJD Review.
	NLIS Goat Tag Trial	Undertake trials to identify devices suitable for the identification of dairy goats in Australia.	December 2018	Stopped	Goat Industry Council of Australia requested trial to be stopped due to processor concerns.

cont.

KEY FOCUS AREA	PROJECTS	DELIVERABLES	TARGET	OUTCOME	COMMENTS
TRACEABILITY PROGRAM <i>cont.</i>	Alpaca Traceability	Fund the AAA's responsibilities relating to traceability.	June 2016	Never started	The AAA has requested that no work be undertaken by AHA in this project while a tag trial is completed.
	Tracing Exercises	Undertake national tracing exercises for sheep and pigs to assess their performance against the National Livestock Traceability Performance Standards as identified by the respective Advisory Committees.	June 2016	Achieved	Exercise Sheepcatcher II completed. Pigcatcher II postponed to 2016-17 financial year on advice of NLIS Pig Advisory Committee.
PROJECTS OUTSIDE THE AOP	Cadmium monitoring project [MLA, NRS]	Look at the relationship between levels of cadmium in the liver and kidney.	June 2016	Achieved	
	New and Emerging Industries Biosecurity and EAD Awareness [RIRDC]	Work with 14 new and emerging industries to gain an understanding of the level of awareness relating to biosecurity practices and EAD responses; undertake a communications project to raise awareness within these industries.	June 2016	Achieved	
	National Feedlot Accreditation Scheme (NFAS) Management [ALFA, AUS-MEAT]	Review and develop standards for biosecurity and welfare within the NFAS .	June 2016	Achieved	

MARKET ACCESS SUPPORT STREAM



MARKET ACCESS SUPPORT STREAM

INTRODUCTION

The purpose of the Market Access Support (MAS) Services Stream is to facilitate and coordinate animal health and welfare information, policies and services, manage surveillance projects and maintain capability in veterinary diagnostics. This effort will strengthen the overall integrity of, and confidence in, the Australian animal health system to support both domestic and international market access, from which all Members benefit.

KEY HIGHLIGHTS

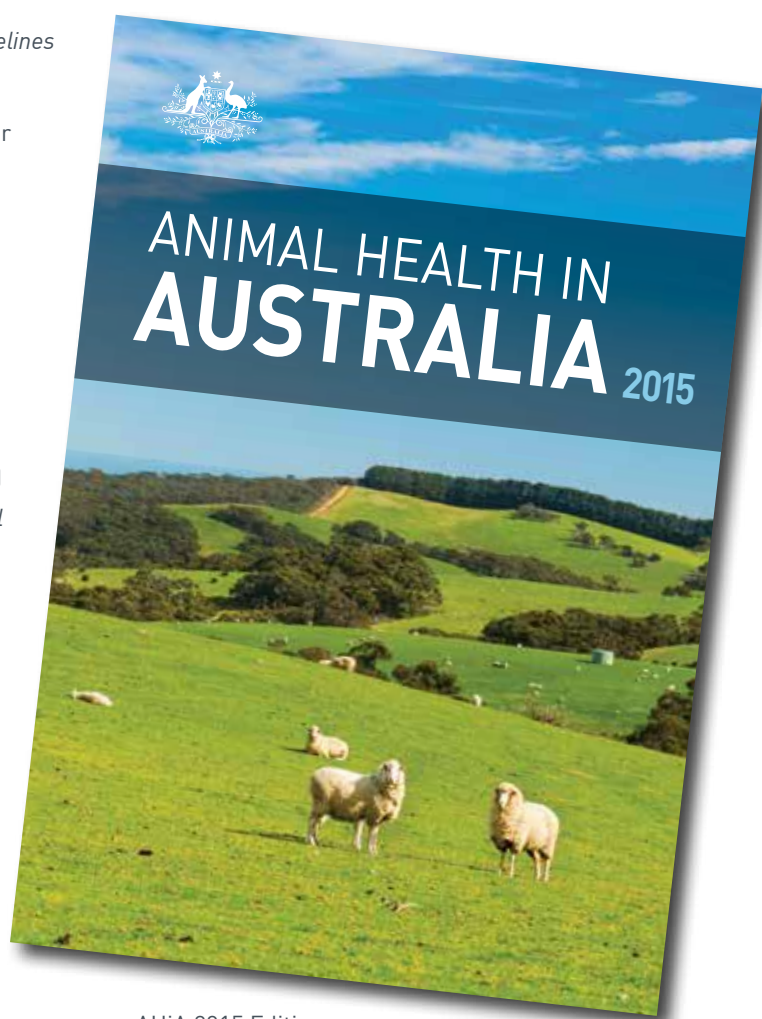
Livestock Welfare Program

- Development of the *Australian Animal Welfare Standards and Guidelines for Poultry* began.
- *Australian Industry Welfare Standards and Guidelines for Goats* finalised.
- *The Animal Welfare Standards and Guidelines* for cattle and sheep were agreed by the state and territory governments.

Surveillance Program

- Endorsement of the *National Animal Health Surveillance and Diagnostics Business Plan* by industry and government.
- Publication of *Animal Health in Australia* (AHIA) annual report 2015 and four editions of *Animal Health Surveillance Quarterly* (AHSQ).
- The scope of activities eligible for funding in the National Significant Disease Investigation (NSDI) program was expanded to include disease investigation training for private practitioners.

- Under the NSDI program, eligibility for livestock disease investigation subsidies was broadened and agreement established for Wildlife Health Australia (WHA) to directly administer subsidies to private practitioners for wildlife disease investigations.
- A national screw-worm fly entomology workshop for training and review of identification materials was undertaken, with outcomes informing revision of the Manual for Diagnosis of screw-worm fly.
- Following an internal program review, AHA initiated an update of the Accreditation Program for Australian Veterinarians (APAV) Initial Accreditation Training course and administrative processes.



AHiA 2015 Edition

MAJOR ACHIEVEMENTS

- Endorsement of *National Animal Health Surveillance and Diagnostics Business Plan 2016-19*
- AHA initiated an update of the APAV Initial Accreditation Training course and administrative processes

OUTLOOK 2016-17

- The *Australian Animal Welfare Standards and Guidelines for Poultry* and *Regulation Impact Statement* will progress to public consultation.
- Continue communication activities outlined in the *Australian Industry Welfare Standards and Guidelines for Goats Communications Plan*.
- Implement activities documented in the *National Animal Health Surveillance and Diagnostics Business Plan*, overseen by the implementation task group.
- The Manual for Diagnosis of screw-worm fly will be revised, awareness materials updated and distributed and the incursion-spread model will be packaged into a user interface for policy makers and non-specialist users.
- Launch an updated APAV Initial Accreditation Course, requiring completion by all new and renewing accredited veterinarians.

TABLE 3: MARKET ACCESS SUPPORT PROJECT AREAS –
DELIVERABLES AND OUTCOMES

KEY FOCUS AREA	PROJECTS	DELIVERABLES	TARGET	OUTCOME	COMMENTS
SURVEILLANCE PROGRAM	NAHIS Program	Maintain on-line database, website and the timely publication of the annual reports:	June 2016	Achieved	The Central Animal Health Database of NAHIS was migrated from traditional servers to a secure cloud server environment.
		AHiA	April 2016	Achieved	
		AHSQ	Quarterly	Achieved	
	NSDI Program	Enhance livestock and wildlife disease investigations by private veterinary practitioners to improve time to notification of suspect disease consistently and collaboratively.	June 2016	Achieved	Under expenditure due to lower than budgeted disease investigation activity. Program revised in 2015-16 to improve participation.
	Surveillance Enhancement and Support	Identify and collaborate with Members to develop a surveillance and diagnostics strategy to improve general surveillance reporting and to support targeted surveillance programs.	June 2016	Achieved	<i>National Animal Health Surveillance and Diagnostics Business Plan</i> completed.
		Progress adoption of general and new targeted surveillance activities as per <i>National Animal Health Surveillance and Diagnostics Business Plan</i> .	June 2016	In progress	AHC implementation task group initiated.
		Measurable increase in best practice guidelines and industry verification systems and tools for animal health to support market access – establish baseline.	June 2016	Not started	Not applicable now. Progressing implementation of the <i>National Animal Health Surveillance and Diagnostics Business Plan</i> .
	National Animal Health Laboratory Coordination	Efficient management of contracts and issues to maintain and improve diagnostic services for specific diseases that have market access relevance.	June 2016	Achieved	This project budgets for participation in AHC National Laboratory Task Group and management of Reference Laboratory contracts.

cont.

KEY FOCUS AREA	PROJECTS	DELIVERABLES	TARGET	OUTCOME	COMMENTS
SURVEILLANCE PROGRAM <i>cont.</i>	NAMP	Timely monitoring for bluetongue, bovine ephemeral fever and Akabane disease and their vectors, and reporting of distribution zones to support market access for cattle, sheep and goats.	June 2016	Achieved	
	Transmissible Spongiform Encephalopathies Freedom Assurance Program	Timely monitoring and communication of Australia's freedom from Bovine Spongiform Encephalopathy and Classical Scrapie combined with our highest level of international rating, to support market access for cattle, sheep and goats.	June 2016	Achieved	All reporting completed.
	SWF Surveillance and Preparedness Program	Coordination of improved national awareness and risk-based surveillance for the early detection of SWF to safeguard livestock industries in northern and eastern Australia.	June 2016	Achieved	Budget increased by agreement with funding parties, subsequent to publication of the AHA AOP 2015-16.
	APAV	Administer APAV scheme for the accreditation of veterinarians involved in government and industry animal disease programs.	June 2016	Achieved	Program revenue over budget. Over expenditure due to additional staff costs to conduct an internal review and undertake urgent revisions to the public register and the initial accreditation course.
	Australian Government Accredited Veterinarian (Livestock) AAVet Training (AAVet)	Administer AAVet for the accreditation of veterinarians involved in live exports.	June 2016	Achieved	

cont.

KEY FOCUS AREA	PROJECTS	DELIVERABLES	TARGET	OUTCOME	COMMENTS
SURVEILLANCE PROGRAM <i>cont.</i>	Australian Animal Pathology Standards Program	Maintain digital resources and conduct training road show.	August 2015 and June 2016	Partially achieved	2015 achieved; June 2016 to be completed.
		Quarterly histopathology proficiency testing for subscribing veterinary pathologists.	Quarterly to June 2016	Achieved	Over expenditure due to insufficient budget. Program under review by the steering committee.
	Reference Laboratories	Management of contracts for JD & Anthrax reference laboratory services.	June 2016	Achieved	Over expenditure due to payment of 2014-15 expenses within the 2015-16 financial year (not accrued).
		Participation in AHC national laboratory task group.	June 2016	In progress	
LIVESTOCK WELFARE PROGRAM	Livestock Welfare	Facilitate welfare discussions and collaboration between industry and government Members for a harmonised approach to welfare standards implementation and improved welfare outcomes.	June 2016	Achieved	
	Poultry Welfare Standards and Guidelines	Develop first draft standards and guidelines.	July 2015	Achieved	
		Develop pre-consultation draft.	April 2016	Achieved	
	Goat Welfare Standards and Guidelines [RIRDC]	Develop first draft standards and guidelines.	August 2015	Achieved	
	Australian Lot Feeders' Association Heat Load	Management of contract for the refinement and delivery of heat load advisory service.	June 2016	Achieved	
	WPA Wild Dog Support [WPA]	Support the National Wild Dog Action Plan via the Stakeholder Consultative Group.	June 2016	Achieved	

CORPORATE AND MEMBER SERVICES STREAM



CORPORATE AND MEMBER SERVICES STREAM

INTRODUCTION

The Corporate and Member Services (CMS) Stream supports AHA's operational staff deliver their programs through financial technology, information technology, communications and human capital frameworks and management. Corporate governance is provided through compliance and risk management activities to meet AHA's corporate obligations and inform the Executive Management Group, CEO and Board of Directors to assist with effective decision making. Members and other stakeholders are supported by the provision of information, services and advice.

KEY HIGHLIGHTS

Corporate Governance and Management

- Relocation of AHA offices to a more central location; opening of on-site biosecurity and policy hub meeting facilities.
- Winding up HBDCF Pty Ltd.

Financial Management and Administration

- Implementation of new corporate overhead cost allocation model.
- Review of AHA and related companies' Treasury/Investment options and policies.
- Development and provisioning of quarterly Industry Member levy and reserve reporting.

Information Services and Technology

- *ICT Strategic Review* completed.

Business Services

- Voluntary reserve Deed agreed with ADMA.
- CCA and AHA agreed that LBN becomes a subsidiary of AHA.

People, Capability and Culture

- Workplace employment guidelines rewritten.
- New payroll system implemented.
- Staff engagement survey conducted.

Partnerships and Stakeholder Engagement

- *Communications and Partnerships Strategy 2016-20* was developed and activities commenced.
- Established social media presence.

Corporate Communications

- Launch of new AHA brand and website.
- Internal communication strengthened.



AHA's new on-site biosecurity and policy hub meeting facilities

MAJOR ACHIEVEMENTS

- Relocation of AHA offices to a central location; opening of on-site biosecurity and policy hub meeting facilities
- CCA and AHA agree that LBN becomes a subsidiary of AHA
- Established social media presence

OUTLOOK 2016-17

- Review of the AHA Constitution will be a key priority.
- Staged implementation of recommendations from the *ICT Strategic Review*.
- Integrate the LBN business into AHA corporate structure.
- Concentrate on the development of a business sustainability strategy to explore additional revenue streams and potential business opportunities.
- Enhance engagement with our Members and key stakeholders.
- Further develop AHA's social media presence.
- Increase the use of AHA's biosecurity and policy hub meeting facilities.

TABLE 4: CORPORATE AND MEMBER SERVICES PROJECT AREAS –
DELIVERABLES AND OUTCOMES

KEY FOCUS AREA	PROJECTS	DELIVERABLES	TARGET	OUTCOME	COMMENTS
CORPORATE GOVERNANCE AND MANAGEMENT	Company Management	New <i>Strategic Plan</i> and AOP implemented.	July 2016	Achieved	
		Program outcomes delivered and fully reported to AHA Board and Members.	June 2016	Achieved	
		Full compliance with regulatory and corporate requirements.	June 2016	Achieved	
		Company risk management – projects, business and strategic risks – reviewed systematically by Senior Management Group and Audit & RM committee.	June 2016	Achieved	
		Identify work health and safety hazards and implement mitigations.	June 2016	Achieved	
		Effective operational management of company.	June 2016	Achieved	
		Conduct AHA Member and Stakeholder Survey and evaluate outcomes.	March 2016	Not achieved	Deferred until first quarter 2016-17.
		Performance of AHA meets Members' requirements as reflected in the AHA Member Survey and other consultation processes.	June 2016	Not achieved	As above.
	Board	Meetings held as planned.	June 2016	Achieved	
		Full compliance with Constitutional and legal requirements.	June 2016	Achieved	
		<i>Annual Report 2014-15</i> delivered to Members at AGM.	November 2015	Achieved	
		Selection and induction processes completed.	November 2015	Achieved	
	Strategic and Annual Operational Planning, Reporting and Evaluation	Monitoring, evaluation and reporting to Members against Strategic Plan.	June 2016	In progress	Combined with M&E Framework and information/data requirements assessed.
		Six monthly reporting to Members against <i>2015-2016 AOP</i> deliverables.	Jan 2016 and June 2016	Achieved	
		<i>AOP 2016-17</i> completed and adopted by AHA Board and Members.	May 2016	Achieved	

cont.

KEY FOCUS AREA	PROJECTS	DELIVERABLES	TARGET	OUTCOME	COMMENTS
CORPORATE GOVERNANCE AND MANAGEMENT <i>cont.</i>	Office Re-location	Utilisation of re-location provision from 2014-15 for securing new office premises for AHA.	December 2015	Achieved	
FINANCIAL MANAGEMENT AND ADMINISTRATION	General and Financial Administration	Delivery of accurate and timely company and program financial reports and support services.	June 2016	Achieved	
		Supply and upkeep of premises, furniture and equipment, utilities, and administrative infrastructure.	June 2016	Achieved	
		Full cost allocation of expenditure across all operational projects based on staff timesheets.	June 2016	Achieved	
		Research and development of new funding models, alternative income streams, and grants to better resource AHA programs.	June 2016	Partially achieved	Deferred until first quarter 2016-17. LBN Pty Ltd agreement to join with AHA.
		AHA identified and sought after to lead and manage special projects outside the AOP.	June 2016	Achieved	15 projects with funding in excess of \$900,000 have been negotiated outside the AOP during 2015-16.
BUSINESS SERVICES	Cattle Disease Contingency Fund Trust	Provision of reports to the Trustee and shareholders on ongoing Trust operations.	June 2016	Achieved	
		Administration of funding initiatives approved by the Board.	June 2016	Achieved	
		Management of investment and expenditure.	June 2016	Achieved	
		Provision of reports to the Trustee and shareholders on ongoing Trust operations.	June 2016	Achieved	
	Sheep Industry Health and Welfare Trust	Administration of funding initiatives approved by the Board.	June 2016	N/A	
		Management of investment and expenditure.	June 2016	Achieved	

cont.

KEY FOCUS AREA	PROJECTS	DELIVERABLES	TARGET	OUTCOME	COMMENTS
BUSINESS SERVICES <i>cont.</i>	HBDCF	Provision of reports to the Trustee and shareholders on ongoing Trust operations.	N/A	N/A	Pre 1 July 2015 levies continued to flow to AHA from the Commonwealth and were ultimately transferred to PHA and the HBDCF Pty Ltd wound up.
		Administration of funding initiatives approved by the Board.	N/A	N/A	
		Management of investment and expenditure.	N/A	Achieved	
	NLIS Limited/ NewCo	Executive management and other transitional support to activities of NewCo.	June 2016	Stopped	Activity ceased following the SAFEMEAT initiatives review and the decision of MLA to retain NLIS Ltd as a subsidiary.
	LBN	Management and timely reporting of income and expenditure, including payroll.	June 2016	Achieved	
		Provision of financial reports to the LBN management and Board on ongoing LBN operations.	June 2016	Achieved	
		Independent evaluation of operational reports provided by LBN to funding parties.	June 2016	Achieved	LBN engaged directly with the relevant AHA funding Members.
		Provide LBN funding on behalf of sheep industry.	June 2016	Achieved	
	Industry Initiatives Expenditure (SLA)	Management of service level agreements with six AHA industry Members.	June 2016	Achieved	
	PEOPLE, CAPABILITY AND CULTURE	HR Management	Ongoing development and maintenance of HR policies and practices.	June 2016	Achieved
Compliance with WHS and Fair Work legislation requirements.			June 2016	Achieved	
Develop and implement HR strategy to support Strategic Plan.			July 2015	Not achieved	Deferred until first quarter 2016-17.
Strengthen our people capability and specialist expertise.			June 2016	Achieved	
Staff engagement and satisfaction with AHA as an employer demonstrated through a survey.			June 2016	Achieved	

cont.

KEY FOCUS AREA	PROJECTS	DELIVERABLES	TARGET	OUTCOME	COMMENTS
INFORMATION SERVICES AND TECHNOLOGY	Information and Communication Technology	Effective and timely delivery of help desk and technological support across all service streams.	June 2016	Achieved	
		Develop and implementation of new ICT Strategic Plan to align technology with AHA and Member business needs and Strategic Plan.	December 2015	Partially achieved – June 2016	ICT Strategic Plan developed. Implementation to commence in 2016-17.
		Review and maintenance of backup and Disaster Recovery capability.	June 2015	Not achieved	Included in ICT Strategic Plan. Implementation in 2016-17.
		Enhance CMS capability as per ICT Strategic Plan.	March 2016	Not achieved	Included in prioritised implementation plan flowing from the strategic review. Pilot CMS enhancement undertaken in 2015 to assist understanding of future scope.
		AHA's website current and further enhanced as an effective tool for communication and education of Members and stakeholders (as per ICT Strategic Plan).	June 2016	Achieved	

TABLE 5: COMMUNICATIONS AND PARTNERSHIPS PROJECT AREAS – DELIVERABLES AND OUTCOMES

KEY FOCUS AREA	PROJECTS	DELIVERABLES	TARGET	OUTCOME	COMMENTS
PARTNERSHIPS AND STAKEHOLDER ENGAGEMENT	Representation on National Committees	Development of policy papers and responses to issues to support and improve Australia's national animal health status.	June 2016	Achieved	Submissions on free range egg labelling, National Antimicrobial Resistance and Usage Surveillance Plan, Inquiry into the Primary Industries Levies and Charges Collection Amendment Bill 2016, and meetings regarding the IGAB Review and Productivity Commission on process for setting national standards and guidelines for livestock welfare.
		Representation at relevant national committees as required.	June 2016	Achieved	Refer to 'Committee Membership' table on page 20. AHA hosted a review of the Biosecurity Incident Public Information Manual (BIPIM) and EAD marketing collateral.
		Deliver biannual reporting to Members and stakeholders that outlines AHA's participation on national committees and relevant fora.	June 2016	Delayed	A half yearly report to AHA Members on progress against <i>2015-16 Annual Operating Plan</i> delivered to Members in February, however, reports infrequently mentioned AHA's participation on committees and fora.
	Awards, Scholarships and Sponsorships	Recipient of the Ralph Hood award announced following comprehensive selection process.	December 2015	Achieved	
		Sponsor events that align with and add value to the reputation of AHA programs and the national animal health system.	June 2015	In progress	Co-sharing a booth with WHA at the OneHealth Conference in December 2016; funds were spent in the 2015-16 financial year. Sponsoring the annual Graham Centre Sheep Forum with LBN.

cont.

KEY FOCUS AREA	PROJECTS	DELIVERABLES	TARGET	OUTCOME	COMMENTS
PARTNERSHIPS AND STAKEHOLDER ENGAGEMENT <i>cont.</i>	Member and Stakeholder Engagement	Member Forums maximise information flow, and input to and from Members, to strengthen partnerships.	June 2016	Achieved	Combined with M&E Framework and information/data requirements assessed.
		Three Members' forums held.	June 2016	Achieved	
		Enhance our collaborations with PHA to maximise and report benefits to Members.		Partially achieved - June 2016	Collaborations include: AHA and PHA Memorandum of Understanding negotiated and signed Joint PHA and AHA CEO Executive Management CMS meetings held Joint AHA and PHA Board meetings held Joint AHA and PHA Industry Forum and its promotion to government members as a key engagement point Review of FBP initiated Collaboration on Red Witchweed Response and contribution to development of Exotic Production Weeds Deed; RRT and Biosecurity Qualifications (partnership agreement with Tocal College); consistency between EADRA and Emergency Plant Pest Response Deed (EPPRD) and legal services for EADRA and EPPRD.
		Enhanced Government, industry and stakeholder liaison, consultation and engagement to facilitate and strengthen partnerships and information flows.	June 2016	Achieved	Member reserve and levy reporting implemented. Financial consultation with Members regarding forecast levy income.
		Timely development of papers and responses to issues to support and improve Australia's national animal health status and system.	June 2016	Achieved	

cont.

KEY FOCUS AREA	PROJECTS	DELIVERABLES	TARGET	OUTCOME	COMMENTS
PARTNERSHIPS AND STAKEHOLDER ENGAGEMENT <i>cont.</i>	Member and Stakeholder Engagement <i>cont.</i>	Industry Forums maximise information flows, and input to and from industry Members, to strengthen partnerships.	June 2016	Achieved	
		Two Industry Forums held.	June 2016	Achieved	
		Host one joint AHA/PHA industry forum.	June 2016	Achieved	
MEDIA RELATIONS AND ISSUES MANAGEMENT	Media Management	Media monitoring provides timely information to staff.	June 2016	Achieved	
		Timely response to all media enquiries.	June 2016	Achieved	
		10% improvement in media take up of AHA media releases.	June 2016	Delayed	No longer applicable; resulted in a different deliverable.
	Issues Management	Monitor issues and develop supporting communications tools/ materials to proactively mitigate risks.	June 2016	Achieved	
CORPORATE COMMUNICATIONS	Corporate Publications	Deliver all communications collateral including publications on time and in budget.	June 2016	Achieved	AHA Strategic Plan 2015-2020 and 2014-15 Annual Report delivered on time and within budget. Animal Health Express launched. Project communications collateral developed. Implementation of social media tools and content.
	General Corporate Communications	Produce 11 monthly e-newsletter updates.		Achieved	
		Ensure the AHA website is current with timely and informative news items.	June 2016	Achieved	
		Implement new brand strategy across AHA's suite of communications tools and channels.	June 2016	Achieved	
	Internal Communications Management	Provide communications support to facilitate effective project status reports to Members and stakeholders.		Achieved	New Members' Forum Outcomes report promptly distributed to Members after March forum.
		Communication processes, systems and tools improve the efficiency and effectiveness of projects.		Achieved	



CORPORATE GOVERNANCE

FOUNDATIONS FOR GOVERNANCE

BOARD CHARTER

All responsibilities and activities of the Board are covered in detail in the Board charter. The charter delineates the responsibilities and role of the Board, the Chairperson, the CEO and the Company Secretary and addresses all aspects of Board appointments, activity and performance.

LETTERS OF APPOINTMENT

Directors are provided with a formal letter of appointment prior to their induction. This letter covers details of the induction process, current remuneration and the manner in which it is determined, the term of the appointment, requirements for making a statement of interests and details of Directors' and officers' insurance.

CORPORATE GOVERNANCE COMMITTEE

The Corporate Governance Committee provides additional assurance that the company's governance arrangements provide an optimum effective working partnership between the Board and management.

LEGAL COMPLIANCE

Both the Corporate Governance Committee and the Audit and Risk Management Committee are charged with aspects of implementing appropriate compliance systems. In practice the Company Secretary oversees the company's compliance system.

STRUCTURE AND SELECTION OF THE BOARD

BOARD SELECTION

The constitution of AHA establishes the structure of the Board as seven Directors including the Chairperson, prescribes a selection process to be undertaken by an independent selection committee and sets out 'skills based' selection criteria.

RIGHT OF ACCESS

Each director has the right of access to all relevant company information and to the company's executive and, subject to prior consultation with the Chairperson, may seek independent professional advice at the company's expense.

BOARD MEETINGS

The Board holds at least five meetings each year and may meet at other times as necessary, including by telephone. The CEO and other Executive Managers regularly attend Board meetings.

ETHICAL AND RESPONSIBLE DECISION MAKING

CONFLICTS OF INTEREST

As specified in the Board charter, Directors must declare on an ongoing basis any interests that could potentially conflict with those of the company. A standing agenda item at all Board meetings involves the update by each Director of a statement of interests. In addition Directors are asked to sign a statement annually affirming that they have no specific interests that will impact on their ability as a Director and that should such interests arise that may result in a potential conflict of interest, they will declare such to the Board.

INTEGRITY IN FINANCIAL REPORTING

AUDIT AND RISK MANAGEMENT COMMITTEE

The detailed responsibilities of the Audit and Risk Management Committee are documented in the Board charter. Membership comprises at least three directors. The committee is required to meet at least twice each year. AHA's auditors are invited to the committee meeting at which the annual financial statements are considered.

MANAGEMENT'S LETTER OF REPRESENTATION

Prior to approval of the annual financial report, the Audit and Risk Management Committee asks the CEO and the Company Secretary to provide the independent auditors with a signed comprehensive letter of representation that affirms that the company's financial statements present a true and fair view, in all material respects, of the company's financial condition and operational results and are in accordance with accounting standards.

FINANCIAL POLICIES AND PROCEDURES

Comprehensive practices are established and included in the company's policy and procedure manuals such that all unbudgeted expenditure and commitments in excess of \$50,000 requires prior Board approval; financial exposures are controlled; investment of funds is governed by a specific investment policy; work health and safety standards and management systems are monitored and reviewed; and business transactions are properly authorised and executed.

CONTRACTING AND TENDERING

The company has adopted comprehensive policies and procedures in respect of purchasing, contracting and tendering. All contracts exceeding \$50,000 in value are subject to competitive quotation. Where proposed expenditure exceeds \$100,000 a formal open contracting process is used to seek competitive quotations.

RESPECTING THE RIGHTS AND INTERESTS OF MEMBERS AND STAKEHOLDERS

MEMBER CONSULTATION AND COMMUNICATIONS

The Board aims to ensure that all Members are informed of all major developments affecting the company.

COMPANY GENERAL MEETINGS

The Board encourages full participation of Members at the AGM. Full participation is also encouraged at a general meeting held by the company in June each year at which core subscription levels are agreed by Members for the upcoming financial year and the *Annual Operating Plan* is presented.

CODE OF CONDUCT

The Board Charter contains a Directors' Code of Conduct with which each Director is expected to comply. In addition, the company has documented standards that each manager and employee of the company is expected to operate within. The requirement to comply with these ethical standards is communicated to all employees. Directors, managers and employees are expected to strive at all times to enhance the reputation and performance of the company.

RECOGNITION AND MANAGEMENT OF RISK

RISK MANAGEMENT

Monitoring of corporate and program risks is a specific responsibility of the Audit and Risk Management Committee. The company's process of periodic risk assessment and review covers the business environment, work health and safety, property, financial reporting and internal control.

INTERNAL AUDIT AND INTERNAL CONTROL

The company does not have an internal audit function as the size of the organisation does not warrant this. From time to time the Audit and Risk Management Committee will initiate an independent internal audit of any area of the company's operations that it deems appropriate.

ENHANCEMENT OF PERFORMANCE

BOARD PERFORMANCE EVALUATION

The Board is committed to the ongoing development of both individual Directors and the Board as a whole. Evaluation regularly involves the engagement of independent external expertise.

COMPANY PERFORMANCE EVALUATION

AHA has commenced a monitoring and evaluation framework, in consultation with Members, to report on key deliverables as outlined in the strategic plan.

STAFF PERFORMANCE EVALUATION

Each staff Member is employed under an employment contract that specifically calls for an annual performance agreement against which performance is measured by the staff member's manager. The performance of the CEO is evaluated on the same annual basis by the Chairperson and Board.

FAIR AND RESPONSIBLE REMUNERATION

DIRECTORS' REMUNERATION

The remuneration payable to Directors is approved at an AGM of the company as stipulated in the constitution. There are no schemes for retirement benefits, aside from statutory superannuation.

EMPLOYEE REMUNERATION

The remuneration of the CEO is set by the Board and reviewed annually as part of the CEO performance review. The remuneration of all other staff is set and reviewed by the CEO as part of their annual performance review. All employee remuneration is performance based.

FINANCIAL STATEMENTS



20 September 2016

Ged Stenhouse
RSM Australia Partners
GPO Box 200
CANBERRA ACT 2601

Dear Sir

This representation letter is provided in connection with your audit of the financial report of Australian Animal Health Council Limited for the year ended 30 June 2016, for the purpose of expressing an opinion as to whether the financial report gives a true and fair view, in all material respects, in accordance with the Australian Accounting Standards and the *Corporations Act 2001*.

We confirm that to the best of our knowledge and belief, having made such enquiries as we considered necessary for the purpose of appropriately informing ourselves:

Financial Report

- We have fulfilled our responsibilities, as set out in the terms of the audit engagement dated 26 June 2016, for the preparation of the financial report in accordance with Australian Accounting Standards and the *Corporations Act 2001*; in particular the financial report gives a true and fair view in accordance therewith.
- Significant assumptions used by us in making accounting estimates, including those measured at fair value, are reasonable.
- Related party relationships and transactions have been appropriately accounted for and disclosed in accordance with the requirements of Australian Accounting Standards.
- All events subsequent to the date of the financial report and for which Australian Accounting Standards require adjustment or disclosure have been adjusted or disclosed.
- The effects of uncorrected misstatements are immaterial, both individually and in the aggregate, to the financial report as a whole. A list of the uncorrected misstatements is attached to the representation letter.

Information Provided

- We have provided you with:
 - Access to all information of which we are aware that is relevant to the preparation of the financial report such as records, documentation and other matters;
 - Additional information that you have requested from us for the purpose of the audit; and
 - Unrestricted access to persons within the entity from whom you determined it necessary to obtain audit evidence.
- All transactions have been recorded in the accounting records and are reflected in the financial report.
- We have disclosed to you the results of our assessment of the risk that the financial report may be materially misstated as a result of fraud.

- We have disclosed to you all information in relation to fraud or suspected fraud that we are aware of and that affects the entity and involves:
 - Management;
 - Employees who have significant roles in internal control; or
 - Others where the fraud could have a material effect on the financial report.
- We have disclosed to you all information in relation to allegations of fraud, or suspected fraud, affecting the entity's financial report communicated by employees, former employees, analysts, regulators or others.
- We have disclosed to you all known instances of non-compliance or suspected non-compliance with laws and regulations whose effects should be considered when preparing the financial report.
- We have disclosed to you the identity of the entity's related parties and all the related party relationships and transactions of which we are aware.
- We have provided you with all requested information, explanations and assistance for the purposes of the audit.
- We have provided you with all information required by the *Corporations Act 2001*.

Yours sincerely



Mr Peter Milne
CHAIRMAN
ANIMAL HEALTH AUSTRALIA



Mr David Palmer
DIRECTOR
ANIMAL HEALTH AUSTRALIA

APPENDIX A

Summary of uncorrected financial report misstatements, including disclosure deficiencies

Account Name	Assets DR/(CR)	Liabilities DR/(CR)	Retained Earnings DR/(CR)	Other Equity DR/(CR)	Income Statement DR/(CR)	Total DR/(CR)
Known Misstatements						
<i>Dr Leave expenses</i>					(34,291)	(34,291)
<i>Cr Provision for LSL</i>		34,291				34,291
Likely Misstatements						
Carry forward effects of prior year misstatements						
<i>Dr Bad debts expense</i>					31,067	31,067
<i>Cr Provision for Doubtful debts</i>	(31,067)					(31,067)
<i>Dr Accrued interest income</i>	74,083					74,083
<i>Cr Accrued expenses</i>		(74,083)				(74,083)

Disclosure Deficiency Identified	Entity Impacted	Amount (where applicable)	Reference

AUSTRALIAN ANIMAL HEALTH COUNCIL LIMITED

ABN 86 071 890 956

FINANCIAL REPORT

30 JUNE 2016

AUSTRALIAN ANIMAL HEALTH COUNCIL LIMITED

DIRECTORS' REPORT

FOR THE YEAR ENDED 30 JUNE 2016

The directors present their report together with the financial report of the Australian Animal Health Council Limited ("the Company") for the year ended 30 June 2016 and the auditor's report thereon.

Information on directors

Name:	Peter Milne
Title:	Non-Executive Chairperson
Qualifications:	DipBus, FIPA, Member AICD
Experience and expertise:	Extensive experience in the cattle industry and as a company director, including of AHA since 2002 (and Chairperson since 2011).
Special responsibilities:	Member of the Audit & Risk Management Committee.
Name:	Dr Bruce M Christie
Title:	Non-Executive Director
Qualifications:	BVSc, MANZCVS, GAICD
Experience and expertise:	Extensive experience in government leadership and development of biosecurity and disease mitigation policy and strategies. Deputy Director-General Biosecurity and Food Safety NSW. AHA director since 2012.
Special responsibilities:	Member of Audit & Risk Management Committee.
Name:	Dr Bill (William) Darmody
Title:	Non-Executive Director
Qualifications:	BVMS(Hons), MACVS, FAICD
Experience and expertise:	Extensive national and international consulting experience on animal health and food production. AHA director since 2012.
Special responsibilities:	Member of Corporate Governance Committee
Name:	Prof Martyn Jeggo
Title:	Non-Executive Director
Qualifications:	BVetMed, MSc, PhD, FAICD, MRCVS
Experience and expertise:	Extensive national and international experience in animal health policy development, governmental interfaces and strategic planning. AHA director since 2008.
Special responsibilities:	Member of Corporate Governance Committee

AUSTRALIAN ANIMAL HEALTH COUNCIL LIMITED
DIRECTORS' REPORT
FOR THE YEAR ENDED 30 JUNE 2016

Name:	David Palmer
Title:	Non-Executive Director
Qualifications:	DipFarmMgmt, GradDipBusMgmt, FAICD
Experience and expertise:	Extensive mixed farming experience. Extensive national and international experience in market access, food safety, stakeholder relationships and corporate leadership. AHA director since 2011.
Special responsibilities:	Chairperson of Audit & Risk Management Committee
Name:	Sharon Starick
Title:	Non-Executive Director
Qualifications:	BAGSci (Hons), Member AICD
Experience and expertise:	Extensive livestock farming, industry organisation and board experience. AHA director since 2010.
Special responsibilities:	Chairperson of Corporate Governance Committee
Name:	Dr Helen Scott-Orr (resigned on 1 July 2016)
Title:	Former Non-Executive Director
Qualifications:	PSM, BVSc(Hons), DipBact (Lond), MANZCVS (Epidem), FAICD
Experience and expertise:	Extensive state, national and international experience in animal health policy and government and extensive board experience. AHA director since 2010.
Special responsibilities:	Former Member of Audit & Risk Management Committee

AUSTRALIAN ANIMAL HEALTH COUNCIL LIMITED

DIRECTORS' REPORT

FOR THE YEAR ENDED 30 JUNE 2016

Directors' meetings

The number of directors' meetings and the number of meetings attended by each of the directors of the company during the financial year were:

	Board Meetings		Audit & Risk Management Committee		Corporate Governance Committee	
	No of meetings held ¹	No of meetings attended	No of meetings held ¹	No of meetings attended	No of meetings held ¹	No of meetings attended
Mr Peter Milne	7	7	3	3		
Mr David Palmer	7	7	3	3		
Dr Bruce M Christie	7	6	3	3		
Dr Helen Scott-Orr	7	6	3	2		
Ms Sharon Starick	7	6			3	3
Dr Bill Darmody	7	7			3	3
Professor Martyn Jeggo	7	7			3	3

1. Reflects the number of meetings held including the board and board committees convened by conference call during the time the director held office during the year.

Objectives

The vision of AHA is a resilient Australian animal health system through effective partnerships, known for its integrity, and recognised nationally and internationally.

AHA's mission is to assist our Members and partners to enhance, strengthen and protect animal health and the sustainability of Australia's livestock industries.

Strategic Priorities

AHA's four strategic priorities, as set out in its strategic plan for 2015-2020 are:

- Effectively manage and strengthen Australia's emergency animal disease response arrangements through successful partnerships with members;
- Enhance the emergency animal disease preparedness and response capability of AHA and its members;
- Strengthen biosecurity, surveillance and animal welfare to enhance animal health, and support market access and trade; and
- Deliver member value, organisational performance enhancement and sustainable resourcing.

The strategic priorities are to be delivered through the implementation of specific strategies with specific deliverables, with progress and success monitored, evaluated and reported against success measures.

Principal activities

The principal activities of the company were, working with members, to develop and deliver projects to keep Australia free of new and emerging diseases and improve animal health, enhance market access and foster the resilience and integrity of the Australian animal health system. AHA plays an active role in maximising the effectiveness of government and industry partnerships and consultative mechanisms to manage livestock biosecurity risks which helps Australia maintain its enviable disease free status and contributes to its strong reputation for food safety product integrity .

AUSTRALIAN ANIMAL HEALTH COUNCIL LIMITED

DIRECTORS' REPORT

FOR THE YEAR ENDED 30 JUNE 2016

Review and result of operations

AHA continued to deliver a range of national animal health projects facilitating joint action between government and industry members and other stakeholders. AHA's income increased to \$16.25 million, up from \$16.02 million in 2014/15. Of this, income representing industry member levies was \$7.88 million, which exceeded budget by \$0.10 million (and prior year by \$0.80 million). Conversely, interest earnings on the company's reserves continued to decline due to prevailing financial market conditions, down 10% on 2014/15, though exactly on budget at \$0.38 million.

Special program expenditure increased by \$1.75 million in 2015/16 to \$12.64 million, resulting from several large expenditures for projects with 2014/15 costs flowing into 2015/16 (e.g. laboratory analysis) and funding for LBN Pty Ltd – all of which had been provided for in funding agreements. AHA delivered its core operations on budget for \$4.1 million, taking into account the revised management fee applied to special projects, ensuring a more equitable spread of underlying corporate costs to AHA activities. Overall an operating deficit of (\$0.52) million was delivered against a budgeted deficit of (\$1.3) million, down from a surplus of \$0.86 million in 2014/15. The reported deficit primarily reflects industry initiated expenditure through service level agreements, which are funded from industry member reserves.

State of affairs

In the opinion of directors there were no significant changes in the state of affairs of the company that occurred during the financial year under review, not otherwise disclosed in this report or the financial report.

Of note, AHA finalised its relocation to new premises early in the year, and fitted out its 'Events Hub' which has proved popular with Members, taking advantage of the well-located facilities for their own management meetings and member engagements. AHA's facilities provide a superior venue for engagement with Members and stakeholders and AHA seeks to continue to promote the availability of these facilities for Member and stakeholder use.

AHA prepared during the year, in consultation with Members, a detailed Monitoring and Evaluation Framework to measure the performance of its programs and shall continue to apply the framework to new and major existing projects, together with key performance indicators.

Events subsequent to balance date

As of 2 September 2016, AHA acquired a controlling interest in Livestock Biosecurity Network Pty Ltd.

Likely developments

The Honey Bee Disease Contingency Fund Pty Ltd is defunct as the Honey Bee Disease Contingency Fund Trust for which it was trustee vested on 30 June 2015. Application was made to the Australian Securities and Investment Commission (ASIC) to deregister the company in June 2016 and the company was deregistered on 11 September 2016.

Member commitment on winding up

The company is limited by guarantee and in the event of the company being wound up, every member of the company undertakes to contribute an amount not exceeding \$100.

Auditor's independence declaration

The Auditor's independence declaration is set out on page 29 and forms part of the directors' report for the financial year ended 30 June 2016.

AUSTRALIAN ANIMAL HEALTH COUNCIL LIMITED

DIRECTORS' REPORT

FOR THE YEAR ENDED 30 JUNE 2016

Directors' interests and benefits

Since the end of the previous financial year, no director of the company has received or become entitled to receive any benefit (other than a benefit included in the aggregate amount of remuneration received or due and receivable by directors shown in the financial statements) by reason of a contract made by the company or a related company with a director or with a firm of which they are a member, or with a company in which they have a substantial financial interest.

Insurance of officers and auditors

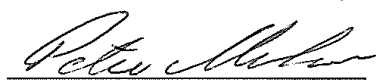
Since the end of the previous financial year, the company has paid insurance premiums totalling \$6,842 on behalf of its directors and officers for directors' and officers' liability insurance. The insurance policies relate to costs and expenses incurred by the relevant officers in defending proceedings, whether civil or criminal and whatever their outcome, and other liabilities that may arise from their position with the exception of conduct involving a wilful breach of duty or improper use of information or position to gain a personal advantage.

The premiums were paid in respect of the directors of the company listed in the report.

Non audit services


During the year, RSM, the company's auditor, have not performed services in addition to their statutory duties.

Signed on 20 September 2016 in accordance with a resolution of the directors:



Peter Milne
Chairman

Canberra, 20 September 2016



David Palmer
Director

AUSTRALIAN ANIMAL HEALTH COUNCIL LIMITED
FINANCIAL STATEMENTS FOR THE YEAR ENDED 30 JUNE 2016

STATEMENT OF COMPREHENSIVE INCOME
FOR THE YEAR ENDED 30 JUNE 2016

	Notes	2016 \$	2015 \$
Revenue from members	2	15,604,398	15,516,713
Interest income		382,672	426,214
Other income		259,048	81,932
TOTAL REVENUE		16,246,118	16,024,859
Core activities		(4,071,051)	(4,101,421)
Special activities		(12,642,555)	(10,891,411)
Transfer to Honey Bee Disease Contingency Fund Trust		-	(116,104)
Levy collection costs		(53,425)	(56,200)
TOTAL EXPENDITURE	3	(16,767,031)	(15,165,136)
OPERATING SURPLUS /(DEFICIT) BEFORE INCOME TAX EXPENSE		(520,913)	859,723
Income tax attributable to operating surplus	1(f)	-	-
NET OPERATING SURPLUS / (DEFICIT)		(520,913)	859,723
OTHER COMPREHENSIVE INCOME		-	-
TOTAL COMPREHENSIVE INCOME FOR THE PERIOD		(520,913)	859,723

Notes to and forming part of these financial statements are annexed.

AUSTRALIAN ANIMAL HEALTH COUNCIL LIMITED
FINANCIAL STATEMENTS FOR THE YEAR ENDED 30 JUNE 2016

BALANCE SHEET AS AT 30 JUNE 2016

	Notes	2016 \$	2015 \$
CURRENT ASSETS			
Cash and cash equivalents	4	1,656,966	9,674,663
Held-to-maturity investments	5	12,513,805	5,700,000
Inventory held for distribution	6	3,651,446	3,651,446
Trade and other receivables	7	1,989,326	1,667,317
Other	8	28,610	30,836
TOTAL CURRENT ASSETS		19,840,153	20,724,262
NON-CURRENT ASSETS			
Property, plant and equipment	9	360,977	24,953
TOTAL NON-CURRENT ASSETS		360,977	24,953
TOTAL ASSETS		20,201,130	20,749,215
CURRENT LIABILITIES			
Trade and other payables	10	2,675,391	1,370,073
Subscriptions in advance		34	118,829
Unearned revenue	11	2,545,367	3,783,328
Lease restoration provision		36,371	95,000
Employee benefits	12	189,297	193,034
TOTAL CURRENT LIABILITIES		5,446,460	5,560,264
NON-CURRENT LIABILITIES			
Employee benefits	12	164,137	77,505
TOTAL NON-CURRENT LIABILITIES		164,137	77,505
TOTAL LIABILITIES		5,610,597	5,637,769
NET ASSETS		14,590,533	15,111,446
EQUITY			
Accumulated members' funds		14,590,533	15,111,446
TOTAL EQUITY		14,590,533	15,111,446

Notes to and forming part of these financial statements are annexed.

AUSTRALIAN ANIMAL HEALTH COUNCIL LIMITED
FINANCIAL STATEMENTS FOR THE YEAR ENDED 30 JUNE 2016

STATEMENT OF CASH FLOWS
FOR THE YEAR ENDED 30 JUNE 2016

	Notes	2016 \$	2015 \$
CASHFLOW FROM OPERATING ACTIVITIES			
Cash receipts in the course of operations		14,418,292	16,451,028
Cash payments in the course of operations		(15,623,349)	(17,101,757)
Interest received		382,672	426,214
Net cash flows (used in) operating activities		(822,385)	(224,515)
CASHFLOW FROM INVESTING ACTIVITIES			
Acquisition of held-to-maturity investments		(6,813,805)	-
Redemption of held-to-maturity investments		-	8,522,994
Purchase of property, plant and equipment		(381,507)	(22,753)
Net cash flows (used in)/from investing activities		(7,195,312)	8,500,241
Net (decrease)/increase in cash held		(8,017,697)	8,275,726
Cash and cash equivalents at the beginning of the year		9,674,663	1,398,937
Cash and cash equivalents at the end of the year	4	1,656,966	9,674,663

Notes to and forming part of these financial statements are annexed.

AUSTRALIAN ANIMAL HEALTH COUNCIL LIMITED
NOTES TO AND FORMING PART OF THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 30 JUNE 2016

**STATEMENT OF CHANGES IN EQUITY
FOR THE YEAR ENDED 30 JUNE 2016**

	Notes	Accumulated Members' Funds \$	Total Equity \$
Balance at 30 June 2014		14,251,723	14,251,723
Operating surplus for the year		859,723	859,723
Balance at 30 June 2015		15,111,446	15,111,446
Operating surplus for the year		(520,913)	(520,913)
Balance at 30 June 2016		14,590,533	14,590,533

Notes to and forming part of these financial statements are annexed.

AUSTRALIAN ANIMAL HEALTH COUNCIL LIMITED
NOTES TO AND FORMING PART OF THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 30 JUNE 2016

1. SIGNIFICANT ACCOUNTING POLICIES

The financial report of the Australian Animal Health Council Limited for the year ended 30 June 2016 was authorised for issue in accordance with a resolution of the directors on 20 September 2016.

The following significant policies have been adopted in the preparation of this financial report.

(a) Basis of preparation

The financial report is a general purpose financial report, which has been prepared in accordance with the requirements of the *Corporations Act 2001*, Australian Accounting Standards – Reduced Disclosure Requirements and other authoritative pronouncements of the Australian Accounting Standards Board. The financial report has also been prepared on a historical cost basis.

The financial report is presented in Australian dollars unless otherwise stated.

(b) Statement of Compliance

The Company is a not for-profit, private sector entity. Therefore the financial statements of the Company are tier 2 general purpose financial statements which have been prepared in accordance with Australian Accounting Standards – Reduced Disclosure Requirements (AASB – RDRs) (including Australian Interpretations) adopted by the Australian Accounting Standards Board (AASB) and the *Corporations Act 2001*.

(c) Use of estimates and judgements

The preparation of financial statements in conformity with Australian Accounting Standards requires management to make judgements, estimates and assumptions that affect the application of accounting policies and the reported amounts of assets, liabilities, income and expenses. The estimates and associated assumptions are based on historical experience and various other factors that are believed to be reasonable under the circumstances, the results of which form the basis of judgements regarding the carrying values of assets and liabilities that are not readily apparent from other sources. Actual results may differ from these estimates. These accounting policies have been consistently applied by the company.

The estimates and underlying assumptions are reviewed on an ongoing basis. Revisions to accounting estimates are recognised in the period in which the estimate is revised and in any future periods affected.

AUSTRALIAN ANIMAL HEALTH COUNCIL LIMITED
NOTES TO AND FORMING PART OF THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 30 JUNE 2016

1. SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

(d) Revenue

Industry levies collected by the Commonwealth

The Australian government collects levies from industry under the authority of the *Australian Animal Health Council (Live-stock Industries) Act 1996*. The Commonwealth pays AHA an amount equal to levies collected which are then used by AHA to reimburse the Commonwealth for the costs of levy collection and to fund AHA expenditure incurred in accordance with its annual operating plan. Revenue received in accordance with the above Act is considered to be a non-reciprocal transfer and is recognised as revenue when the revenue is received/receivable from the Australian government.

Direct member subscriptions

Membership fees are recommended by the AHA Board for each class of member, including those members subject to the *Australian Animal Health Council (Live-stock Industries) Funding Act 1996* and set by the Company at general meeting. Membership subscriptions are recognised as revenue when the subscription becomes receivable.

Special program's revenue

Where special program funds are received on the condition that specified services are delivered to the provider, or specific conditions met, then these receipts are considered to be a reciprocal transaction. Revenue is recognised as services are performed/conditions are met and at year end, a liability is recognised until the service is delivered or condition met. No revenue is recognised if there are significant uncertainties regarding recovery of the amount due, or if the costs incurred or to be incurred cannot be measured reliably.

Interest income

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

Sale of non-current assets

The net proceeds of non-current asset sales are recognised as revenue at the date control of the asset passes to the buyer, usually when an unconditional contract of sale is signed. The gain or loss on disposal is calculated as the difference between the carrying amount of the asset at the time of disposal and the net proceeds on disposal (including incidental costs).

Other revenue

Other revenue includes miscellaneous items which are recognised as they accrue.

(e) Operating leases

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

AUSTRALIAN ANIMAL HEALTH COUNCIL LIMITED
NOTES TO AND FORMING PART OF THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 30 JUNE 2016

1. SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

arrangement conveys a right to use the asset, even if that right is not explicitly specified in an arrangement.

Payments made under operating leases are recognised in the statement of comprehensive income on a straight line basis over the term of the lease. Operating lease incentives are recognised as a liability when received and subsequently reduced by allocating lease payments between rental expense and reduction of the liability.

(f) Income tax

Under the provisions of Section 50-1 and 50-40 of the *Income Tax Assessment Act 1997*, as amended, the company is eligible for exemption from income tax and currently no tax provision has been provided for in the financial statements. Such eligibility is reviewable by the Australian Taxation Office (ATO).

(g) Other taxes

Revenues, expenses and assets are recognised net of the amount of the goods and services tax (GST), except where:

- the amount of GST incurred is not recoverable from the taxation authority. In these circumstances, the GST is recognised as part of the cost of acquisition of the asset or as part of the expense item as applicable; and
- Receivables and payables are stated with the amount of GST included.

The net amount of GST recoverable from, or payable to, the ATO is included as a current asset or liability in the balance sheet.

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

Commitments and contingencies are stated with the amount of GST included.

(h) Foreign currency

Foreign currency transactions are translated to Australian currency at the rates of exchange ruling at the dates of the transactions. Bank accounts and amounts receivable and payable in foreign currency at reporting date are translated at the rates of exchange ruling on that date.

(i) Investment policy

The company's investment policy is to invest surplus funds, after authorisation from the board, only with those banks or financial institutions which are subject to prudential supervision or regulation under a law of the Commonwealth, a state or a territory and which have a Standard & Poors Credit rating of at least A1 at the time the deposit is placed.

AUSTRALIAN ANIMAL HEALTH COUNCIL LIMITED
NOTES TO AND FORMING PART OF THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 30 JUNE 2016

1. SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

Consistent with this policy the company seeks the best rate of return available on the investment of funds via cash deposits, which are surplus to the day to day requirements of the company. This is consistent with the need to have such funds available for use within reasonable time frames, the cost of maintaining such investments, including the cost of moving funds to and from normal operating bank accounts, the preservation of other favourable banking and investment relationships which are already in place, and the fiduciary responsibilities of the company to its members in respect of funds.

(j) Inventories held for distribution

Inventories held for distribution are valued at cost, adjusted when applicable for any loss of service potential.

(k) Trade and other receivables

Trade receivables are to be settled within 60 days and are carried at amounts due. The collectability of debts is assessed at balance date and specific provision is made for any doubtful accounts where there is objective evidence that the company will not be able to collect the receivable.

(l) Impairment

At each reporting date, the company assesses whether there is any indication that an asset may be impaired. Where an indicator of impairment exists, the company makes a formal estimate of the recoverable amount. Where the carrying amount of an asset exceeds its recoverable amount the asset is considered impaired and is written down to its recoverable amount. Where the future economic benefit of an asset is not primarily dependent on the asset's ability to generate future cash flows, and the asset would be replaced if the Company were deprived of the asset, its value in use is taken to be its depreciated replacement cost.

An impairment loss is reversed if the reversal can be related objectively to an event occurring after the impairment loss was recognised. For financial assets measured at amortised cost and available-for-sale financial assets that are debt securities, the reversal is recognised in profit or loss. For available-for-sale financial assets that are equity securities, the reversal is recognised directly in equity, unless the reversal relates to a previous permanent diminution, in which case it cannot be reversed.

(m) Property, plant and equipment

Plant and equipment is stated at historical cost less accumulated depreciation and any accumulated impairment losses. Such cost includes the cost of replacing parts that are eligible for capitalisation when the cost of replacing the parts is incurred. All other repairs and maintenance costs are recognised in profit or loss as incurred.

Gains and losses on disposals are determined by comparing the proceeds with the carrying amount. These are included in the statement of comprehensive income.

AUSTRALIAN ANIMAL HEALTH COUNCIL LIMITED
NOTES TO AND FORMING PART OF THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 30 JUNE 2016

1. SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

Depreciation is calculated on a diminishing value basis over the estimated useful life of the specific assets as follows:

	2016	2015
• Furniture and fittings	20%	20%
• Office equipment	20-33 ¹ / ₃ %	20-33 ¹ / ₃ %
• ICT	33 ¹ / ₃ %	
• Office Fitout	14.29%	

(n) Trade and other payables

Trade and other payables are carried at amortised cost and due to their short term nature they are not discounted. They represent liabilities for goods and services provided to the company prior to the end of the financial year that are unpaid and arise when the company becomes obliged to make future payments in respect of the purchase of these goods and services. The amounts are unsecured and are usually paid within 45 days of recognition.

(o) Employee benefits

Employee benefits

Short-term employee benefits

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

Other long-term employee benefits

The liability for annual leave and long service leave not expected to be settled within 12 months of the reporting date are measured as the present value of expected future payments to be made in respect of services provided by employees up to the reporting date using the projected unit credit method. Consideration is given to expected future wage and salary levels, experience of employee departures and periods of service.

Defined contribution superannuation expense

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

AUSTRALIAN ANIMAL HEALTH COUNCIL LIMITED
NOTES TO AND FORMING PART OF THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 30 JUNE 2016

1. SIGNIFICANT ACCOUNTING POLICIES (CONTINUED)

(p) New standards and interpretations issued but not yet effective

New, revised or amending Accounting Standards and Interpretations adopted

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

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

AUSTRALIAN ANIMAL HEALTH COUNCIL LIMITED
NOTES TO AND FORMING PART OF THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 30 JUNE 2016

2. Revenue

	2016	2015
	\$	\$
Revenue from members¹		
Levy Collection ²	8,360,305	7,335,196
Transfers from Trusts	898,182	-
Direct member subscriptions	2,767,644	2,642,578
Other revenue for special programs	3,578,267	5,538,939
Total revenue from members	15,604,398	15,516,713
Interest income	382,672	426,214
Other income	259,048	81,932
	16,246,118	16,024,859

¹ Member groups consist of the Commonwealth, State/Territory governments, Industry, Service Providers and Associates. AHA's core program is funded by direct Member subscriptions, and in the case of most of the Industry group of Members, from levies (see note 2). Funding for special programs is likewise funded by direct payments from Members and other stakeholders, and in the case of most of the Industry group of Members from levies.

² The Australian government collects levies from industry under the authority of the *Australian Animal Health Council (Live-stock Industries) Act 1996*. Pursuant to the Act, an amount equivalent to the levies collected by the Commonwealth is paid to AHA, from which AHA pays the Commonwealth's collection costs, its operational (core) costs and other expenditure in accordance with its annual operating plan, determined with Members. The Commonwealth Levy collections are made up of two component, levies for use by industry and EADRA Levies to repay previous EADRA events. Commonwealth Levies for use by Industry amounted to \$7.887 million and EADRA Levies for the repayment of previous EADRA event amounted to \$0.473 million (Chicken and Egg Industries).

AUSTRALIAN ANIMAL HEALTH COUNCIL LIMITED
NOTES TO AND FORMING PART OF THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 30 JUNE 2016

3. Expenses

	2016	2015
	\$	\$
Employee Benefits expense		
Salaries, wages and accrued leave entitlements	2,737,281	2,368,135
Workers compensation insurance	10,030	14,040
Superannuation - defined contribution plans	224,129	343,260
Total employee benefits expense	2,971,440	2,725,435
Administration and Program expenses		
Audit fees	29,663	31,500
Directors fees	256,226	270,541
Consultants and Contractors	8,782,224	8,805,121
Property operating	369,280	378,382
Levy collection costs	53,425	56,200
Other administration and program expenses	4,259,309	2,741,289
Depreciation and amortisation	45,484	40,564
	13,795,611	12,323,597
Transfers to Trust Funds		116,104
	16,767,051	15,165,136

4. CASH AND CASH EQUIVALENTS

	2016	2015
	\$	\$
Cash on Hand	400	400
Cash at Bank	1,656,566	9,674,263
	1,656,966	9,674,663

AUSTRALIAN ANIMAL HEALTH COUNCIL LIMITED
NOTES TO AND FORMING PART OF THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 30 JUNE 2016

5. HELD TO MATURITY INVESTMENTS

	2016	2015
	\$	\$
90 Day Notice Deposit at 2.60% p.a.	9,208,743	-
12 Month Term Deposit at 2.73% p.a.	82,180	-
3 Month Term Deposit at 2.95% p.a.	3,222,882	-
6 Month Term Deposit at 3.56% p.a.	-	5,200,000
3 Month Term Deposit at % p.a.	-	500,000
	12,513,805	5,700,000

6. INVENTORIES HELD FOR DISTRIBUTION

	2016	2015
	\$	\$
Inventory held for distribution at cost	3,651,446	3,651,446
	3,651,446	3,651,446

AUSTRALIAN ANIMAL HEALTH COUNCIL LIMITED
NOTES TO AND FORMING PART OF THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 30 JUNE 2016

7. RECEIVABLES

	2016	2015
	\$	\$
Subscriptions receivable	760,446	7,772
Receivables - special programs	614,382	1,561,105
Other receivables	-	98,440
Industry levies receivable	544,850	-
GST Receivable	69,648	-
	1,989,326	1,667,317

8. OTHER ASSETS

	2016	2015
	\$	\$
Prepayments	28,610	30,836
	28,610	30,836

AUSTRALIAN ANIMAL HEALTH COUNCIL LIMITED
NOTES TO AND FORMING PART OF THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 30 JUNE 2016

9. PROPERTY, PLANT AND EQUIPMENT

	Office Equipment	Fixtures and Fittings	IoT	Office Furniture	Total
Cost					
Balance at 1 July 2014	61,233	209,626	-	-	270,859
Additions	22,292	461	-	-	22,753
Balance at 30 June 2015	83,525	210,087	-	-	293,612
Balance at 1 July 2015	83,525	210,087	-	-	293,612
Additions	8,978	71,036	47,232	254,261	381,507
Balance at 30 June 2016	92,503	281,123	47,232	254,261	675,119
Depreciation and impairment losses					
Balance at 1 July 2014	45,188	182,906	-	-	228,094
Depreciation for the year	13,384	27,181	-	-	40,565
Balance at 30 June 2015	58,572	210,087	-	-	268,659
Balance at 1 July 2015	58,572	210,087	-	-	268,659
Depreciation for the year	8,935	5,868	11,070	19,610	45,484
Balance at 30 June 2016	67,507	215,955	11,070	19,610	314,142
Carrying amounts					
At 30 June 2015	24,953	-	-	-	24,953
At 30 June 2016	24,996	65,168	36,162	234,651	360,977

AUSTRALIAN ANIMAL HEALTH COUNCIL LIMITED
NOTES TO AND FORMING PART OF THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 30 JUNE 2016

10. PAYABLES

	2016	2015
	\$	\$
Trade accounts payable	115,724	450,050
Accrued expenses	2,559,667	751,866
GST Payable	-	168,157
	2,675,391	1,370,073

11. UNEARNED REVENUE

	2016	2015
	\$	\$
Special program receipts not yet recognised as income	2,545,367	3,783,328
	2,545,367	3,783,328

AUSTRALIAN ANIMAL HEALTH COUNCIL LIMITED
NOTES TO AND FORMING PART OF THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 30 JUNE 2016

12. EMPLOYEE BENEFITS

	2016	2015
	\$	\$
Employee Benefits	353,434	270,539
Carrying amount at end of financial year - Current	189,297	249,344
Carrying amount at end of financial year - Non-Current	164,137	21,195
a) Number of employees at year end	26	24

13. RECONCILIATION OF CASH FROM OPERATING ACTIVITIES TO OPERATING RESULT

	2016	2015
	\$	\$
Operating result	(520,913)	859,723
<i>Non-cash flows in operating result</i>		
depreciation & amortisation	45,484	40,565
Other movements	-	-
<i>Net changes in working capital:</i>		
change in inventories	-	(300,957)
change in trade & other receivables	(322,009)	(568,435)
change in other assets	2,226	10,643
change in trade & other payables	1,305,315	(1,288,064)
change in subscriptions in advance	(118,795)	(4,987)
change in unapplied special program funds	(1,237,980)	1,004,163
change in provisions	24,287	22,834
Net cash from operating activities	(822,385)	(224,515)

AUSTRALIAN ANIMAL HEALTH COUNCIL LIMITED
NOTES TO AND FORMING PART OF THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 30 JUNE 2016

14. RELATED PARTIES

a). Directors

The names of each person holding the position of Director of Animal Health Australia Council Ltd during the financial year were:

Peter Milne – Director

Bruce Christie - Director

Bill Darmody - Director

Martyn Jeggo – Director

David Palmer – Director

Helen Scott-Orr – Director

Sharon Starick - Director

b). Cattle Disease Contingency Fund Pty Ltd

The company has a 25% shareholding in Cattle Disease Contingency Fund Pty Ltd (CDCF), trustee for the Cattle Disease Contingency Fund Trust. The shareholding is in 'B' class shares meaning the company is not entitled to any dividends or capital returns. Animal Health Australia is entitled to appoint a Director and this is included in the CEO's duties. Transactions with the CDCF as trustee were as follows:

	2015	2015
	\$	\$
REVENUE		
Received from CDCF for administrative services	18,371	18,381
Special Program Funding received from CDCF	-	-
	18,371	18,381

AUSTRALIAN ANIMAL HEALTH COUNCIL LIMITED
NOTES TO AND FORMING PART OF THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 30 JUNE 2016

14. RELATED PARTIES continued

c). Honey Bee Disease Contingency Fund Pty Ltd

The company has a 33.3% shareholding in Honey Bee Disease Contingency Fund Pty Ltd (HBDCF), trustee for the Honey Bee Disease Contingency Fund Trust. The Trust vested on 30 June 2015 and the majority of the trust funds were transferred to Plant Health Australia (PHA), where from 1 July 2015 honey bee levies are to be directed in accordance with a change in legislation. Throughout the year, low value instalments of levies relating to pre-1 July 2015 continued to flow to the HBDCF. All remaining funds were transferred to PHA in June 2016 and application made to ASIC to deregister the company as defunct. Transactions with the HBDCF as trustee were as follows:

	2016	2015
	\$	\$
REVENUE		
Received from HBDCF for administrative services	8,000	12,537
Other	-	5,493
	8,000	18,030
EXPENDITURE		
Industry levy income placed on trust with HBDCF	-	116,104
	-	116,104

d). Sheep Industry Health and Welfare Pty Ltd

The company has a 33.3% shareholding in Sheep Industry Health and Welfare Pty Ltd (SIHW), trustee for the Sheep Industry Health and Welfare Trust. The shareholding is in 'B' class shares meaning the company is not entitled to any dividends or capital returns. Animal Health Australia is entitled to appoint a Director and this is included in the CEO's duties. Transactions with the SIHW as trustee were as follows:

	2016	2015
	\$	\$
REVENUE		
Received from SIHW for administrative services	8,807	5,667
	8,807	5,667

AUSTRALIAN ANIMAL HEALTH COUNCIL LIMITED
NOTES TO AND FORMING PART OF THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 30 JUNE 2016

15. COMMITMENTS

The company's future minimum operating lease payments are as follows:

	2016	2015
	\$	\$
Within one year	305,740	278,752
After one year but not more than five years ³	1,671,912	1,545,675
After more than five years ³	-	331,120
	1,977,652	2,155,547

³ Lease commitments include those for the AHA's office premises in Turner. The lease commenced 1 July 2015 and will terminate on 30 June 2022.

AUSTRALIAN ANIMAL HEALTH COUNCIL LIMITED
NOTES TO AND FORMING PART OF THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 30 JUNE 2016

16. KEY MANAGEMENT PERSONNEL

The following were directors and key management personnel of the company during the year. Unless otherwise indicated, they were in their position for the entire reporting period:

Directors:

Peter Milne – Director
Bruce Christie - Director
Bill Darmody - Director
Helen Scott-Orr – Director
David Palmer – Director
Martyn Jeggo – Director
Sharon Starick - Director

Key Management Personnel:

Kathleen Plowman - CEO
Duncan Rowland – Executive Manager
Kevin de Witte – Executive Manager (ceased February 2016)
Tony Marks – Executive Manager & Company Secretary
Peter Dagg – Executive Manager

Director and key personnel remuneration for year was **\$1,116,002** (2015: \$1,231,698)

17. EVENTS SUBSEQUENT TO REPORTING DATE

On 2 September 2016, AHA acquired a controlling interest in Livestock Biosecurity Network Pty Ltd (LBN). The LBN business has operated for three years as a pilot biosecurity extension business with funding provided by AHA (on behalf of its Sheepmeat and WoolProducers Members) and the Cattle Disease Contingency Fund. Negotiations were conducted with Cattle Council of Australia, following the independent review of LBN's operations and agreement was reached for the company to become a subsidiary of AHA with each party appointing two nominee directors, with an independent Chair of the Board appointed by an agreed process. LBN Pty Ltd had cash reserves of around \$0.9 million as at 2 September 2016, representing the surplus from the original funding agreements.

AUSTRALIAN ANIMAL HEALTH COUNCIL LIMITED
FINANCIAL STATEMENTS
FOR THE YEAR ENDED 30 JUNE 2016

DIRECTORS' DECLARATION

- 1 In the opinion of the directors of Australian Animal Health Council Limited (the company):
 - (a) the financial statements and notes, set out on pages 7 to 27, are 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 2016 and of their performance for the financial year ended on that date; and
 - (ii) complying with Australian Accounting Standards – Reduced Disclosure Regime, the *Corporations Regulations 2001* and other mandatory professional reporting requirements; and
 - (b) there are reasonable grounds to believe that the company will be able to pay its debts as and when they become due and payable.
- 2 The directors have been given declarations equivalent to those required by Section 295A of the *Corporations Act 2001* from the Chief Executive Officer and Executive Manager – Corporate & Member Services for the financial year ended 30 June 2016.

Signed in accordance with a resolution of the directors:



Peter Milne
Chairman



David Palmer
Director

Dated at Canberra, ACT this 20th day of September 2016



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AUDITOR'S INDEPENDENCE DECLARATION

As lead auditor for the audit of the financial report of Australian Animal Health Council Limited for the year ended 30 June 2016, I declare that, to the best of my knowledge and belief, there have been no contraventions of:

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

RSM AUSTRALIA PARTNERS

Canberra, Australian Capital Territory
Dated: 20 September 2016

G M STENHOUSE
Partner

- 29 -

THE POWER OF BEING UNDERSTOOD
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**INDEPENDENT AUDITOR'S REPORT
TO THE MEMBERS OF
AUSTRALIAN ANIMAL HEALTH COUNCIL LIMITED**

We have audited the accompanying financial report of Australian Animal Health Council Limited ("the company"), which comprises the balance sheet as at 30 June 2016, and the statement of comprehensive income, statement of changes in equity and statement of cash flows for the year then ended, notes comprising a summary of significant accounting policies and other explanatory information, and the directors' declaration.

Directors' Responsibility for the Financial Report

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

Auditor's Responsibility

Our responsibility is to express an opinion on the financial report based on our audit. We conducted our audit in accordance with Australian Auditing Standards. These Auditing Standards require that we comply with relevant ethical requirements relating to audit engagements and plan and perform the audit to obtain reasonable assurance about whether the financial report is free from material misstatement.

An audit involves performing procedures to obtain audit evidence about the amounts and disclosures in the financial report. The procedures selected depend on the auditor's judgement, including the assessment of the risks of material misstatement of the financial report, whether due to fraud or error. In making those risk assessments, the auditor considers internal control relevant to the entity's preparation and fair presentation of the financial report 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 entity's internal control. An audit also includes evaluating the appropriateness of accounting policies used and the reasonableness of accounting estimates made by the directors, as well as evaluating the overall presentation of the financial report.

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

Independence

In conducting our audit, we have complied with the independence requirements of the *Corporations Act 2001*. We confirm that the independence declaration required by the *Corporations Act 2001*, which has been given to the directors of Australian Animal Health Council Limited, would be in the same terms if given to the directors as at the time of this auditor's report.

- 30 -

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Opinion

In our opinion the financial report of Australian Animal Health Council Limited 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 2016 and of its performance for the year ended on that date; and
- (ii) complying with Australian Accounting Standards – Reduced Disclosure Requirements and the *Corporations Regulations 2001*.

RSM AUSTRALIA PARTNERS

Canberra, Australian Capital Territory
Dated: 20 September 2016

G M STENHOUSE
Partner

ABBREVIATIONS

AAA	Australian Alpaca Association Inc.
AAVET	Australian Government Accredited Veterinarian (Livestock) AAVet Training
ACMF	Australian Chicken Meat Federation
ADMA	Australian Duck Meat Association
AECL	Australian Egg Corporation Limited
AGM	Annual General Meeting
AHA	Animal Health Australia
AHC	Animal Health Committee
AHiA	Animal Health in Australia
AHSQ	Animal Health Surveillance Quarterly
ALFA	Australian Lot Feeders' Association
AOP	Annual Operating Plan
APAV	Accreditation Program for Australian Veterinarians
AUSVETPLAN	Australian Veterinary Emergency Plan
BJD	Bovine Johne's Disease
BSS	Biosecurity Support Services
CCA	Cattle Council of Australia
CMS	Corporate and Member Services
CPC	Cattle Production Conditions
CRC	Co-operative Research Centre
DAWR	Department of Agriculture and Water Resources
EAD	Emergency Animal Disease
EADRA	Emergency Animal Disease Response Agreement
EPPRD	Emergency Plant Pest Response Deed
FBP	Farm Biosecurity Project
FMD	Foot and Mouth Disease
GICA	Goat Industry Council of Australia
HBDCF	Honey Bee Disease Contingency Fund
HR	Human Resources
ICT	Information and Communications Technology
IGAB	Intergovernmental Agreement on Biosecurity
JD	Johne's Disease
LBN	Livestock Biosecurity Network
MAS	Market Access Services
M&E	Monitoring and Evaluation
MLA	Meat & Livestock Australia
NAHIS	National Animal Health Information System
NAMP	National Arbovirus Monitoring Program

ND	Newcastle Disease
NFAS	National Feedlot Accreditation Scheme
NJDP	National Johne's Disease Project
NLIS	National Livestock Identification System
NSDI	National Significant Disease Investigation
NSDIP	National Significant Disease Investigation Program
NSHMP	National Sheep Health Monitoring Project
OIE	World Organisation for Animal Health
PHA	Plant Health Australia
PIC	Property Identification Code
PVS	Performance of Veterinary Services
RIRDC	Rural Industries Research and Development Corporation
RRT	Rapid Response Team
S&G	Standards and Guidelines
SCA	Sheepmeat Council of Australia
SLA	Service Level Agreements
SWF	Screw-Worm Fly
TSE	Transmissible Spongiform Encephalopathy
WHA	Wildlife Health Australia
WHS	Work Health and Safety
WPA	WoolProducers Australia



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