

Performance review – summary

Context

In February 2014, Australian Pork Limited (APL) commissioned ACIL Allen Consulting to conduct an independent performance review of its operations between 2010 and 2013. The performance review's scope involved consideration of APL's efficiency and effectiveness and consultation with key industry stakeholders – including levy payers.

Independent performance reviews are conducted regularly under the Statutory Funding Agreement (SFA) between APL and the Commonwealth Government. The reviews play an important role in informing stakeholders about APL's performance and providing accountability to levy payers and Government (who provide matched funding for R&D) that APL's investments are generating value.

This is the fourth review since APL's establishment.

Key findings

Over the current review period APL has performed well against its SFA obligations. APL's governance arrangements, practices and procedures meet each of the principles required by the ASX's *Corporate Governance Principles*, and the operational structure is well aligned with the Strategic Plan. Stakeholders consulted during the performance identified a skill based and collegial board, which is supported by an efficient and effective organisational structure.

APL's Strategic Plan clearly identifies core objectives and accompanying strategies, as well as internal champions and external (intended) beneficiaries. The Annual Operating Plan (AOP) expands on and aligns with the high level direction provided in the Strategic Plan. APL's activities align strongly with National Research Priorities. There is variable performance reported against the objectives, with performance most variable in the areas that APL has lower levels of influence over actual outcomes.

APL has a mature and effective system for liaising with producers, industry supply chain, government and other stakeholders. Producer liaison is centred on membership and the delegate system, which has-to-date provided a mechanism for stakeholder and levy payer liaison. There was some concern expressed during consultations however, about APL's ability to effectively engage with smaller producers across the industry. While no evidence was cited that APL deliberately seeks to advantage or disadvantage one producer or stakeholder above another, it is important for to ensure all producers are effectively engaged by the organisation.

The performance review also found that APL is delivering benefits to industry and the community through its strategies. These benefits are not isolated to one stakeholder group; most strategies developed by APL have at least two key beneficiaries. The value of these benefits varies by project, with the examples presented indicating diverse quantified benefits that should be considered as lower limits.

Since the previous performance review, APL has successfully implemented all but two recommendations from the review, with one partially implemented recommendation potentially beyond the reach of full implementation.

Overall assessment of performance

Overall the performance review identified ample evidence that APL is meeting its obligations to Government and delivering efficient and effective results to levy payers. The performance review has identified satisfactory progress against all clauses under the SFA bar one – acknowledgement of matching funding in publications – which it is currently addressing.

There is also ample evidence to suggest that APL is a strategically focused and well organised company that is delivering quantifiable benefits to producers, industry and Government alike.

Recommendations for improvement

The review has identified four recommendations to strengthen APL and its future performance. They are:

Recommendation 1: Develop a “small producer-focused group” within or alongside the delegate system

— This recommendation aims to strengthen APL’s industry reach and accountability to all levy payers.

Recommendation 2: Ensure Key Performance Indicators (KPIs) drive the organisation but are meaningful measures of performance

— This recommendation aims to enhance APL’s ability to track and demonstrate the organisation’s progress using relevant and defensible measures.

Recommendation 3: Develop an extension map for the pork industry

— This recommendation aims to accelerate the rate at which producers can benefit from adoption of frameworks, practices and technologies.

Recommendation 4: Explore new initiatives aimed at further improving operational efficiency

— This recommendation aims to maximise the level of resources available for future investment.