29 May 2023

# Triple Bottom Line Evaluation Framework

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1. Introduction

Impact measurement and reporting is critical to making effective and impactful investments. It includes considering the positive and negative effects that an investment could potentially have on people, economy and the planet. MLA seeks to understand the social, environmental and economic impacts its investments make in the Australian Red Meat Industry as well as Australian society more broadly, including animals and the environment. MLA's statutory funding agreement requires that it invests in products and programs which seek to generate impact for the Australian Red Meat Industry stakeholders including levy payers (red meat industry stakeholders) and the Australian community (referred to as wider Australian stakeholders in this document).

Triple Bottom Line (TBL) accounting is used to describe the evaluation of performance or impact in terms of social, environmental and economic considerations. This TBL Evaluation Framework outlines how MLA measures its impacts on social, environmental and economic topics, and makes investment decisions based on these impacts. The TBL Evaluation Framework enables MLA to:

- **Enhance investment decision making:** Calculate impact systematically to assist with identifying and evaluating investment opportunities, to improve the effectiveness of the investments which MLA makes, and thereby meet MLAs Statutory Funding Agreement (SFA) requirements.

- **Track impact to industry:** Guide the TBL monitoring and reporting framework, which includes social, environmental and economic impacts and assists with tracking and monitoring the performance of various programs.

- **Report to stakeholders:** Enhance reporting to its stakeholders (including industry stakeholders and wider Australian stakeholders, in line with MLA's Statutory Funding Agreement requirements), which will in turn contribute to MLA's social license[1] for the red meat industry as well as enhancing stakeholder communication.

Figure 1 Purpose of TBL Evaluation Framework

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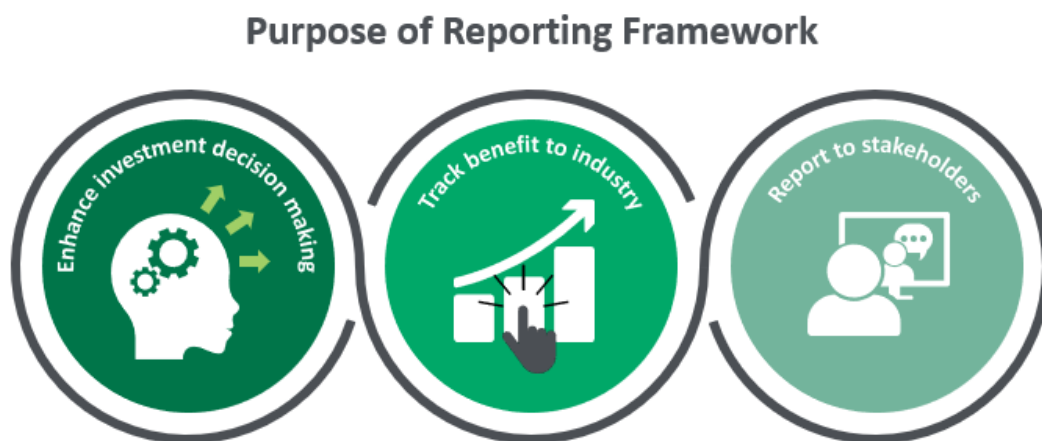
[1] "Social license" refers to the acceptance of an organisation's operations and practices by its industry and wider Australian stakeholders.

1.1. Use of Framework

This document provides an overview of MLA's approach to impact measurement and reporting, and should be used to understand:

- MLA's measurement and evaluation approach to monitor, capture and report social, environmental and economic impact.

- Principles that govern the TBL Evaluation Framework and guide MLA's approach to economic, social and environmental impact evaluation.

- MLAs approach to investment into products that address the prosperity of the red meat industry, align with the strategic intent of the Strategic Plan 2020-2025, and deliver social, environmental, and economic impact to industry stakeholders and wider Australian stakeholders, including in instances where there is a large market failure.

- Integration into an investment strategy focussed on maximising social, environmental and economic impact.

- Managing and reporting on portfolio balance considerations that are informed by potential industry benefits and are in line with MLA's Statutory Funding Agreement (SFA) Balanced Portfolio requirements.

For further detailed guidance on how to report in line with the TBL Evaluation Framework, please refer to the TBL Evaluation Guidelines document and other associated documentation.

2. Triple Bottom Line (TBL) Evaluation Framework

The red meat industry has developed an industry wide 10-year strategic plan, Red Meat 2030 (RM2030). MLA's contribution to RM2030 is outlined in the current 5-year 2020-25 Strategic Plan, which highlights six strategic priorities for MLA.

These are: **Our people, Our customers, consumers and communities, Our livestock, Our environment, Our markets** and **Our systems.**

The TBL Evaluation Framework enables MLA to deliver against the 2020-25 Strategic Plan through investments which target social, environmental and economic impacts across the 2020-25 Strategic priorities. MLA uses the TBL Evaluation Framework to understand, measure and report on the impacts of MLA activities as well as indicate where MLA has an opportunity to better address economic, environmental and social opportunities through its investments.

Each of MLA's product and sub-program investments are mapped to the TBL Evaluation Framework and selected measurement KPIs, which enable MLA to measure and report on the impacts of these investment areas and deliver upon MLA's Strategic Plan.

Figure 2 TBL Evaluation Framework shows MLA's TBL Evaluation Framework which forms the basis for evaluation of investments.

Figure 2 TBL Evaluation Framework

Triple Bottom Line Framework

How MLA contributes to economic, environmental and social impact through its investments

Our Strategic Purpose	To foster the long-term prosperity of the Australian red meat and livestock industry			Our Investment Strategy	Our strategy delivers bigger, bolder and high impact investments that make a difference to our stakeholders and the Australian community				
Our Impact Pillar	Social			Environmental			Economic		
Industry Priority	Our people	Our customers, consumers and communities	Our livestock	Our environment			Our markets		Our systems
	Thriving Regional Communities	**Healthy People**	**Respect for Animals**	**Climate Action**	**Climate Resilience**	**Productive Ecosystems**	**Industry Profitability**	**Global Competitiveness**	**Enhance Trust**
Our Intention	To provide rural and regional communities the skills, capabilities and opportunities to remain strong and economically vibrant.	To provide Australians with the information they need to make healthy, informed choices about their diet.	To provide the red meat industry with the tools, technologies and innovations to support the welfare of its animals.	To contribute to global mitigation efforts by reducing greenhouse gas emissions across the red meat industry.	To assist the red meat industry to adapt to climate variability and climate change.	To enable the red meat industry to maintain and enhance biodiversity and healthy ecosystems while minimising negative environmental impacts	To foster the productivity and profitability of the Australian red meat industry.	To support Australian red meat industry to continue to be a global market leader in red meat and livestock products.	To support trust in the Australian red meat industry through improved systems, strong partnerships, information sharing and reducing any un-necessary regulation.
Our Objectives	The red meat industry and related communities remain an attractive and innovative sector to live and work.	Australians benefit from reliable and credible nutritional information, supporting them to live a healthy life.	A red meat industry that treats its animals with respect, valuing their health and welfare.	The red meat industry achieves carbon neutrality by 2030.	Producers' livelihoods are safeguarded and community resilience to a changing climate is reinforced.	A red meat industry that remediates and enhances the natural environment.	An industry that drives industry profitability by increasing red meat demand, value adding and supply chain productivity.	Australian red meat and livestock continue to be preferred in the market segments and categories we wish to trade in	A world class integrity system that supports food safety, quality and demand for our products.

2.1. Stakeholders

The TBL Evaluation Framework defines stakeholders as those who are impacted by MLA's investments and products, this includes those who are impacted both positively and negatively by a potential investment. MLA's stakeholders are grouped into industry and wider Australian stakeholders (Australian community in general).

Stakeholders can be affected directly or indirectly through one or more product impact priority (social, environmental and economic). Products can also have more than one beneficiary group. For instance, where a red meat producer is also a member of a rural community, they may be both an industry and an Australian community beneficiary.

MLA's Statutory Funding Agreement with the Australian Government requires that it demonstrates positive outcomes and delivery of research, development, and engineering (RD&E) to both industry and wider stakeholders. MLA's TBL Evaluation Framework includes evaluation of impacts to both industry and wider Australian stakeholders. Therefore, MLA's impact measurements identify both the beneficiary and the impact priority (social, environmental and economic).

Industry stakeholders:

- **Industry**: Those who work within the red meat industry, and benefit from MLA's investments including where investments are into social and environmental outcomes. These include red meat producers (sheep, cattle, goats) and other participants down the supply chain from production including feedlotters, processors and value adders if part of a processing operation.

Wider Australian stakeholders:

- **Customers, consumers and communities:** The consumers of Australian red meat, government, trade partners, customers, rural communities, MLA's peer RDCs and general Australian society.

- **Livestock:** The livestock animals (goats, sheep and cattle) which are within the red meat industry who are impacted by on farm treatment and conditions, transportation, and processing, and whose welfare is dependent on the red meat producers within the industry.

- **Environment**: The impacts on the environment, both positive and negative, from MLA industry, including impacts on the climate, waterways, air quality and ecosystems.

For evaluation under the TBL Evaluation Framework, MLA evaluates the impact it has directly to industry stakeholders as first round impacts. MLA's TBL Evaluation Framework also includes measurement of any second round impacts which impact wider Australian stakeholders.

When evaluating impact under the social, environmental and economic pillars, an MLA investment may both impact industry and other beneficiary groups. For example, where MLA invests in the development of an animal vaccine that replaces a painful animal practice, the impacts could be:

- **Industry stakeholder**: industry economic benefits through cost savings through having healthier stock.

- **Wider Australian stakeholder**: social benefit through reducing the experience of pain by livestock.

The relative importance of environmental, social and economic impacts for different stakeholders may differ. For instance, with the example below:

- **Economic impact:** high importance for industry stakeholders, and low importance for wider Australian stakeholders

- **Social impact:** low importance for industry stakeholders, and high importance for wider Australian stakeholders

For this reason, impact types are not categorised as first or second round, or primary or secondary.

In some instances, a positive impact to the industry may negatively impact wider Australian stakeholders outside of the industry. For example, livestock productivity may increase with an intervention leading to positive economic impacts for the industry, but that same intervention may lead to negative environmental impacts, such as soil degradation. Therefore, the net positive impacts and negative impacts across beneficiary groups must always be considered.

3. Triple Bottom Line Evaluation Principles

MLA's TBL Evaluation Framework defines impact as the direct social, environmental and economic changes that occur from the adoption of MLA's products[2] which MLA influences or contributes to and are therefore attributable to MLA.

The Framework supports MLA's ability to measure where its activities seek to make a deliberate, direct, and social, environmental or economic impact. The following sub-sections provide relevant details on the core principles that guide evaluation.

3.1. Materiality

Social, environmental and economic impacts can be complex to assess. MLA relies on materiality to determine the relative significance of its impacts and, in turn, which projects to invest in. For investments made for economic benefits, product impact is grouped using a high (>$100 million anticipated impact), medium ($10-100 million anticipated impact), and low (<$10 million anticipated impact) rating. For investments in which social and environmental outcomes are the primary purpose, investment should only be made into projects that contribute significant impact in areas deemed material to MLA.

The assessment of whether a social, environmental and economic impact is considered material is determined by:

- The significance of MLA's impact (positive or negative) on the environment, society, or economy.

- The influence the impact will have on how stakeholders (both industry stakeholders and wider Australian stakeholders) perceive, assess, and make decisions related to MLA, for example how MLA's impacts influence its social license to operate (Global Reporting Initiative (GRI), 2021).

For example, GHG emissions are a material concern to MLA because wider Australian stakeholders perceive the environmental damage caused by emissions from the red meat industry to be significant enough to be a reason not to purchase or consume red meat. This, in turn, impacts MLA's ability to achieve its strategic purpose of fostering the long-term prosperity of the Australian red meat and livestock industry.

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[2] "Products" are defined as an output from a related set of individual projects that contribute to developing or delivering that product. Please refer to Path2Impact Approach section for further definition of "product."

3.2. Path2Impact Approach

MLA's TBL Evaluation Framework is based on MLA's Path2Impact approach. This approach is grounded in a Theory of Change methodology, which is a structured and systematic process for thinking through a plan to create social, environmental and economic impact. Elements of the approach are outlined below.

Figure 3 MLA's TBL Path2Impact Approach

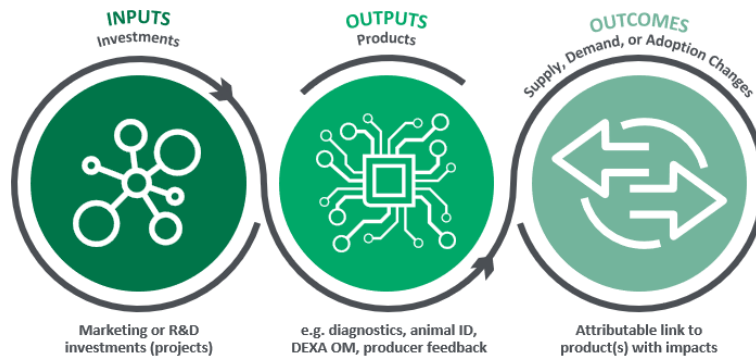|		
The Opportunity	The social, environmental, or economic issue that MLA seeks to address.	The 'why'
Inputs (investments)	MLA's investments into projects or programs. For example, marketing or R&D type investments.	The 'how'
Outputs (products)	The products that emerge as a result of MLA's investments. For example, extension programs, value propositions, marketing campaigns, or specific technologies.	The 'so what' (or intended change)
Outcomes	The attributable changes to supply, demand, commercial adoption or extension based practice change from a product.	
Impacts	The meaningful economic, social or environmental benefits, such as income changes, emission reductions, productivity increases or cost savings that occur (or are anticipated to occur) as being attributable to the outcomes.	

3.2.1. Opportunity

The opportunity or need is the social, environmental or economic issue that MLA seeks to address. MLA identifies investment opportunities by understanding potential negative and positive externalities caused by the red meat industry. MLA then considers the resulting actions MLA can take to address these externalities. Opportunities are prioritised based on materiality for social and environmental impacts and by value created or losses avoided for economic.
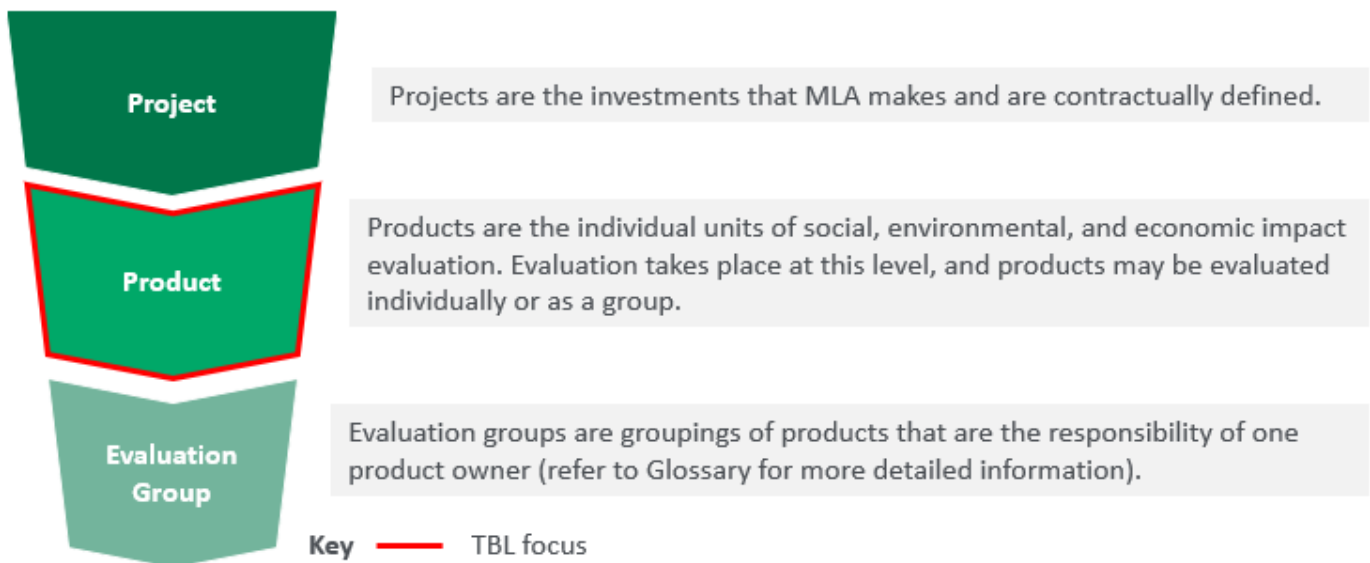
3.2.2. Inputs

Inputs are the investments MLA makes into a project or projects. Each product produced by MLA may be the result of many individual projects. For example, a vaccine may take many individual research projects to develop a final product (i.e. the vaccine).

**Figure 4 Relationship between inputs, outputs and outcomes**

INPUTS Investments — Marketing or R&D investments (projects)

OUTPUTS Products — e.g. diagnostics, animal ID, DEXA OM, producer feedback

OUTCOMES Supply, Demand, or Adoption Changes — Attributable link to product(s) with impacts

MLA **does not carry out evaluations at a project level but focusses on evaluations at a product level, which are then aggregated into evaluation groups**. Some evaluation groups (primarily for R&D investments) aggregate the adoption and impacts from many products, while other evaluation groups will usually have a few key value proposition type products underpinned by many contributing investments into projects.

Figure 5 Hierarchy of impact evaluation

Project — Projects are the investments that MLA makes and are contractually defined.

Product — Products are the individual units of social, environmental, and economic impact evaluation. Evaluation takes place at this level, and products may be evaluated individually or as a group.

Evaluation Group — Evaluation groups are groupings of products that are the responsibility of one product owner (refer to Glossary for more detailed information).

Key —— TBL focus

MLA's framework recognises that not all investments result in a product with directly attributable adoption and impacts. Hence, MLA separates investments into the following three categories:

Figure 6 Project Categories
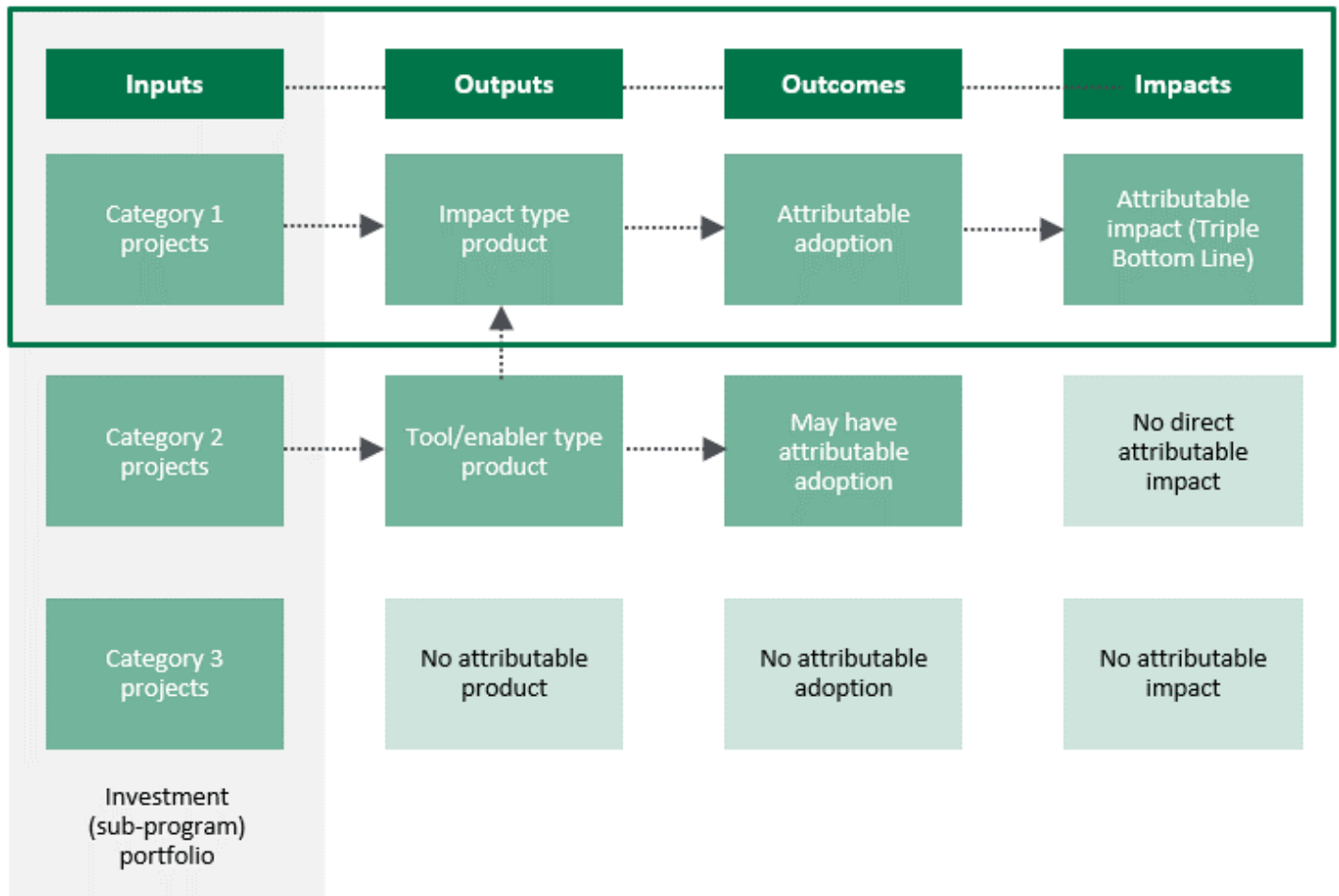
Category 1 projects

All investments that contribute to a product with attributable outcomes (supply, demand, or adoption changes) and impacts are considered category 1 investments. These products form the basis of all MLA TBL Evaluation Framework data collection and reporting.

Category 2 projects

The investment may deliver a tool/enabler that contributes to or is essential for a product that in turn delivers impact. For example, a web-based tool may support an extension program that delivers impact via practice change, or the NLIS traceability database product supports the value proposition (product) for reducing the cost of an exotic disease outbreak.

There may be measurable outcomes (supply, demand, or adoption changes) for tool/enabler products, but there will be no direct, attributable impact. Instead, these investments should be assessed on their technical success, as well as their contribution to impact type products arising from category 1 investments.

Although MLA tracks whether or not a category 2 investment contributes to a category 1 product with impact, category 2 investments are not directly evaluated by the TBL Evaluation Framework, unless these result in a tool/enabler that contributes to or is essential for a product that delivers impact.

Category 3 projects

Category 3 investments (strategic research, insight and support activities) are not product focussed and are evaluated on their technical success only. The project may be funded as an essential insight, consultation, program support or strategic activity, where no contribution to a specific impact related product can be identified.

Category 3 investments will be evaluated only on their technical success. They are not evaluated for impact and are therefore not considered within the TBL Evaluation Framework.

3.2.3. Outputs (products)

Outputs are products which result from one or multiple MLA investments. These may include new technologies, training programs that enable practice change, or marketing activities that result in consumer behaviour change. Outputs may be tangible (a physical product, such as a technology or producer extension program to reduce GHG emissions) or intangible (a value proposition or extension program such as a training for improving animal welfare, or free trade agreement resulting in increased red meat export to a country). The TBL Evaluation Framework enables evaluation of outputs with social, environmental, and economic impacts.
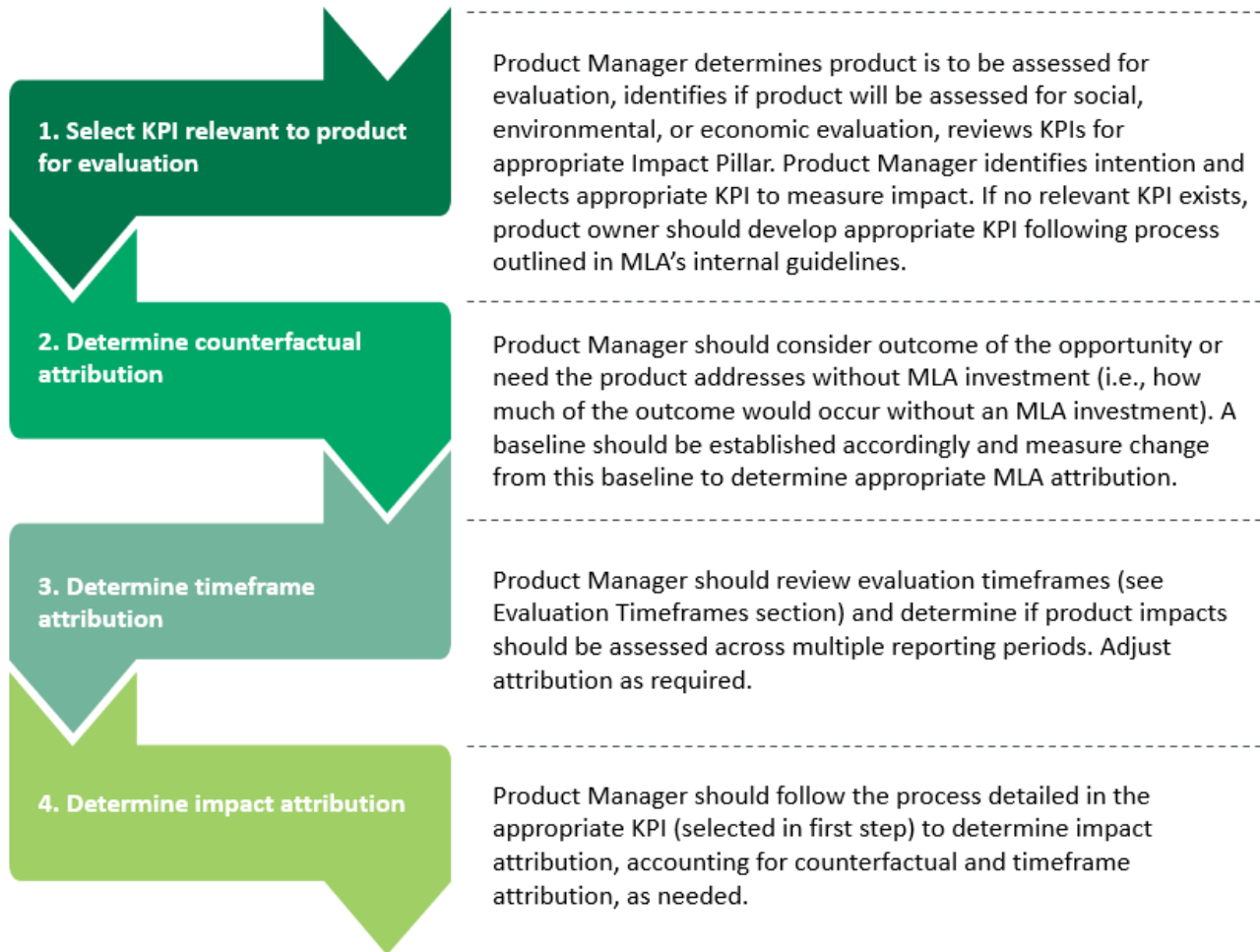
3.2.4. Outcomes

Outcomes indicate attributable supply, demand or adoption changes resulting from MLA's products or value propositions and are relevant for category 1 and some category 2 projects (if the investment results in a tool/enabler product that contributes to or is essential for a product that delivers impact). By definition, all category 1 projects have attributable supply, demand, or adoption changes. However only some category 2 projects have attributable supply, demand, or adoption changes.

Outcomes are the results that occurred as a consequence of, or are attributable to, MLA's activities. Attribution is dependent on the product and its relevant KPIs.

Attribution may be considered based on:

1. Impact attribution: How much of the impact was caused by or contributed to by MLA?

2. Timeframe attribution: How is the impact accrued across reporting periods?

3. Counterfactual attribution: How much of the outcome would have occurred if not for MLA's investment?

Figure 7 Determining attribution

Step	Description
1. Select KPI relevant to product for evaluation	Product Manager determines product is to be assessed for evaluation, identifies if product will be assessed for social, environmental, or economic evaluation, reviews KPIs for appropriate Impact Pillar. Product Manager identifies intention and selects appropriate KPI to measure impact. If no relevant KPI exists, product owner should develop appropriate KPI following process outlined in MLA's internal guidelines.
2. Determine counterfactual attribution	Product Manager should consider outcome of the opportunity or need the product addresses without MLA investment (i.e., how much of the outcome would occur without an MLA investment). A baseline should be established accordingly and measure change from this baseline to determine appropriate MLA attribution.
3. Determine timeframe attribution	Product Manager should review evaluation timeframes (see Evaluation Timeframes section) and determine if product impacts should be assessed across multiple reporting periods. Adjust attribution as required.
4. Determine impact attribution	Product Manager should follow the process detailed in the appropriate KPI (selected in first step) to determine impact attribution, accounting for counterfactual and timeframe attribution, as needed.

Impact attribution

Impact attribution should be adjusted in situations where impact is not all attributable to MLA and should be adjusted based on MLA's involvement in delivering the impact. To avoid double counting across organisations, where non-MLA organisation(s) have been involved or where MLA is contributing to part of the investment, but other organisations have also contributed, impact should be adjusted accordingly.

Excluding this attribution adjustment is optional when reporting, as in some cases the overall return from a product regardless of the source of the funding may need to be reported.

Timeframe attribution

In some cases, product impacts may be derived from investments across multiple reporting periods. Hence impacts may need to be reallocated via an attribution percentage, so that these better relate to the investment costs.

Specific examples of the above include:

- If further MLA investment occurs after the current 5-year period, then the attribution should be adjusted accordingly. This allows impact from long term R&D projects to be allocated over multiple periods according to their relative investment in each period.

- If some MLA investment was made in a prior 5-year impact assessment period, then this must also be considered in the attribution percentage. An exception is when the impact from this product was not included in the prior period, and hence all impacts can be included in the current time period.

- Where MLA measures impact from an on-going sub-program such as Domestic Marketing, International Marketing, Integrity Systems etc, the impact assessment includes a counterfactual assumption of terminating funding at the end of each assessment period. If some residual impact will still occur (as a carryover) in the next 5-year period despite termination, then this will need to be subtracted from the next 5-year impact assessment period so as to avoid double counting. This is done via adjusting the fiscal year attribution percentage.

- Where MLA invests in a long-term product such as the PDS extension program, regular evaluations of the fiscal year specific adoption and impact of specific projects are carried out. These are then aggregated within a particular 5-year or other selected impact assessment period.

The above approaches address the significant challenge for the evaluation of long term, on-going and cumulative investments which make it difficult to compartmentalise the impacts between assessment reporting periods.

This is especially the case where many outcomes and impacts are the result of a continuum of activity that could involve a timeframe of up to 30 years.

Investment decisions should be made by considering a 'whole of life' impact, rather than their impact over a single impact assessment period.

Counterfactual attribution

A counterfactual is an assessment of what would have happened to the social, environmental or economic need/opportunity in the absence of a MLA product, or if a participant had not participated in a program in the instance of MLA's extension programs.

Counterfactuals determine how much of the outcome would have occurred without MLAs investment, and therefore how much of that change in a social, environmental or economic need has occurred as a result of MLA, and therefore is attributable to MLA.

A counterfactual may include:

- A continuation of current practices and trends. For example, maintaining current employment levels within the industry.

- Deterioration of the current situation. For example, deterioration in environmental conditions on-farm which make parts of Australia unable to be used for cattle grazing.

For both above, the counterfactual baseline is interpreted as business-as-usual outcomes that could be reasonably expected if current industry/global trends continued out to 2045.

MLA investments may determine the counterfactual by comparing the outcomes for a treatment and control group, which randomly assigns participants who receive access to the MLA product and compares their outcomes to those that have not received access to the product.

3.2.5. Impacts

The impact from a product is the direct and meaningful social, environmental or economic change that occurs (or is expected to occur) because of investment into a product. Assessing impact is the core purpose of the TBL Evaluation Framework and enables MLA to report to its stakeholders on the value MLA adds to its industry stakeholders and wider Australian stakeholders. To meet MLA's reporting requirements, MLA reports the impact on industry stakeholders and the impacts to wider Australian stakeholders separately.

3.3. Evaluation timeframes

The TBL Evaluation Framework enables the evaluation of investments across an investment program's entire lifecycle as well as for any other period. When calculating impact for a certain period, this ensures that impacts are not double counted and that investment costs taken up in previous fiscal year reporting periods are not accounted for in the current period.

The following diagram demonstrates the difference between a continuous assessment and MLA's 5-year impact assessment period.

Figure 8 Evaluation Timeframes
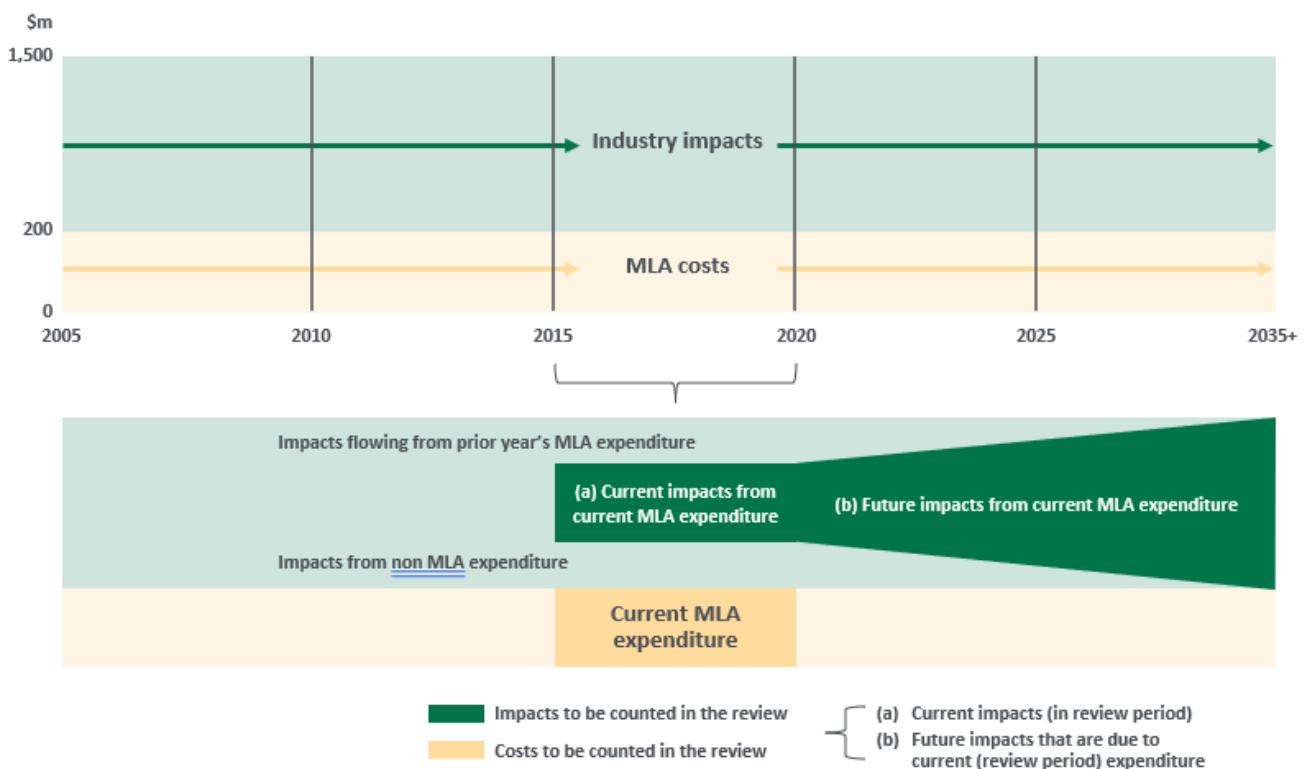
The following should be considered in light of the evaluation timeframes:

- TBL evaluations must be linked to specific fiscal years for reporting and aggregation (Current fiscal year time range for impact measurements is from 2014 to 2045).

- Category 1 and 2 projects and their annual past, present and planned fiscal year costs should be linked to the relevant products to allow product level reporting of costs versus impacts.

- In some cases, a product may also have sub-products linked to it, which can then be aggregated to a cumulative value for that primary product.

3.3.1. Adjusting for technical and adoption risk

In line with the CRRDC methodology, adjustment of the maximum or optimistic outcomes may be required for technical and adoption risks.

A technical and adoption impact risk factor should be applied for each product as part of its project approval and management processes. This can assist with prioritising evaluations, given that only a small number of products will return medium or high impacts (<10-20% of investments for some investment programs).

What are the technical risks?

Technical risk is the probability of successful delivery of a product arising from the category 1 investment. It is primarily linked to the successful delivery of the contracted project milestones, together with a successful adoption pathway.

If there is high technical risk, project managers can nominate a percentage risk factor to reduce the likely impact, adjust the adoption profile downwards, or defer inclusion of the product adoption and impacts until the technical risks have either been addressed or better understood.

What are the adoption risks?

The expected level of TBL evaluation impact will depend on the level of supply, demand, or adoption changes (outcomes) from that investment. This is based on:

- What is the maximum potential impact or opportunity if there was 100% adoption of the investment?

- What is the likely level of adoption given adoption constraints (such as availability of competitive products or any implementation barriers)?

Specific considerations should include:

- What percentage of the industry or sector is the product applicable or available to?

- What percentage of the industry or sector is likely to adopt the product?

- What is the time between the product being developed and the actual adoption of the product?

3.3.2. Requirements for ex ante and/or ex post evaluation

Ex ante and/or ex post evaluation is applicable to all products arising from a Category 1 investment (i.e. those investments that contribute to a product with attributable adoption and impact).

This includes products that were expected to deliver adoption and impact but are terminated or unsuccessful. These are rated and reported at zero adoption and impact.

Ex ante and/or ex post evaluation approaches

Evaluation approaches will vary from a simple in-house assessment of adoption and impact to a complex, out-sourced evaluation funded as a separate MLA project.

Criteria that should be considered in selecting an evaluation approach include:

- **Independence and objectivity.** It is not recommended that evaluation be carried out by the product service provider or commercialiser who delivered the program, as they may be seen to lack objectivity and independence.

- **Size of the product** investment and/or the scale and importance of the likely adoption and impact.

- **The skill set and resources required for evaluation**. In some cases, specialist external consultants are recommended and appropriate, especially where MLA does not have adequate internal resources to carry out evaluation.

- **Product types**. Differing evaluation approaches may be needed for different product types, noting that separate evaluation steps may be needed for adoption and impact evaluation steps. For example, an external consultant may assess the likely impact from the sale of a technology, but adoption data may be collected from business plans and/or sales reporting.

Timing for ex-ante and/or ex-post evaluation

As a general principle, ex-ante evaluation should be carried out as soon as possible within the development and delivery path of the product. The following criteria should be considered in doing so.

- If a product has impact claims, then an independent ex ante evaluation may be appropriate to validate these claims. This is especially applicable to large potential investments and/or large potential impacts. This can occur as a milestone in the contract schedule if timing or funding is an issue for the independent evaluation. Funding and planning for an ex-post evaluation should also be considered either at the end of the investment or at project completion.

- In some situations, it may be necessary to delay an initial evaluation until the product is further developed.

- For some products e.g. producer adoption extension programs, evaluation is based on a continuous collection of ex-post adoption data, with some ex ante extrapolation of likely adoption data for future years.

- Where products are based around demand creation or managing downside risks for on-going sub-programs such as Integrity Systems, Marketing and Live Exports, evaluation will be based on complex modelling. Typically, these models are outsourced to specialist consultants and will be updated on an annual evaluation cycle.

4. Integrating the Triple Bottom Line Framework

MLA's evaluation framework is closely linked to MLA's planning processes and MLA Key Performance Indicator (KPI) approach. The following diagram illustrates the key planning components which are inputs to the business planning process for our products.

Figure 9 MLA Business Plans

4.1. Business planning

Delivery of the MLA strategic plan is based on a detailed rolling 3-year business plan for each sub-program. These are updated annually, by adding an additional year and removing a past year.

While these business plans are primarily for internal use, summarised content from these plans is the source for MLA's public Annual Investment Plan (AIP).

4.2. KPI Reporting

Sub-program business plans provide detailed annual outcome and TBL evaluation KPI's, aligned with MLA's TBL Evaluation Framework Guidelines and its Path2Impact program logic.

Some KPI's are selected for inclusion in the AIP, with progress against these reported regularly.

The KPIs are cascaded downwards into each MLA staff members personal performance templates, enabling alignment between the high level RM2030, MLA's Strategic Plan, MLA's business plans and staff performance plans. This ensures that all levels of MLA focus on delivering a Path2Impact outcome.

4.3. Guiding Investment Decisions

Figure 10 MLA's Investment Decision Tree
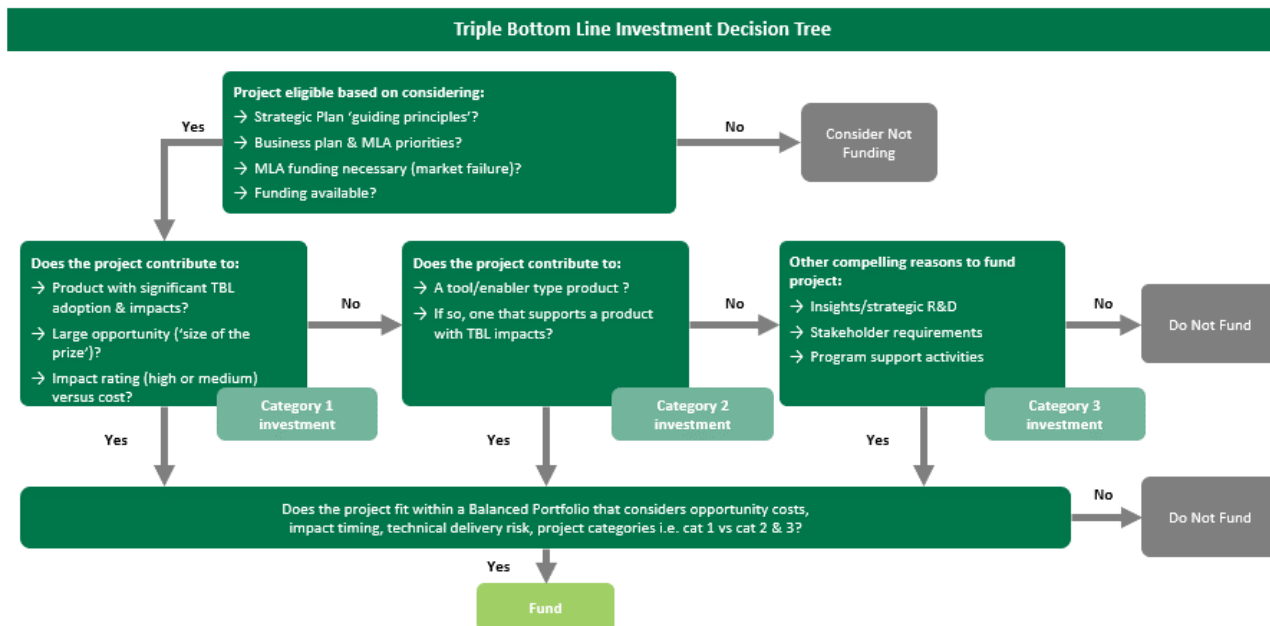
The impact of an investment made by MLA is considered during its investment decision-making process. As shown in Figure 10 the key point during the decision-making process where Triple Bottom Line impact influences the decision is in step two where the project is considered for its TBL adoption and impacts and is assigned an impact rating.

When assessing products for funding eligibility, MLA currently considers the following criteria:

- Alignment to MLA's strategic objectives, as articulated in its Strategic Plan, Business Plans, and red meat industry priorities outlined in Red Meat 2030.

- Whether funding from MLA is necessary to address a market failure.

- Funding availability.

When assessing if MLA should fund a Category 1 investment, it currently considers the following criteria:

- Contribution of investment towards a product with significant Triple Bottom Line impact.

- Scale of the opportunity.

- Impact rating relative to cost.

MLA is currently further formalising the above investment evaluation process which is used to assess potential investments against their potential to create impact. This includes refining MLAs investment strategy to further target investment towards greater positive impact.

5. Glossary

5.1. Evaluation Groups

Evaluation groups represent MLA's primary unit of economic, social and environmental impact evaluation. An evaluation group is defined as the lowest level of aggregation that describes how one or more of MLA's sub programs generate a specific industry impact and how this impact translates into impact for the red meat industry. In most instances, this is the product level. As a guiding principle, sub-programs are linked to those evaluation groups where impact from their investments can be measured.

Evaluation groups have been selected based on:

- Their ability to measure attributable impact (requiring in some cases programs and sub-programs to be grouped together).

- Their ability to be compared to previous MLA 5-year impact assessments.

- A consistent evaluation methodology for estimating adoption and impact within that evaluation group.

While an evaluation group will often relate to measuring impact from just one sub-program, in other cases this is not possible because:

- Some sub-programs contribute to multiple evaluation groups e.g. Animal Wellbeing and Nutrition sub-programs contribute to supporting red meat consumption within the Domestic Marketing sub-program.

- Some sub-programs support all of MLA activities e.g. Corporate Services or Communication (Stakeholder) sub-programs.

- Some programs are combined under the one evaluation group as adoption or impact data is not always able to be allocated to one sub-program e.g. Digital Agriculture and Livestock Genetics are included under Productivity (On Farm).

5.2. Ex ante and ex post evaluation

Ex ante and ex post analysis refers to the timing of TBL evaluations either before or after a product is developed. The key difference between ex ante and ex post analysis is:

- Ex ante refers to TBL impact evaluations, using best estimates and assumptions available to MLA, prior to significant investment occurring for that product. It is expected that over time, an ex ante analysis will be updated with actual data to become ex post evaluation.

- Ex post refers to evaluations made later within or post investment completion. It includes updated assumptions and actual outcome and impact data collected using the TBL Evaluation Framework. However, given that MLA extrapolates adoption profiles up to 2045, most ex post evaluations will contain some ex ante adoption projections.

5.3. Externalities

Externalities are the positive and negative impacts caused by the red meat industry that are not financially accounted for.

5.4. Sub-program(s)

Sub-programs represent the lowest level of MLA structure for business planning and financial reporting. MLA staff and business units are mapped to these 31 sub-programs. Changes in business unit structures do not affect evaluation, business planning or reporting at the sub-program level.

Sub-program investments are aggregated into programs or further disaggregated into projects, each of which represents a single funding amount and one or multiple contractual deliverables. Investment funding decisions are primarily made on a project-by-project basis.

Sub-programs have one or more designated senior managers reporting to the business unit general manager.

5.5. Responsible Product Manager(s)

A Product Manager is responsible for measuring supply, demand, or adoption changes as well as impact. In some cases, the Product Manager may be the same person as the Project Manager.

5.6. Responsible Project Manager(s)

A Project Manager is responsible for the technical success of an investment. This includes contracting and delivery of milestones as well as any evaluation related deliverables within that project. They may or may not be also in charge of any products related to that investment.

6. Compatibility with CRDC Evaluation Framework

MLA's TBL Evaluation Framework is fully compatible with, and in many cases exceeds, the requirements set down in the 2018 CRDC Evaluation Guidelines V.2 and 2018 Cross RDC Evaluation Procedures V2.1 documents.

The key steps and requirements in the CRDC process that relate to this framework are:

- Define the project or project 'groups'.
- Identify and value research inputs.
- Identify research outputs.
- Define a counterfactual or baseline (the without investment scenario).
- Identify, quantify and value outcomes for supply, demand, or adoption changes.
- Estimate adoption.
- Identify and value impacts.
- Estimate attribution.
- Synthesis and interpretation.

7. Revision History

Version	Description/Reason for amendment	Date Approved	Approved By
1	Development of document	July 2022	KPMG
2	Addition of social and environmental factors	August 2022	KPMG/MLA
3	Formatting and clarification changes	September 2022	KPMG/MLA
4	Minor changes and sign off for release	7 October 2022	MLA
5	Minor changes for MLA website	29 May 2023	MLA