

AWI Return on Investment

2013/14 to 2015/16

April 2016

AWI Evaluation Group

Key Points

In September 2015 AWI CEO, Stuart McCullough, convened an evaluation group to, by April 2016, determine the return to Australian woolgrowers from all investments made by the company over the 2013-16 Strategic Planning period. In doing so it was envisaged that:

1. Performance against the 2013-16 AWI Strategic Plan could be assessed prior to moving into the next Strategic Planning period.
2. An objective assessment of returns to Australian woolgrowers could be made to support the estimated return to woolgrowers made by Deloitte Private in their 2012-15 *Review of Performance*.
3. Development of evaluation techniques and skills across key AWI staff could be supported.

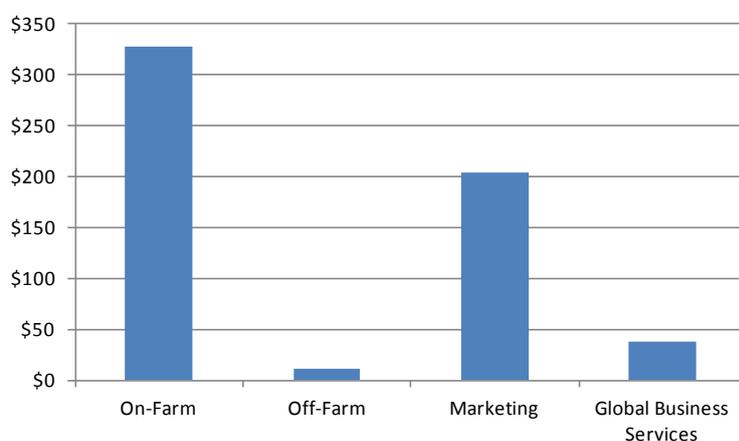
The AWI 2013/14 to 2015/16 Strategic Plan had 14 Strategies and 37 Programs across four portfolios (On-Farm, Off-Farm, Marketing and Global Business Services). In 2015 changes were made to Strategies 7 and 9 to enable a better focus on building relationships with major retail and brand partners. As a result, a number of programs were consolidated, leaving 33 investment programs across the organisation. Of these, 13 were aimed at delivering direct benefits to Australian woolgrowers. These 13 programs are considered in this report.

To ensure robust estimates were derived it was necessary to undertake a number of surveys to support other evaluation reports and data held by the organisation.

Over 2013/14 to 2015/16 it was estimated that AWI will have invested \$225m dollars on behalf of Australian woolgrowers, or \$215m in present value terms.

On this AWI investment it was estimated that \$580.9m¹ will be realised by Australian woolgrowers into the future. A breakdown of benefits by portfolio is presented in Figure 1.

FIGURE 1: ESTIMATED BENEFITS TO WOOLGROWERS: \$M



The benefits generated from AWI's total investment over 2013/14 to 2015/16 represents a return of **\$2.70** on every dollar invested.

¹ Includes a provision for interest, rent, royalties and sales of goods.

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Terms of Reference

In September 2015 AWI CEO Stuart McCullough convened an evaluation group to, by April 2016, determine the return to Australian woolgrowers from all investments made by the company over the 2013-16 Strategic Planning period.

The evaluation Group comprised of Rebecca Kelley (UK office), Alex Lai (Hong Kong office), Jeff Ma (China office), Francesco Magri (Italy office) and David Collins (BDA Group). Considerable support was also provided by many other AWI staff, including Pat Murray (survey design and execution) and Marcus Majaas (development of Woolrich Survey). David Collins was responsible for overseeing the evaluation and compiling this report.

In completing this assignment the Evaluation Group completed a number of surveys and collected data directly from AWI partners to complement existing data held across the organisation. As a result, valuable insights have been gained into the nature of benefits realised and suitable approaches developed to demonstrate impacts. Where possible, these insights have been used to support development of targets for the 2015/16 to 2018/19 Strategic Plan and the on-going evaluation of AWI investments by AWI staff.

While considerable input has been made by AWI staff towards individual Program evaluations, BDA Group consultants have acted to provide an independent audit of assumptions made. On this basis, the assessment presented here can be regarded as both objective and independent. A key target of AWI's Measurement and Evaluation work over 2015/16 was to internalise Program evaluations. We believe the organisation is well on the way to achieving this target and this should remain the priority for evaluation services over the next strategic period.

Evaluation Approach

This report is focussed on the return to woolgrowers and necessarily considers only those strategies and programs that sought to have a major and direct impact on the profitability and sustainability of wool growing in Australia.

In the following section a brief summary of the investment logic that underpins evaluation methods is provided. Following this, individual program evaluations are presented by portfolio.

Investment Logic

AWI's objective is to enhance the profitability, international competitiveness and sustainability of the Australian wool industry. This is achieved by investing in research and development, extension, service provision and marketing activities to influence the cost and productivity of inputs used across the wool supply chain and the consumer preference for Australian wool.

In Figure 2 a summary of AWI's investment logic across the wool supply chain is provided. AWI investment is based on changing the levers and sub-levers that influence the drivers of business profitability (on-farm and processing) and the availability, of and preference for, Australian wool across consumers throughout the world.

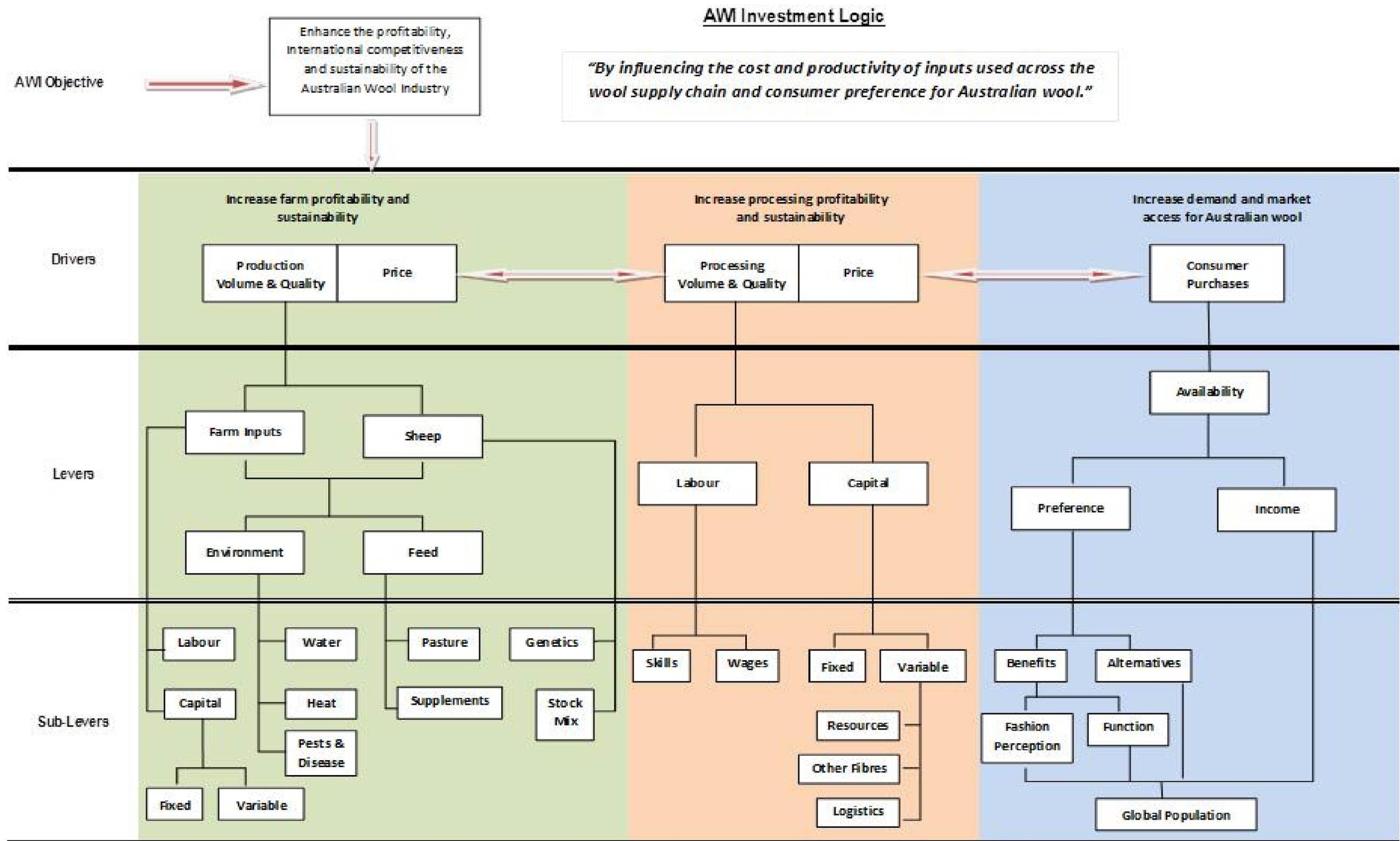
Australian woolgrowers capture benefits from AWI investment through:

- Changes in on-farm input costs and productivity that result in increased operating profits.
- Changes in wool processing input costs and productivity that increase processing profits. A more profitable wool processing sector enables a more competitive product to be offered to consumers, thereby increasing the demand for Australian wool. In turn, this puts upward pressure on prices back through the wool supply chain.
- Changes in consumer preference for Australian wool that increases consumer purchases – that is, increases final demand. Increased demand for Australian wool puts upward pressure on prices back through the supply chain.

AWI also invests in a range of services on behalf of woolgrowers, such as in fibre advocacy, demonstrating eco-credentials and provision of market intelligence. While these services provide no direct financial gain to Australian woolgrowers, AWI seeks to ensure that they are provided on a cost effective basis.

In this report no attempt has been made to separate out the cost of providing such services on behalf of Australian Woolgrowers, and as such the estimated return on investment (\$2.70 to one) will be understated.

Figure 2: AWI Investment Logic to Generate Return to Australian Woolgrowers



Strategy 1: Program 1: Parasites and Diseases

Program Purpose

The purpose of this program was to address animal welfare concerns and to reduce costs, production losses and biosecurity impacts arising from parasites and diseases. A major focus of AWI's investment was on consolidating parasite extension tools into one tool to increase accessibility.

Targets

There were 3 targets set.

1. Increase scientific knowledge.
2. 5% reduction in economic losses from breech strike across 20% of woolgrower – delivering a \$0.7m a year gain.
3. A 20% increase in adoption of best practice worm control – delivering a benefit of \$22m a year.

Investment

Investment in this program was around \$5.5m over three years with a staff allocation of 3.8 fte (full time staff equivalent).

Benefits Generated

The program has delivered gains to the industry as a result of adoption of best practice control recommendations. While the investment has also yielded valuable scientific information, this has not resulted in any direct economic benefit to woolgrowers at this stage.

- Wormboss – 16% of sheep producers have adopted recommendations with 13% of all sheep producers realising an average financial gain of \$2,000 each or \$6.2m a year across the industry.
- Flyboss – 6% of sheep producers have adopted recommendations with 5% of all sheep producers realising an average financial gain of \$3,900 each or \$4.7m across the industry

Data Sources

A sample survey was undertaken in March 2016.

Payoff

The payoff to Australian woolgrowers from AWI investment over 2013-16 was estimated at \$43m in present value terms. This is a solid return to woolgrowers.

Summary

Targets largely achieved (\$10.9m against \$22.7m). Most sheep producers are aware of Wormboss (87%) and Flyboss (59%) and hence scope for future adoption of these tools might be limited.

Strategy 1: Program 2: Wild Dogs

Program Purpose

Since 2011 AWI has taken a lead role in providing direct support to wild dog management groups where the investment is focussed on broad community control across neighbouring landowners. The purpose of this investment is to reduce the economic, social and welfare impacts of dog predation on wool growing businesses.

Targets

The key targets sought under the 2013-16 Strategic Plan were to support the establishment of 12 new community groups each year (36 over three years) and support 22 active groups each year (66 over three years).

Investment

Over the three years of the current Strategic Plan AWI investment will total \$6.8m, including just over 1 fte allocated each year.

Benefits Generated

The number of groups supported has well exceeded plan targets. The benefit per woolgrower was estimated at \$10,700 each year, with benefits maintained for 2 years for established groups (after which time the AWI investment is considered a subsidy) and 7 years for new groups.

Data Sources

The 2012 evaluation by BDA Group was used to estimate woolgrower numbers participating in AWI supported community groups – (3,260 in total). AWI regularly collects data from groups on the extent to which sheep mortalities have been reduced and results were consistent with previous studies (including an ABARE 2015 report on Wild Dog Management).

Payoff

The pay off to Australian woolgrowers from AWI investment over 2013-16 was estimated at \$98m in present value terms. This is a solid return to woolgrowers.

Summary

By the end of 2015/16 it is expected that AWI would have well exceeded targets with support provided to the establishment of 109 new community groups and 126 established groups. It is unlikely that the cost per group will decline to zero by 2017 and AWI will need to ensure on-going support does not become a direct subsidy to woolgrowers.

Strategy 1: Program 4: Genetics and Genomics

Program Purpose

Investment in this strategy was aimed at delivering technologies and practices that will enable rates of genetic progress to be increased in the future. More short term based objectives included reducing input costs and increasing productivity gains from use of available genetic benchmarking technologies.

Targets

The first target was to increase the use of genetic benchmarking by 5% a year across stud breeders.

The second target was based on an assumed increase of 6% in the current rate of genetic gain across the industry, with an assessment made over 2013-16 as to what increase might be achievable.

Investment

Over 2013-16 AWI invested some \$5.5m in this program, including a staff allocation of 3.6 fte.

Benefits Generated

It was not possible to determine if there had been any increase in the rate of genetic gain achieved by the industry over the Strategic Planning period. No evidence has been obtained to demonstrate that higher rates of genetic progress can be made by commercial wool growers based on whether or not they source rams from studs using either traditional selection methods or Australian Sheep Breeding Values (ASBVs). Potential increases are possible from use of genomic products, but these will need to be commercialised beyond 2016.

Gain from participation in MerinoSelect and other benchmarking methods was estimated at approximately \$2.50 per animal included in benchmarking by a stud. It was assumed that there are around 500,000 potential stud animals a year that could be included in benchmarking, with MS accounting for around 130,000 (26,000 rams sold each year). Apart from MS, there was a 6%, 7% and 5% increase in benchmarking in 2013/14, 2014/15 and 2015/16 respectively. Total benefits were estimated at \$1.2m.

Data Sources

BDA Group 2015 evaluation, AWI Annual reports, Sheep Genetics and AWI staff.

Summary

While longer term increases in the rate of genetic progress might be achieved with continued investment in genomics, AWI needs to assess what this increase might be and also to consider how MS might operate on a commercial basis.

Strategy 1: Program 5: Reproduction

Program Purpose

The purpose of this program was to invest in the extension of the Life Time Ewe Management (LTEM) training program to Australian woolgrowers to assist them achieve higher lamb weaning (NLW) rates.

Targets

Targets set were to, by 2017, enable a 10% increase in weaning rates across 9m ewe joinings a year, subject to a maximum additional cost of \$2 per ewe.

Investment

AWI invested around \$2.5m over three years with a staff allocation of 1.5 fte.

Benefits Generated

The average increase in NLW achieved by 2013 was 11% and subsequent survey results have indicated that since 2013/14 lower gains have been achieved, mainly as a result of woolgrowers achieving higher rates prior to their involvement with LTEM. Gains for 2013/14 and 2014/15 onwards are estimated at 81% and 48% of the 2013 gain respectively. The average ewe flock size was estimated at 3,000 ewes. Benefits per farm were estimated at \$22,495 for 2013/14 participants and \$13,331 for participants in later years. Over the three years of the Strategic Plan 1,530 woolgrowers participated in the program.

Data Sources

BDA Group BCA 2012 evaluation assumptions were used and updated with more recent survey results undertaken by AWI and RIST.

Payoff

The total benefit to Australian woolgrowers was estimated at \$121m in present value terms.

Summary

This program has delivered significant benefits to Australian Woolgrowers. While the increase in NLW has fallen below 10%, substantial gains have still been achieved. The average cost per ewe was estimated at around \$10. Since the beginning of the program the target of 9m ewes has been achieved with 4.6m added over 2013/14 to 2015/16.

Strategy 2: Wool Harvesting and Quality Preparation

Program Purpose

The intent of this investment program was to support shearer and wool handler training in order to lift shearing productivity and the quality of prepared fleeces. AWI support complements broader shearer and wool handler training initiatives by TAFEs with the provision of in-shed training activities.

Targets

Three targets were set under the 2013-16 Strategic Plan.

1. Meet or exceed Codes of Practice requirements.
2. Increase shed productivity by, on average, four sheep per run by 2017 across shearing contractors.
3. Cost per person trained remains constant in real terms.

Investment

AWI invested \$7.2m over the years 2013/14 to 2015/16 with a staff allocation of 7.8 fte.

Benefits Generated

Benefits have been estimated for 2012/13 and extrapolated over the current evaluation period. The benefit to industry was estimated at \$3,630 per shearer trained (present value terms). Numbers trained in 13/14, 14/15 and 15/16 (preliminary) were 2,269, 2,490 & 1,500 respectively.

Data Sources

Survey of shearers who have completed the AWI training course included in the BDA Group 2014 benefit cost analysis.

Payoff

The total benefit to Australian woolgrowers was estimated at \$21.7m in present value terms.

Summary

Target 1 was not formally assessed because the estimation of meeting target 2 also considered the quality of prepared fleeces. The achieved increase in productivity was also accompanied by an increase in fleece quality – but this gain was not qualified. Target 3 has been achieved.

Target 2 has not been met. The estimated increase in productivity was estimated at 3 sheep per day.

It is recommended that AWI should continue to collect annual impact data from shearers trained through the AWI program using the developed survey approach. Consideration should also be given to collecting impact data from woolgrowers, possibly in conjunction with shearer contractor associations.

Strategy 3: Program 1: Managing the Resource Base

Program Purpose

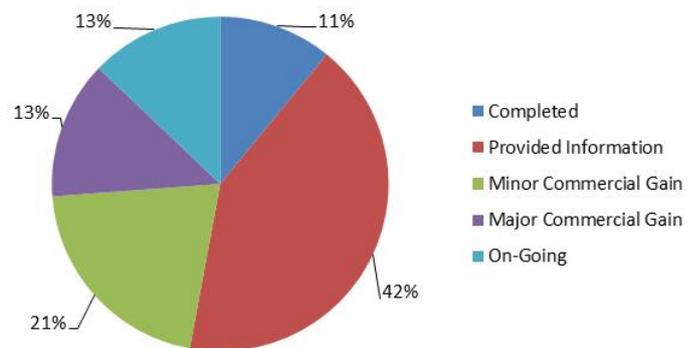
The investment intent was to increase the profitability of wool growing through utilisation of the feedbase with concomitant environmentally neutral or positive outcomes.

Targets

This Program sought to achieve an increase in stocking rate of 2 to 4 dse per ha across 50,000 ha.

Investment

Project costs of \$5.0m were invested over the three years. A review was undertaken by the Management team and a breakdown of outcomes achieved is shown. Some 13% of funds were invested in projects that delivered a major commercial gain to the industry.



Benefits Generated

Benefits have been generated across two major projects – Evergraze VI (the final phase) and Farm300.

Evergraze Generated \$50 per ha across 720 participants that made on-farm changes – across an average of 100ha per farm, and of these 216 were predominately sheep farms. Benefits estimated at \$2.9m, in present value terms.

Farm300 AWI contributed 10% of costs so 10% of benefits attributed to the investment. Benefits estimated at \$1.4m, in present value terms - along with a reduction of 3kt CO₂e.

Data Sources

Both Evergraze and Farm300 were evaluated by external agents at their conclusion.

Payoff

Total benefits to Australian woolgrowers generated are estimated at \$4.3m.

Summary

We have concluded that the Strategic Plan targets set under this program have been met. Perennial pasture area under Evergraze was estimated at 22,000 ha and the rest would likely be realised under Farm300.

Strategy 4: Program 1: Grower Skills Capacity

Program Purpose

This program was intended to provide an effective extension infrastructure to support woolgrowers in accessing information to support their decisions regarding technology adoption or practice change. The program also supported skill development across young woolgrowers and women and provided contact points with the industry through a number of forums and road shows, direct mail and other e-learning and electronic media.

Targets

Five targets were set under this program. Most of these targets were operational in nature with the key value target being the realisation of an average cost saving of \$700 per participating woolgrower in the AWI supported extension networks.

Investment

Over the 2013-16 Strategic Planning period AWI has invested a total of \$5.9m with an allocation of 2.3 fte.

Benefits Generated

Feedback from participants indicates that across the 9,000 woolgrowers involved with AWI supported networks, an average cost saving of \$2,546 per participant has been realised. This gain represents the value of their participation or the cost that they would have otherwise incurred to access information to support their decision making over and above their cost in attending and their time to do so. The cost to growers and others of participating in network activities is estimated at \$570, giving a net gain of \$1,976 per participant.

Data Sources

Since 2014 exit surveys have been used to estimate the average cost saving to participating woolgrowers.

Payoff

Total benefits to Australian woolgrowers were estimated at \$38m in present value terms. While this evaluation focuses on direct returns to woolgrowers it is recognised that the networks provide an avenue for woolgrowers to access other AWI programs such as LTEM.

Summary

AWI has achieved the Strategic Plan targets that were set under this program. It is recommended that the exit surveys continue to be used, and developed, to enable woolgrower value to be reported.

Strategy 5: Program 1: Supply Chain Diversification

Program Purpose

Investment in this AWI program sought to support the shift in the processing of wool to emerging countries, such as Vietnam, Bangladesh, Russia, Belorussia and the Ukraine, where significant cost advantages can be realised, and in many instances, where trade liberalisation is supported globally. Increased competitiveness of the wool processing sector enables a better price offering for raw wool.

Targets

This program had 3 targets.

- 1 75 new businesses working with AWI by 2016.
- 2 25 New Woolmark licenses.
- 3 Increase in average wool consumption of 10,000 kgs across new AWI partner mills.

Investment

Over the 2013-16 period AWI will have invested \$1.8m with an allocation of 7.2 fte.

Benefits Generated

New Woolmark licensees will generate revenue to AWI. This revenue is accounted for under the Woolmark Program.

Mill benefits have been estimated at, on average, \$34,000 per mill each year [on average 5,174kg of wool processed per mill]. The benefit back to Australian wool growers was estimated at \$146k per mill in present value terms. The number of new mills working with AWI in 13/14, 14/15 and 15/16 were 28, 18 and 9 respectively.

Data Sources

AWI mill contact database and 2015 mill survey results included in BDA Group Benefit Cost Analysis.

Payoff

Total benefits to Australian woolgrowers were estimated at \$7.8m in present value terms.

Summary

It is unlikely that the new businesses target will be reached. However, AWI typically works with businesses for more than one year to ensure mill benefits are sustained. The number of mills working with AWI over the three years will exceed 75.

The volume target is also inappropriate as benefits should be described in profit terms, In terms of intent, this target has been met. . The 2015 survey should also continue to be developed and run on a routine basis by AWI staff if investment continues in this area.

Strategy 5: Program 2: Technical Transfer

Program Purpose

The intent of this program was to transfer existing technologies to new AWI partners, enabling them to increase their operating profits and hence their willingness to pay for Australian wool.

Targets

There were 5 targets set under this program. The key value targets were to:

- 1 transfer technologies to increase productivity across 10 new companies a year.
- 2 Transfer value-adding technologies to 15 new companies a year.
- 3 Through this transfer, enable these companies to increase their average wool consumption by 10,000 kg a year.

Investment

Over the 2013-16 period, AWI will have invested \$1.4m with an allocation of 18.9 fte.

Benefits Generated

On average, partners have generated annual profit gains in the order of \$47,000 per mill [average 18,000 kg for mills adopting value-added technologies]. The capture for Australian woolgrowers was estimated at \$50,000 per partner mill in present value terms. The number of companies working with AWI over 13/14, 14/15 & 15/16 were 28, 25 and 22 respectively.

Data Sources

AWI staff contact database and survey results presented in 2015 BDA Group Benefit Cost Analysis.

Payoff

Total benefits to Australian woolgrowers were estimated at \$3.6m in present value terms.

Summary

All Strategic Plan targets have been met. If investment continues in this area, mill impact targets should be revised and expressed in terms of profit changes, because volume targets are not a comprehensive measure of performance.

Future mill surveys should be streamlined to better capture details of individual technologies transferred and to monitor the extent to which mill gains are sustained through time. Although surveys for 2016 have been developed, they have not been run. If investment continues in this area these surveys should be further developed and run by AWI staff on a routine basis.

Strategy 8: Program 3: The Campaign for Wool

Program Purpose

The purpose of this program was to increase the demand for Australian wool. Investment is made to support broad activities of the Campaign for Wool organisation with the majority of funds used to support retail partners participate in week-long activities to promote Australian wool to their consumers. The investment seeks to increase the demand for Australian wool.

Targets

Targets set under the Strategic Plan included:

- 1) Expand retailer engagement to 800 by 2015/16.
- 2) Achieve an increase in wool sales per store of 1,020 units a year (or 675 kg of wool).

Investment

Investment over three years has totalled \$9.1m including a staff allocation of 10.6 fte. The program was delivered in 7 countries.

Benefits Generated

The investment was reviewed in February 2016 due to concerns that the program effectiveness was declining. Total partners engaged with the program reached 400 in 2014/15 with some 2,500 stores involved. In 2015/16 partners engaged fell to 72 with number of stores involved reaching 652.

Data Sources

An exit survey was carried out in the Netherlands and also across participating retailers in the UK, Italy and China (new demand was estimated at 35% of sales). Sales were estimated at below the Strategic Plan target at, on average, 520 units per store. Consumer awareness of campaign themes was also tested through a 2016 Nielsen tracking survey.

Payoff

Over 2013-16 it was estimated that the AWI investment has delivered a return of \$28.3m in present value terms back to Australian woolgrowers. While this remains a solid return, the return in 2015/16 was significantly lower than the return generated in previous years.

Summary

Strategic plan targets for 2015/16 are unlikely to have been met and this is largely as a result of reduced consumer awareness of campaign themes and imagery, especially relating to Australian wool.

Strategy 8: Program 4: International Woolmark Prize

Program Purpose

The program was designed to generate long term incremental demand for Australian wool by inspiring designers to use more wool in their collections and, through a global awareness of IWP, connect them with fashion conscious consumers world-wide.

Targets

Targets set include:

- 1 Number of markets included to reach 30 – and 15 retailers carrying IWP garments.
- 2 Media value in excess of \$40m.
- 3 An additional 700,000 garments sold each year.

Investment

Investment over 2013-16 totalled around \$15m, including a staff allocation of 11 fte a year. The program is run across all major fashion regions globally.

Benefits Generated

Benefits will flow back to Australian wool growers as a result of increased demand for wool. The target of 700,000 extra garments a year is likely to have been achieved. Based on an average garment weight of 650 grams and 75% wool content, the increase in wool demand was estimated at 340,000 kg a year.

Data Sources

A survey was developed and run across past nominees to estimate additional wool garments sold. It was estimated that this would account for around 140,000 extra garments a year. A survey of designers more broadly was recommended, as this sector is likely to account for a greater share of the increase in garments sold as a result of IWP.

Payoff

Over 2013-16 it was estimated that the investment has delivered a return of just under \$50m in present value terms back to Australian woolgrowers.

Summary

The IWP has reached, and for media value exceeded, investment targets set for 2013-16. While increased demand at the participant level has been achieved, impacts across the wider designer sector needs to be measured. A survey has been developed for this purpose and should be run on periodically across different jurisdictions.

Strategy 9: Product Promotion

Program Purpose

AWI has developed a range of assets which are used in collaborative marketing with selected partners. The aim of these collaborations was to increase the demand for Australian wool. In the second half of 2014/15 a decision was made to move away from asset specific programs² to investments driven more by the demand for different assets by individual AWI marketing partners.

Targets

Targets were aggregated under the previous programs. The total new annual wool demand target, based on the aggregated sum of individual asset targets, was 3.1m kgs.

Investment

Investment made by AWI over the three year Strategic Planning period will total \$30.6m with a staff allocation of 43.8 fte.

Benefits Generated

New demand generated under different assets was estimated at 2.2 mkg for the end of 2015/16 (Sports and Outdoors = 706k kg, Nurture by Nature = 75k kg, Urban = 0, NFF = 900k kg, Woolmark Gold = 0, Cool Wool = 532 k kg).

Data Sources

Previous evaluations of Sports & Outdoor, Cool Wool and Nature by Nature were updated with more recent sales data. Sale volumes for No Finer feeling were estimated using Nielsen Tracking survey data, Woolrich survey data and estimated annual partner wool sales volume by AWI staff.

Payoff

Based on a Woolgrower benefit of \$4.50 per kg the total benefits attributable to investment across 2013-16 were estimated at \$126m in present value terms.

Summary

It is unlikely that volume targets set under the Strategic Plan have been met, largely as a result of changes in the Woolmark Gold strategy and reduced investment in the Urban asset. However, benefits back to Australian woolgrowers under this strategy have been substantial and should underpin future marketing success as these assets continue to be used in collaborative programs with partners.

² These Programs were Sports & Outdoor, Nurture by Nature, Urban, No Finer Feeling, Woolmark Gold and Cool Wool.

Strategy 13: Woolmark

Program Purpose

The intent of this program was to support wool processors to ensure wool products have a guaranteed fibre content and quality. The Woolmark brand is widely recognised by consumers globally and licensees have the right to use the Woolmark brand on their products. Apart from income derived from licensees, support of the AWI Woolmark brand provides a platform for a range of marketing initiatives and trade and education programs for consumers, processors and students.

Targets

There were 6 targets set under the 2013-16 Strategic Plan.

- 1 Grow licence numbers by 2% a year.
- 2 Increase use of tickets by 5% a year.
- 3 TWC positioned as authority on wool.
- 4 Maintain licence revenue in real terms.
- 5 Consistent application of quality control.
- 6 Measurable improvement in perception of wool as a quality symbol.

Investment

Investment made by AWI over the three year Strategic Planning period will total \$3m with a staff allocation of 42.6 fte.

Benefits Generated

The direct benefit from AWI investment is generation of licence revenue of around \$7m a year - \$6.9m in 2013/14 and \$7.3m in 2014/15.

Data Sources

Financial accounts and Nielsen survey

Payoff

The payoff to Australian woolgrowers was estimated at \$21m in present value terms.

Summary

It is anticipated that all targets will be met except growing licensee numbers. Further, targets based on ticket usage and licence revenue are not direct performance measures as they are also influenced by external factors such as exchange rate movements and broader changes in consumption.

Woolmark business development activities might also generate increased profits for partners, and if so, would deliver a benefit back to wool growers. Whilst these benefits have not been considered in this report, they are being currently being assessed as part of planning for investment over 2016-19.