

MEETING MINUTES

AWI Woolgrower Industry Consultative Committee

5 June 2019, 9.00am – 12:30pm

AWI Office, Sydney

ATTENDEES

Clinton Ayers, Nick Cole, Tom Kirk, Peter Meyer, Martin Oppenheimer, Danny Picker, Ed Storey, Michael Ryan, Colette Garnsey (Chairman), Don Macdonald, Meredith Sheil, Stuart McCullough, Peta Slack-Smith, Emma Gittoes, Rebecca Felix.

Meeting opened at 9:00am.

WELCOME AND INTRODUCTION

- The Chairman welcomed all members to the last AWI Woolgrower Industry Consultative Committee (ICC) meeting prior to the establishment of the Woolgrower Industry Consultation Panel (WICP).
- It was noted the AWI Board took into consideration all the feedback it had received from consultation and the recommendations from the Review of Performance to inform the new consultation model.
- The purpose of AWI's consultation is to enable AWI to receive feedback from woolgrowers across the industry, and for AWI to provide information back to the members of woolgrower representative groups.
- The purpose of meeting was to discuss the feedback received on the draft Terms of Reference (TOR) and for members to endorse a candidate for the Independent Chair for the new WICP.
- If a vote was required, the outcome would be determined by a majority of the meeting participants.

AGENDA ITEM 1: TERMS OF REFERENCE FOR NEW CONSULTATION MODEL

Participants considered the TOR and the feedback received prior to the meeting.

The outcomes of discussion around each item were as follows:

Role of the WICP

- AWI agreed with AWGA's suggestion to include in the role of the WICP the nomination of the industry member bi-annually to the AWI's Board Nomination Committee, noting this was agreed at the 20 December ICC meeting.
- AWI agreed with PGA's feedback to clarify the role of the WICP in receiving reports for ongoing Review of Performance recommendations.

Role of the WICP Chair

- WPA suggested a revision to the independence of the WICP Chair to remove “major” from commercial dealings and insert contractual, as “major” was not clearly defined. AWI did not agree with the suggestion as it would potentially preclude some of AWI’s proposed WICP Chair candidates from consideration. This was subsequently put to a vote;

OUTCOME – maintain original wording

The majority voted FOR maintaining original wording:

- WPA suggested an additional role for the WICP Chair be to report to the AWI Board, to support the independence of the WICP. AWI disagreed, noting the role of the two AWI Directors on the WICP is to provide a direct link between the Board and the WICP.

The initial discussion did not support the additional role of the WICP Chair however this outcome was superseded by a later discussion under the “Chair’s responsibilities” section of the Terms of Reference, with the WICP Chair to provide a report to the AWI Board.

ACTION ITEM: The WICP meeting agenda to include a standing item for AWI Directors to provide a report on WICP feedback to the Board.

Authority

- AWI agreed with WPA’s suggestion to clarify that voting entitlement would be one vote per member. AWGA noted that the process of voting entitlement was moving away from how the ICC currently operates and consensus decision making and raised concern that this could divide industry members. AWI affirmed that this was not the desired outcome and that this process reflected the democratic model that underpins AWI.

Membership

- AWGA requested more transparency around organisations represented on the WICP, including pecuniary interests. AWI supported members declaring their pecuniary interests, as well as the number of their woolgrower members, for greater transparency. This was put to a vote;

OUTCOME – WICP members to declare pecuniary interests and number of their woolgrower members

All participants voted FOR declaring pecuniary interests and number of woolgrower members:

ACTION ITEM: AWI to establish a process to enable WICP members to declare their pecuniary interests and their verified number of woolgrower members.

Membership - WICP

- WPA and AWGA noted the inclusion of CMECA in the membership of the WICP was completely inappropriate, and suggested CMECA are more appropriate as members of the Woolgrower Consultation Group (WCG). They also supported a transparent process for inviting members to participate in the WICP and WCG.

- AWI disagreed with WPA and AWGA's position, noting that CMECA have a large membership base covering most wool-growing states across Australia, enabling them to gather feedback and provide reports back to a broad selection of woolgrowers. AWI's purpose with the new consultation model is to reach more woolgrowers and consult a wide range of views.
- CMECA noted they have 29 commercial ewe competitions registered in the unincorporated Association, representing over 380 individual woolgrowers from NSW, VIC, SA, WA and QLD. CMECA noted they have good connections to grass roots growers and are keen to be involved in the WICP to ensure their members' views are represented.
- AASMB supported CMECA's membership on the WICP, noting that it wasn't previously aware of the extensive woolgrower membership of CMECA and believes reaching grass roots woolgrowers is important.
- This was subsequently put to a vote;

OUTCOME – CMECA to be a member on the WICP

The majority voted FOR CMECA membership on WICP:

ACTION ITEM: At the first WICP meeting, members are to recommend woolgrower organisations to participate in the WCG.

Membership - WICP

- AWI clarified PGA's query that the same member from the WICP would sit on the WCG.
- In the event a member of the WCG is unable to attend the annual meeting, an alternative delegate may be submitted to the Secretariat in advance.

ACTION ITEM: At the first WICP meeting, members to nominate an alternate representative from their organisation.

- AWI agreed to the proposed word change by WPA around the involvement of guests in WICP meetings, with guests to only participate at the invitation of the WICP Chair.

Meeting agendas

- AWI agreed with PGA's suggested wording change to clarify the process for setting the WICP agenda.

Meeting minutes

- AWI agreed with WPA's suggestion to have 'main points of discussion' included in the WICP meeting minutes.

Conduct of meetings

- AWI agreed with PGA's suggestion to clarify the 'in camera' sessions in WICP meetings.

Meeting logistics

- AWGA raised concern that the sitting fee of \$200 was not sufficient.
- AWI noted that it covers all travel and accommodation expenses and that the modest fee reflects consultation with other RDCs, many of which do not pay

sitting fees and only sometimes cover travel and accommodation. AWI also noted that it is looking at every cost line in the company in line with reduced levy income.

- AWI acknowledged that all participants were conflicted on this matter.
- The Department noted that there is a whole spectrum of committees that vary with what they cover – from providing a modest morning tea or lunch, to a substantial sitting – depending on the expectations, responsibilities and requirements placed on participants. The Department noted the accountability of WICP members to consult with their organisations and communicate back to them is a substantial communications role.
- AWGA noted that most WICP members need to take several days out of their business, and that at a minimum, AWI should retain the current \$500 sitting fee.
- AWI agreed to take this matter under advisement for decision by the AWI Board.

Chair's responsibilities

- Following previous discussion about the role of the WICP Chair, WPA suggested that the responsibilities of the WICP Chair should include providing a report to the AWI Board or relevant staff as required. AWI noted that it was the intended role of the two AWI Directors on the WICP to report back to the Board. This subsequently went to a vote;

OUTCOME – WICP Chair to provide a report to the AWI Board

All participants voted FOR the WICP Chair provide a report on WICP feedback to the Board.

Deliverables - WICP

- The Department suggested a change to the second deliverable, noting that a consensus position would provide more valuable feedback to AWI than a majority position. The Department suggested replacing the deliverable with: *“Research, development and marketing priorities of woolgrower representative groups are identified to inform and guide AWI’s Strategic and investment plans, with consensus position where possible.”* This was agreed by all and was not put to a vote.

Deliverables - WCG

- PGA suggested a wording change to the deliverables to measure increased consultation and information. AWI did not agree as the existing deliverable aimed to measure a higher benchmark and will inform AWI’s new Monitoring and Evaluation Framework. WPA suggested the removal of the word “reportedly” for clarification. This was agreed by all and was not put to a vote.

Monitoring & Evaluation

- AWI agreed with PGA’s suggested word change clarifying who will be consulted in the review of the WICP and WCG.

AGENDA ITEM 2 - CHAIR SELECTION FOR NEW MODEL

- The Chairman requested participants nominate a candidate for the role of WICP Chair to be endorsed by the AWI Board.
- Participants were provided a shortlist of seven candidates: 5 provided by AWI and 2 from other ICC members.
- Participants were requested to assess candidates to meet the WICP Chair criteria, including; strong chairing skills; good industry knowledge and experience; independence from AWI and individual industry representative groups; and a good understanding of AWI corporate governance framework and operating environment.
- AWI Directors and staff absented themselves from the room to enable a transparent and independent discussion.

OUTCOME – participants agreed to nominate Ron Cullen as WICP Chair for endorsement by the AWI Board.

- ICC members confirmed that the appointment would be for a one-year term, at which point the Chair position will be vacated and a nomination process will be undertaken.
- AWI Chair requested members keep the Chair nomination in confidence until it could be confirmed by AWI.

AGENDA ITEM 3 - PROGRESS ON AWI STRATEGIC PLAN 2019/20 – 2021/22

- AWI's strategic planning process began in November 2018 with the AWI executive looking at what program achievements over the past three years and assessing what will be required for the next three years. AWI advised that its Strategic Plan is due to be finalised at the AWI Board meeting on 7 June.
- The areas of traceability and agri-technology have increased in importance over the past strategic period and will be a heavy focus of AWI's new Strategic Plan.
- The most prominent project in traceability is WoolQ, with the driving objective to get clean data off the farm. A new self-declaration module will be built into WoolQ enabling woolgrowers to declare their on-farm practices. WoolQ will also have blockchain technology built in. AWI are also exploring DNA and isotope technology for traceability.
 - AWGA asked how the various existing accreditation programs interact with WoolQ, and whether WoolQ will be another program. AWI noted that some programs will build themselves into WoolQ, and that some programs are for profit and WoolQ may replace them.
- Agri-tech projects being explored include sensory technology, long range connectivity, movement of sheep and more.
 - AWGA asked whether AWI was collaborating on ear tag technology. AWI advised that it was the only one with sophisticated technology in this space, and that it has secured a patent for its ear tag technology in the Southern Hemisphere with a patent pending in the Northern Hemisphere.
- AWI's Consultation strategy has been revamped under the new Strategic Plan.

- AWI has also invested more in its Monitoring and Evaluation Framework, with plans for a measurement matrix for each strategy.
 - WPA queried whether the Return on Farm Assets Managed would be measured against all woolgrowers or the highest adopters. AWI noted that work was ongoing on the M&E Framework and would provide an update to the WICP.

ACTION ITEM: AWI to provide a briefing on the new M&E Framework at the first WICP meeting.

- Broad wool asked whether AWI was undertaking any activities in response to the farm invasions. AWI noted that it was not within its role as research, development and marketing body, however it is aware that the Government is actively looking into the issue.
- WPA noted it was pleased to see shearer retention highlighted in the Plan. It also queried whether AWI was involved in a joint-RDC project through CSIRO on consumer trust. AWI committed to looking into the project.

ACTION ITEM: AWI to investigate CSIRO project and report back to WICP.

- AWGA requested an update on the progress of Merino Lifetime Productivity (MLP) project data and the agreement with MLA and other parties. AWI committed to providing an update to the WICP.

ACTION ITEM: AWI to provide an update on the MLP data arrangements to WICP.

- WPA suggested the strategic plan and WoolPoll should move to a five-year cycle, to be supported by a ten-year industry plan, and align with MLA's strategic plan. AWI noted levy payers would have to vote on moving WoolPoll from three to five years and AWI does not have a particular view but would pursue the best outcome for woolgrowers.

AGENDA ITEM 4 - UPDATE FROM AWI ON REVIEW OF PERFORMANCE

- AWI noted that it was making good progress on the ROP with 67% overall implementation rate and 20 recommendations complete. There is an internal working group of AWI executives that meet fortnightly to ensure progress is on track and appropriately reported on the online ROP Implementation Portal.
- AWGA raised concerns with the meeting with the Minister in March 2019 and the inconsistency with what was reported in the materials provided to the Minister and AWGA's actual position around Director tenure. AWGA also requested more consultation with all members of the ICC on the ROP issues. AWI and WPA noted that they had been in discussions with AWI on the Director tenure issue, however nothing was resolved or agreed, and the intention was to take the matter to the WICP once it was established.
- AWGA requested the current position be documented. AWI committed to ensure it was documented.

ACTION ITEM: AWI to ensure the current consensus position on ROP recommendations discussed at the December ICC meeting, has been documented satisfactorily.

ACTION ITEM: ROP updates to be a standing item on the WICP meeting agenda.

GENERAL BUSINESS

- ASWGA requested an update on chemical resistance and research into effects of using pre- versus post-pain relief.

ACTION ITEM: AWI to provide an update on chemical resistance and pre versus post-pain relief studies.

- ASWGA requested an update on robotic shearing. AWI noted that it currently has two projects being considered by the Board and will provide an update on progress after the Board's consideration.
- WPA inquired as to whether the three Directors for retirement and election had been decided. AWI confirmed this is yet to be announced.
- WPA inquired as to the timing of the process of the Board Nomination Committee (BNC), given the role of the WICP includes nominating the independent woolgrower representative. AWI noted that this was to be resolved in the near future and requested WICP members consider woolgrower candidates for nomination to the BNC. AWI noted that the Department will be nominating the Chair for the 2019 BNC, who will be accompanied by an executive search firm representative, the independent woolgrower representative and two AWI Directors. The BNC will consider the skills of the current Board and Board nominees.
- AWGA inquired into AWI's plans to increase wool production, noting reports that producers were turning to cattle and fat lambs rather than Merinos due to the perception that Merinos were too difficult to run. AWI noted that it would like to see production rise and that this was the foundation of AWI's Strategic Plan. AWI has several projects for woolgrowers to engage in to grow their sheep numbers. CMECA noted that this a key objective of their association – to connect with those looking to re-enter the industry. AASMB noted that its Breed More Merino Ewes campaign was developed to address this issue.
- AASMB commended AWI's National Merino Challenge, noting it was well attended and women were well represented in the cohort. AASMB would like to see AWI continue the program. AWI assured the continuation of the NMC, noting it is one of their key engagement activities to attract the next generation into the wool industry.

ACTION ITEM: AWI to circulate a roster for consideration of dates for WICP/WCG meetings, which will be aligned to AWI's planning cycle and AWI Board meetings.

Meeting closed at 12.30pm.