

# AWI Woolgrower Industry Consultative Committee (ICC)

MEETING SUMMARY – 16 February 2018, AWI Office, Sydney



## **Purpose of AWI's Woolgrower Industry Consultative Committee (ICC)**

The purpose of AWI's ICC enables AWI to formally consult with woolgrower representative organisations, allowing them to provide feedback on priorities from their members, and for AWI to report on its performance and plans. These priorities guide AWI's investment and activities.

## **ATTENDEES**

<b>Representative</b>	<b>Position</b>	<b>Organisation</b>
Wal Merriman	Chair	AWI
Angus Beveridge	Representative	Australian Association of Stud Merino Breeders
Danny Picker	President	Australian Superfine Woolgrowers Association
Martin Oppenheimer	Representative	Australian Wool Growers Association
Nick Cole	Representative	Broad wool breeds
Clinton Ayers	Representative	Pastoralists and Graziers Association of Western Australia
Richard Halliday	President	WoolProducers Australia
John Ferrier (Guest Participant)	Vice Chair	Birchip Cropping Group
Robert Pocock (Guest Participant)	Representative	Mallee Sustainable Farming Group
Andrew McDonald	Assistant Secretary	Department of Agriculture and Water Resources
Stuart McCullough	CEO	AWI
Peta Slack-Smith	General Manager Corporate Affairs & Market Access	AWI
Emma Gittoes	Corporate Affairs Manager	AWI

## **Welcome and general business**

### **1.1 Review minutes from previous meeting**

- Members endorsed the minutes from 12 October 2017 meeting with no issues raised.

### **1.2 Review actions from last meeting**

- In response to the Action Item from the October meeting for ICC members to write to AWEX regarding wool classer training, there was concern that AWI should have circulated the letter sooner.
- All other action items were confirmed to be completed or addressed with no issues raised.

## **ICC members report on their members' priorities**

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AWI invited ICC members to provide their member's research, development and marketing priorities for AWI. AWI's Statutory Funding Agreement (SFA) with the Australian Government requires AWI to provide responses to the items raised in the ICC meeting record. The following summarises those priorities and AWI's response.

### *Birchip Cropping Group (BCG) – John Ferrier (guest participant)*

Priorities for AWI:

- Genetics – breeding fit for purpose sheep. Selecting ewes with high wool production as well as fast growing lambs. Need to increase weaning rates of Merino lambs to rebuild Merino ewe numbers.
- Using EID to develop walk over weighing to monitor animals in paddock that are usually too far to bring back to yards and Smart Shepherd smart tags for pedigree matching.
- Need for more technology to entice young people into the industry.
- Barber's pole also noted as increasingly becoming an issue.
- Need for evaluation of twice-yearly, or three-in-two-year, shearing in mixed farm enterprises.
- Development of virtual fencing for mixed farming sheep systems.
- Feedbase
- Sheep Showcase field day

### *Mallee Sustainable Farming Group (MSF) – Robert Pocock (guest participant)*

Priorities for AWI:

- Managing seasonal variability - improving adaptability and risk management.
- Farm efficiency and effectiveness - timeliness of operations, more hectares, less labour.
- Pasture establishment and productivity on sands - legumes, nutrition, weeds, herbicide residues
- Best 'bang for buck' with technology
- Strategic farm issues - expansion, machinery & capital, succession, labour
- Novel pasture and grazing systems:
  - Sandy soil adaptation
  - Pastures with greater winter production
  - Hard seeded varieties for seedbank persistence
  - Early maturing pasture species
  - Aerial podding for harvestability
  - Ability to twin sow species
- Grazing management - role of virtual fencing
- Pasture management and herbicides - managing residues and weed control options
- Loss of livestock management knowledge – deteriorating infrastructure, appears too hard - need for extension with the swing back to livestock phenomenon that is happening in the Mallee area
- Medics in a cropping system - understanding benefits, adaptability in a no-till system
- Need for more shed staff and training
- AWI's Lifetime Ewe Management program is good, however needs greater tailoring capacity to suit mixed farms

### *Australian Association of Stud Merino Breeders (AASMB) – Angus Beveridge*

- Affirmed that all the priorities listed from 2017 in the AWI briefing pack are still relevant.

- Concerns around classers borrowing stencils.
  - While it was acknowledged that this is a longstanding concern, this was understood to be an issue for AWEX rather than AWI.
- Need to get away from bending over shearing sheep. Wool harvesting needs to be more efficient and attractive to new entrants.
- Concern that co-funders of AWI's Artificial Insemination (AI) project are not being adequately credited.
  - AWI updated it's AI brief in January to reflect the contribution of the NSW Stud Merino Breeders Association.

*Australian Superfine Wool Growers Association (ASWGA) – Danny Picker*

- Affirmed that all the priorities listed from 2017 in the AWI briefing pack are still relevant.
- Acknowledged the information AWI provided in the briefing pack in response to agenda items raised before the meeting. Issues included:
  - Supply, demand and fibre advocacy for superfine wool
  - Research into highly resistant and susceptible sheep for breech flystrike
  - Communicating genetic research to woolgrowers
  - Understanding availability of shearing and shed-hand staff
  - Request for research into the development of 'cost effective' mechanised sheep handling equipment
  - Alternative wool harvesting methods and re-visiting BioClip
  - Impact of feral animals, and growing issue with deer
    - AWI encourages ICC members to share the briefing packs with their members. AWI is also available to brief members' Boards/Committees on AWI's R&D and marketing activities.

*Australian Wool Growers Association (AWGA) – Martin Oppenheimer*

- Concerns raised regarding potential conflict of interest arising with the AWI Chair voting on genetics research, particularly with the Board's decision to discontinue funding of Sheep Genetics.
  - AWI has a comprehensive Conflicts of Interest Policy for Directors and Officers. Consistent with this Policy, the AWI Chair first made a personal interest declaration upon his appointment as Director, has reviewed his interests since that time, and has absented himself once from a board meeting to avoid a conflict or perceived conflict of interest.
  - In regard to AWI's investment in genetics, since 2001/02, AWI has invested \$38.5 million into breeding, genetic and genomic projects to develop the tools woolgrowers can use to enhance their personal breeding objectives of their sheep (representing 15% of AWI's annual on farm R&D budget). AWI noted that it balances its investment across a range of objective (70%) and subjective (30%) genetics tools and programs to assist growers. AWI noted that in 2017, funding to Sheep Genetics was discontinued as AWI's priority is to fund R&D and not the commercial overheads of the organisation. AWI will consider funding any R&D proposals from Sheep Genetics.
- Concerns raised around the transparency of AWI's AGM election processes and proxy voting.
  - AWI advised that, with reference to AWI's Constitution and the Corporations Act, the AWI Chair is not required, and it is his decision, to disclose how he casts undirected proxies. The requirement to disclose how a Chair directs proxies is a requirement for listed companies, and AWI is not a listed company. It is individual shareholders choice whether they vote, whether they

- appoint a proxy, and if so, whether they lodge their proxies as directed or undirected.
- Request for information on AWI's investigation into those shareholders who did not receive their AGM voting papers.
  - AWI provided a report back in the meeting briefing pack on this matter. The outcome of AWI's investigation will be published in the next edition of Beyond the Bale and circulated to ICC members.
- Concerns were raised that there are delays in processing data for the Merino Lifetime Productivity (MLP) blood cards due to unresolved negotiations over data ownership.
  - AWI advised that negotiations with MLA are progressing very well but have not yet been finalised, and AWI are waiting for MLA to respond. Negotiations with Sheep CRC on genotyping from blood cards have recently commenced. AWI will seek an update on the status of whether data is being delayed to better understand the extent of the problem.
- Question raised as to why the WoolPoll Panel are not able to recommend the levy rates for woolgrowers to vote on at WoolPoll.
  - AWI advised the *Wool Services Privatisation (Wool Levy Poll) Regulations 2003* require AWI to propose three to five levy options to be polled (including zero), and also provide a levy rate recommendation, with rationale for AWI's recommendation. Under the Regulations, the role of the Panel is to examine and assess the draft forms and process for conducting the ballot as appropriate. AWI will consult with industry on the range of rate options they would like included and advised ICC members to send through three to five levy rate options to assist the Board's decision making.

*Broad wool breeds – Nick Cole (Australian Corriedale's Association, ACA)*

- Affirmed that all the priorities listed from 2017 in the AWI briefing pack are still relevant.
- Support AWI's LTEM program, however noted issues around finding growers to convene groups.
- Would like to see AWI's vertebrate pests investment extend to kangaroos and deer.
  - AWI provided a report back in the meeting briefing pack on this matter. AWI has prioritized predation from pests for its investment, as opposed to grazing pressure, as wild dogs have been known to destroy an enterprise within a few years of intense predation. AWI invests in rabbit projects with the Centre for Invasive Species Solutions (CISS) that align with AWI's Strategic Plan. During the researcher negotiations for the CISS, government investment was re-distributed from wild dogs into deer. AWI can keep the ICC up to date with deer research through its CISS contacts as requested.
- Concerns that there is no category for unskirted fleeces that have been well-prepared.
  - WPA noted that AWEX is currently looking at code of practice and that a proposal for 'prepared but unskirted' category has been put forward as submission, requiring a change to code, if endorsed.
- Request AWI continue to have a broad wool focus across marketing and product innovation.
  - Several of AWI's investment activities in the broad wool area were highlighted in the meeting briefing pack. One of AWI's new focus areas is the global automotive interiors market using 23-28 micron.

*Pastoralists and Graziers of WA (PGA) – Clinton Ayers*

- Priorities for PGA are in on farm and reducing cost of production.

- Support AWI's shearer training and request continued investment into wool harvesting alternatives.
- Concerns raised around contractors not employing learner shearers and suggested AWI consider financial incentives to contractors for employing learner shearers.
  - AWI's investment in shearer training is aimed at attracting and retaining shearers in the industry. AWI has recently been looking at project proposal that targets getting young shearers into employment.
- Would like to see more investment in breech modification R&D to address flystrike.
  - AWI has a comprehensive investment strategy into flystrike prevention, with 35% of the strategy's funding directed to research into breech modification developments. AWI noted that a new R&D focus will be into the blowfly.
- Support AWI's ongoing funding into wild dog control.
- Concerns that WoolQ will not include AWEX data.
  - AWI is working to ensure WoolQ incorporates data from right across the industry. AWI is currently trialling the E-Speci function on WoolQ, which is due to be launched in the next month.

#### *WoolProducers Australia (WPA) – Richard Halliday*

- Affirmed that all the priorities listed from 2017 in the AWI briefing pack are still relevant.
- Request AWI to review WA Shearing Industry Association's (WASIA's) shearing shed safety proposal.
  - AWI noted in the Action Items that AWI met with the Chair and CEO of WASIA to discuss the project proposal. WASIA were encouraged to resubmit a revised project proposal that has the capacity for cost-effective national roll-out and a train-the-trainer component. Once received, AWI will review the project proposal as per its normal process.
- Noted that WPA are currently working to have wild pigs categorised as feral pests, the same as wild dogs.
- WPA encourage growers to complete the OJD survey.

#### **Update from Department of Agriculture, Water and Resources**

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- In response to Action Item for DAWR to report back to ICC on potential for national approach to OJD, DAWR noted that a Commonwealth response is not possible as disease management is divided amongst the State (endemic diseases) and Commonwealth Governments (exotic diseases).
- New Minister for Agriculture and Water Resources is particularly aware of wild dog issues facing the industry.
- New foreign investor rules relating to the purchase of agricultural land dictate that sales have to go through on-market (advertised) process. DAWR is keen for feedback on implications for the members of ICC members.
- Budget process, which commenced in October 2017, is currently at decision-making point to determine priorities.

#### **AWI report back - current activities and finances**

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AWI briefed ICC members on the following:

- AWI's finances and the modelling and forecasting that underpins the budget setting process. The briefing from AWI's Chief Financial Officer also included initial modelling into different levy rates that the Board are considering for WoolPoll.
- AWI's on-farm R&D activities in the Sheep Production portfolio.

- WPA requested report on the outcomes of the MLA-AWI trip to New Zealand to explore mulesing issues.
  - AWI noted that it would circulate its report.
- ACA asked whether AWI's current investment for new worm tests did larval differentiation.
  - AWI advised that they only do egg count. AWI are currently receiving proposals for projects on better worm testing.
- MSF queried whether there has been any research into lanolin.
  - AWI noted that they would provide advice on research being undertaken by AgResearch NZ.
- PGA noted that Q Fever is increasingly an issue.
  - WPA noted that they have it on their agenda to address.
- An update on the independent Review of Performance to be undertaken this year, as well as an update on global supply chain insights regarding animal welfare.
- An overview of WoolPoll 2018, the appointment of the WoolPoll Panel, and the roles and responsibilities for AWI and the Panel.
- A demonstration of AWI's microwave technology and ear tag technology.
- AWI's marketing activities, including an overview of the objectives, insights (such as 'belief marketing') and strategy (such as supply chain transparency) guiding AWI's marketing investment decisions.