

SECOND MEETING OF THE WOOL INDUSTRY CONSULTATIVE PANEL (WICP)

Date: Wednesday 4th March 2020

Venue: AWI, Level 6, 68 Harrington Street, Sydney NSW 2000

The WICP has been established by AWI as an outcome of the recent Review of Performance undertaken by Ernst Young. Membership comprises representatives of Australian Association of Stud Merino Breeders, Australian Superfine Wool Growers Association, Australian Wool Growers Association, Broad wools, Commercial Merino Ewe Competition Association, Pastoralists and Graziers of WA and WoolProducers Australia. Two AWI Board members and a representative of the Commonwealth Department of Agriculture also attend. The Panel has an independent chairman.

The purpose of this forum is to ensure a clear two-way consultation between AWI and organisational representatives through to growers. The WICP replaces the previous Industry Consultation Committee (ICC).

The meeting provides an opportunity for the AWI Board to receive and provide feedback on current/important issues and relevant topics from Board meetings.

Chatham House rules

- The Chairman reiterated that Chatham House rules apply to every meeting. If confidential information is raised during meetings, all members must adhere to these rules to ensure full transparency and build confidence between all parties.
- Members who have pecuniary interests can be asked to leave the meeting if required.

BOARD FEEDBACK TO WICP MEMBERS

An update was provided to members on relevant topics from AWI Chair, Colette Garnsey.

Inaugural WCG Meeting – 15 November 2019

- Overwhelming support and excellent turnout for the inaugural Wool Consultation Group (WCG) meeting held on the 15 November 2019 in Sydney.
- 28 organisations attended the meeting, providing a broad consultation reach for AWI.
- The 10-year Industry Strategic Plan was discussed with 9 key themes established.
- This new consultation model (WICP and WCG) is seen as very beneficial to AWI and grower representatives.

AWI's 2019 AGM

- Two new directors were elected.
- Received support from industry for all constitutional changes put forward.
- A company annual strategy day was held in January 2020; new directors were also provided with a full Company induction.

Senate Estimates

- AWI attended Senate Estimates in Canberra, on Tuesday 3 March; no questions asked by the Senate RRAT committee.

International Woolmark Prize (IWP)

- One of AWI's most influential marketing programs; media coverage for this year's IWP event was exceptional.

- Feedback was very positive, and the company was complimented on its professionalism.
- Reduced budget, however retained high quality of delivery and early M&E results are encouraging.

Review Of Performance (ROP)

- AWI has completed 98.4% of the 2018 ROP recommendations.
- AWI remains committed to finalising as soon as possible.
- Remaining recommendations include AWI's SFA agreement and the completion of the WoolPoll process which is currently being reviewed by the Department of Agriculture, Water and Environment (see later item).
- As per industry consensus the recommendation relating to the director's tenure will be addressed at AWI's 2020 AGM.

WICP MEMBERS REPORT ON R&D AND MARKETING FEEDBACK FOR AWI

- Representatives provided an opportunity to identify key R&D and marketing priorities and comment on existing activity as summarised in the table below.

ORGANISATION	MEMBERS' R&D AND MARKETING PRIORITIES FOR AWI
Australian Association of Stud Merino Breeders	<ul style="list-style-type: none"> • AGM next fortnight in WA and will encourage 'rebuilding the flock' campaign
Australian Superfine Wool Growers Association	<ul style="list-style-type: none"> • Fly genome • Promote positive feedback within the industry.
Australian Wool Growers Association	<ul style="list-style-type: none"> • AWI's M&E Framework • Concerns re WoolQ • Concerns with AWI's 60/40 split • Importance of drought and fire relief projects • Wild dogs – post fire opportunities
Broad wool representative	<ul style="list-style-type: none"> • Cost of shearing • Increasing the number of lambs • Increase marketing for broader wool types and the benefits in the workplace, including upholstery
Commercial Merino Ewe Competition Association	<ul style="list-style-type: none"> • Ewe competition continues to build in support and numbers • Mulesing continues as major topic of discussion • China and the fluctuation of the current wool market • Investing in the next generation of the wool industry
Pastoralists and Graziers of WA	<ul style="list-style-type: none"> • Importance of shearer training • Feedback on R&D • Concern with mandating pain relief (AA and AG) • Worm resistance • WoolQ not meeting market failure • Market driven systems

WoolProducers Australia	<ul style="list-style-type: none"> • Mandating pain relief • Mulesing • NWD review – opposition to alternate mulesing definitions • Alternate methods to breech modification • Accreditation of mulesed and non-mulesed wool within Australia and Internationally
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UPDATE FROM DEPARTMENT OF AGRICULTURE, WATER AND THE ENVIRONMENT

- The WoolPoll review which is being conducted by the Department of Agriculture, Water and the Environment has been delayed due to significant changes within Government and especially with a new Minister.
- The review stems from the AWI Review of Performance.
- Areas of consideration outlined in the Terms of Reference include the WoolPoll panel, levy rates, and the R&D/Marketing split. The main focus is to review the WoolPoll mechanisms; and the focus is not to the AWI’s board performance of its duties.
- The department aims to launch the Terms of Reference and a Discussion paper on its website by the end of March, and request submissions.
- The department anticipates face to face consultation will occur in June and the final report will be available to the industry by end August 2020.

M&E FRAMEWORK BRIEFING

- The AWI Marketing & Evaluation (M&E) team provided an update. These areas included the principles of AWI’s M&E program:
 - Planning
 - Investment Prioritization
 - Tracking Inputs
 - Monitoring Outputs
 - Measuring Outcomes
 - Assessing Impact
 - Reporting
 - Project Impact Pathways – Engagement process that will be undertaken during each project process.
 - Four Key drivers – Ensure that a project relates to one of the four key drivers, e.g. a physical output or a demand in pricing.
- Project process explained, from creating project proposals to reporting on the completion of the project. AWI has formalised a risk management matrix which is used during the project process.
- The system enables AWI to interrogate data, with real time tracking at a project, program and strategy level.
- This will reduce time spent on reporting requirements and increase efficiency.
- This streamlined process allows even greater transparency on project reporting.
- Australian Wool Growers Association had requested AWI provide further detail regarding the M&E framework prior to the meeting. This was covered during the presentation.

BUSHFIRES / REBUILDING PLAN

- The Woolgrower Services team provided an update on bushfire recovery and resources.
- AWI is currently providing a range of information through its *Beyond the Bale* magazine, podcasts and other content on the website.

- AWI has also been collaborating with State governments, MLA, NSW DPI, LLS, PIRSA, Dairy Australia, NSWFA and Livestock SA to host drought and fire recovery workshops.
- Feral dog populations have increased and AWI is collaborating with other RDCs and state departments to address this escalating problem.
- Flock recovery resourcing is ongoing and include the following programs:
 - Lifetime Ewe Management
 - Winning With Weaners
 - RAMping Up Repro
 - Picking Performer Ewes
- Current resources can be found at AWI's website.

10-YEAR INDUSTRY STRATEGIC PLAN

- AWI's 2018 Review of Performance requested that a 10-year Industry Strategic plan be completed.
- The inaugural WCG meeting was held on 15 November 2019 in Sydney, where 28 organisations attended and discussed the process for developing the 10-year strategic plan.
- From this meeting AWI provided members with a proposed approach to the Plan's development.
- The oversight body for the industry strategic plan is the WCG.
- WCG members were advised that a discussion paper will be provided, and it was requested for WCG members to meet bi-monthly. A webinar is scheduled for 30 March 2020.
- The WCG will meet by teleconference late March and again in person on 27 – 28 May 2020 in Sydney.
- WCG members are to nominate a next generation representative to attend the WCG meeting in May and contribute to the strategic planning process.

WOOLQ

- There were 170 submissions from growers, brokers and retailers in the creation of the WoolQ platform.
- The final tool that will be provided on the WoolQ platform will be an online wool selling system to help streamline the buying and selling process.
- To increase users, WoolQ has a small team of field officers that assist growers with inputting information and assisting with any queries.
- A snapshot of current users was provided to members, together with marketing strategies to increase these numbers in the coming months.
- WoolQ's target for end 2020 is 5,000 users.
- An area of further investigation is incorporating an identification mechanism (RFID chip) in bales of wool to aid identification and tracking. This will complete the cycle along the supply chain.

OTHER BUSINESS

- WoolProducers expressed concern around low merino ewe numbers and how AWI will respond. AWI reiterated that this concern will be a focus issue during the 10-year industry Strategic planning process.
- AWGA asked AWI to provide a breakdown of grower bodies that received funding of projects proposals that have been put forward. AWI reiterated that company audit information is not provided, however projects over 150k are documented in AWI's Annual Report.