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# AWI WOOLGROWER CONSULTATION GROUP (WCG) MEETING SUMMARY



# BACKGROUND

Australian Wool Innovation's Woolgrower Consultation Group (WCG) held its inaugural meeting on 15 November 2019 in Sydney.

The WCG is a broad-based group comprising representatives of state and regional production-based woolgrower groups. The WCG also includes members of the Woolgrower Industry Consultation Panel (WICP), a smaller body made up of national woolgrower representative organisations, the Department of Agriculture, AWI and an independent chair.

This new two-tiered consultation model has been endorsed by industry and is evidence of AWI's focus on consultation and engagement with woolgrowers and other stakeholders.

The role of the WCG is to be a two-way conduit between AWI and woolgrowers on the key research and development (R&D) and marketing priorities of woolgrowers and key industry issues, and to contribute to the development of a 10-year strategic plan for the wool industry. There were 28 industry participants, together with AWI directors and managers.

<b>PRESENT</b>		<b>APOLOGIES</b>	
Alan Rae	AgForce Queensland	Alex Keamy	Liebe Group
Dave Vandenberghe	ASHEEP	Frank Chester	Stud Merino Breeders Assoc. of Tasmania
Peter Meyer	Australian Association of Stud Merino Breeders	Tim O'Halloran	Mallee Sustainable Farming Group
John Nadin	Australian Dohne Breeders Society		
Danny Picker	Australian Superfine Wool Growers' Assoc.	<b>AWI DIRECTORS</b>	
Robert Ingram	Australian Wool Growers' Assoc.	Colette Garnsey	AWI Chairman
John Ferrier	Birchip Cropping Group	Don Macdonald	
Nicholas Cole	Broad Wools	Meredith Sheil	
Tom Kirk	Commercial Merino Ewe Competitions Assoc.	<b>OBSERVER</b>	
Laura Johnson	Department of Agriculture	Ron Cullen	(WICP Chair)
Christie Renton	Department of Agriculture	<b>FACILITATOR</b>	
Geoff Power	Flinders Ranges Merino Livestock SA	Scott Williams	Foresthill Consulting
Joe Keynes	MerinoLink	<b>MANAGEMENT/AWI STAFF</b>	
Jason Letchford	Monaro Farming Systems	Stuart McCullough	CEO
John Murdoch	NSW Farmers Assoc.	Mary Foster	Secretary
Andrew Wood	NSW Stud Merino Breeders' Assoc.	Bridget Peachey	Program Manager, Sheep Health & Welfare
Drew Chapman	Pastoralists & Graziers Association of WA	Carolina Diaz	Program Manager, Agri-Technology
Chris Patmore	Queensland Merino Stud Sheepbreeders Assoc.	Damian Madden	General Manager – Digital
Max Wilson	SA Stud Merino Sheepbreeders Assoc.	Dr Jane Littlejohn	General Manager – Research
Nick Wadlow	SA Stud Merino Sheepbreeders Assoc.	John Roberts	General Manager – Eastern Hemisphere
Scott Pickering	Stud Merino Breeders' Association of WA	Laura Armstrong	General Manager – Marketing Communications
Malcolm Starritt	SuperBorders	Stephen Feighan	General Manager – Woolgrower Services
Simon Cameron	Tasmanian Farmers & Graziers Assoc.	Emily King	Program Manager, Research and Extension
James Kirkpatrick	Victorian Farmers Federation	Nigel Gosse	General Manager, Operations
Alan Harris	Victorian Stud Merino Sheep Breeders Assoc.		
Steve McGuire	Western Australian Farmers Federation		
Ed Storey	WoolProducers Australia		

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# KEY MEETING OUTCOMES

## AWI UPDATE

AWI Chairman, Colette Garnsey, and CEO Stuart McCullough updated the group on key AWI activities:

- Implementation of the 82 recommendations of the EY review at 88% and following the 2019 AGM this is expected to rise to 97%. (see [rop.wool.com](http://rop.wool.com))
- Levy revenue will significantly decline this year and next due to reduced wool production and price, and the levy rate. Reserves are being drawn down to offset revenue declines but the lower reserve limit will be reached this year.
- AWI has developed a measurement and evaluation model for every project and program based on four parameters: productivity, efficiency, demand and price.
- Staff numbers at AWI are declining from 195 in 2018, to 175 in 2019 and expected 155 in 2020.

## WOOLPOLL UPDATE

The Department of Agriculture provided an update on the process to review the WoolPoll mechanism for determining the wool levy. WCG members discussed the draft terms of reference for the Review. The Department is seeking feedback on the draft terms of reference and will be seeking input to the review itself from all woolgrowers from early 2020 via meetings and a web page. The review is expected to be completed by mid-2020.

WCG members also discussed issues such as the interval between polls (e.g. 3 or 5 years), timing in relation to the development of the strategic plan, membership and the role and makeup of the WoolPoll Panel, however no formal resolutions were made.

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# 10-YEAR INDUSTRY STRATEGIC PLAN

It was acknowledged that the industry is currently facing challenging times with the drought, price volatility and geopolitical forces, such as the US/China tensions. This is a time that the industry needs to be united and stand together. Leadership and confidence in the industry is vital and the WCG, with its comprehensive national woolgrower network, has a crucial role to play in this.

A number of strong messages came through on the day including:

- Ensuring wool production remains a profitable, sustainable option given producers are faced with land use choices
- Attract and mentor young entrants to the industry
- Promote woolgrowers' enviable environmental/animal welfare credentials
- Strategies for AWI funding, including how to return the levy to 2%

The main purpose of the meeting was to start identifying priorities for the 10-year industry strategic plan recommended by the Ernst & Young Review of Performance. Members of the WCG were asked to supply to AWI their group's R&D and marketing priorities prior to the meeting, and these were grouped into nine main themes for discussion.

The key themes were:



**GENETICS**



**ANIMAL WELFARE/  
BIOSECURITY**



**FERAL PESTS**



**PASTURES, FARMING  
SYSTEMS AND DROUGHT**



**SHEARER/WOOL HANDLER  
TRAINING**



**DIGITAL**



**MARKET INTELLIGENCE/  
TRACEABILITY**



**GROWER ENGAGEMENT**



**MARKETING**



## GENETICS

- Describe traits for selection by any breeding philosophy – e.g. follicle density, flystrike resistance, lamb survivability
- Increase speed and accuracy and lower cost of data collection
- Lower the cost of DNA testing and expand applications
- Provide education on DNA tests, indexes etc
- Exploit untapped genetic variation in the Merino
- Collaborate (eg with MLA)
- Seek government support for gene editing



## ANIMAL WELFARE/BIOSECURITY

- Ensure we continue to build confidence for industry – attract young entrants and also confidence for markets/consumers through demonstrating our social licence to operate
- Flies a top priority (body and breech): continue to invest in solving the problem (rather than alternatives) e.g. fly gene technologies, blowfly vaccine, managing chemical resistance etc, genetic solutions for sheep are there but need support for faster adoption
- Continue to defend mulesing and demonstration of best practice fly management including pain relief – support this and talk in terms of ‘analgesia’ and ‘anaesthesia’
- Pharmaceutical companies not investing in sheep – what is AWI’s role in product development?
- Lice/worms – invest in gene technologies depending on ROI, lice vaccine?
- Biosecurity – swine flu has highlighted importance of continued RD&E to protect market access in the case of an emergency disease
- Sedation of rams – need to improve this
- Woolgrower health & welfare – there is a lot we could be doing better, should this be a priority? AWI’s role? Issues with chemical misuse

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# 10-YEAR INDUSTRY STRATEGIC PLAN CONT.



## FERAL PESTS

- AWI support for dog activities such as fencing is very important and should continue
- Need to improve data management – integrate FeralScan with other databases (and expand to weeds?)
- Advocate for greater government support and seek MLA partnership
- Need to use every tool we have
- Banning of 1080 is a threat, and PAPP is good for some situations but not all



## PASTURES, FARMING SYSTEMS AND DROUGHT

- Focus on climate variability and preparedness rather than 'drought'
- Regenerative agriculture is a good promotional opportunity for wool, and we need to be proactive in recording and reporting sequestered carbon, healthy soils
- Breeding or manipulating pasture for more vigour or persistence in dry times – e.g. barley grass
- Containment feeding as a strategy of increasing importance in all seasons
- New entrants or croppers returning to sheep need assistance with pastures/nutrition
- Collaboration is key



## SHEARER/WOOL HANDLER TRAINING

- Retention, attraction and longevity: professionalism, OH&S & animal welfare, broader 'life skills' for learners, incentives for shearers to shear better – not quicker, incentives for shearers to further their qualifications
- Address labour shortages: potential for incentive for gap-year students of reduced HECS liability, focused training for backpackers, feasibility of Seasonal Worker or Pacific Labour Mobility programs, support broader skills training
- Support of shearing competitions: supporting at an elite level through Sportshear help create Industry Champions that inspire the next generation, seek official recognition as a sport
- Shearing shed and OHS: best practice shed and yard design, further work on options for larger sheep by UPSP or sedation (develop training), other harvesting options – robotics, UPSP & biological de-fleece



## DIGITAL

- Understand the importance of data for smarter business decisions and future proofing – wool production becoming a data rich environment
- Tools to facilitate accurate and frequent data collection on farm: smart tags, paddock sensors, image capture systems, etc.
- Data analysis for forecasting and enabling on-farm informed decisions
- Data to increase transparency: welfare monitoring, resource optimisation, traceability
- Labour saving technology – amount of labour e.g., virtual fencing but also reduce skill level, e.g., shearing automation
- Identify barriers to adoption of new technologies and develop strategies for uptake
- Tailored solutions: involve producers as part of the development process, i.e., engagement in trials, validation of early prototypes etc.
- Consultants trained on implementation of on-farm technology solutions
- More information and support to make decisions about what technologies to adopt (integration, data ownership)
- New roles in the farm: a challenge but also an opportunity to bring new entrants to the industry, i.e., data experts



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# 10-YEAR INDUSTRY STRATEGIC PLAN CONT.



## MARKET INTELLIGENCE/ TRACEABILITY

- Satisfied with the daily market report text and weekly report, but too many weekly reports (AWI, AWEX, Brokers etc) – would like a one stop shop for market intel (e.g. WoolQ)
- Possible monthly or quarterly report on long-term trends and implications (e.g. base layers require shorter greasy staple length to wovens)
- Factual information about stocks within the supply chain (tops, yarn, cloth, garments)
- Need to push intel (e.g. provenance stories) up the supply chain to customers – they want this – growers want to get closer to their end users and quicker
- Learn more about the buying interests of exporters and topmakers (via WoolQ)
- Desire to better understand what the customers want and when
- Need for sophistication to capture the interest of the next generation (WoolQ provides this)
- Given we produce 80%+ of apparel, Australian growers should become price makers, not price takers
- Traceability is inevitable and is more an opportunity than a threat – doing nothing would likely mean wool becomes less relevant within the textile world
- WoolQ is a good platform to tell the grower's story and needs to be more brand and supply chain focussed
- The Woolmark logo needs to be an integral part of a traceability scheme
- There is a need to better explain WoolQ and be open to ownership discussions





## GROWER ENGAGEMENT

- Continue to use AWI networks to encourage and impact skills and advocacy
- Engage with the next generation through technology
- Target 'low-hanging fruit' e.g. It's Ewe Time Forums in Mallee areas
- Ensure information is targeted and relevant to the farm to combat info overload
- Pursue measurement and evaluation to build trust
- Understand the difference between consultation and engagement – seek 2-way discussions at events
- Provide leadership and confidence – WCG has an important role to play



## MARKETING

- Need to continue marketing wool through sports and eco projects
- Reinvigorating the Woolmark and infuse the meaning of quality with eco credentials/ provenance
- Celebrate and leverage Australian stewardship, using WoolQ or traceability
- Capitalise on 'Merino' more and differentiate from wool
- Trade marketing to focus outside of China to minimise risk
- Ambassador / celebrity strategy to add visibility to the Australian wool message
- M&E and marketing R.O.I. still elusive – need to build a more tangible way of recording and communicating the value of marketing efforts
- Appetite to explore wool recycling industry as a way of adding value to the virgin fibre
- Explore consumption potential by age – to justify why targeting millennials vs older consumers

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# NEXT STEPS

The WCG will be the reference group in the development of the 10-year strategic plan, and will ultimately approve it.

Given the importance of consultation as we go through this process, there is potential that the WCG will require an additional face-to-face meeting.

Immediately actioning one of the strong messages arising from the meeting – attracting and mentoring young entrants to the industry – will mean ensuring gender and age equity is evident within the WCG. This will be achieved by each WCG member nominating a suitable second representative to mentor and join them as part of the WCG.

AWI will develop and distribute a document proposing a process and timeline for the development of the 10-year strategic plan, and will provide the secretariat for this process.





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