



ANNUAL OPERATING PLAN 2021/22

JUNE 2021

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1. INTRODUCTION

1.1. About AWI

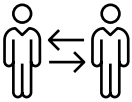
Who we are

Australian Wool Innovation (AWI) is the Research, Development and Marketing (RD&M) organisation for the Australian wool industry.

Created by the Australian Government in 2001, AWI's mission is to enhance the profitability of the Australian wool industry and increase the demand for the natural fibre which we do through The Woolmark Company Pty Ltd – a subsidiary of Australian Wool Innovation Limited.

Woolgrowers are at the heart of everything we do, and we work with the Australian Government through legislation (the Wool Services Privatisation Act 2000), regulations and a Statutory Funding Agreement.

What we do



Collaborate on research, development, extension, adoption and marketing projects.



Invest in research, development, extension, adoption and marketing.



Increase demand for wool globally.



More than 150 staff in 13 jurisdictions globally.



Consult with woolgrowers, industry, government and key partners.

Our Vision

AWI is a highly valued contributor to a vibrant, profitable and sustainable Australian wool industry.

Our Mission

To make strategically targeted investments to:

1. Enhance the profitability, international competitiveness and sustainability of the Australian wool industry.
2. Increase demand and market access for Australian wool.

Our Goal

To increase the profitability and support the sustainability of Australian wool industry through strategically targeted investments in research, development and marketing designed to optimise return on investment.



1.2. CEO's Statement



CAUTIOUS OPTIMISM FOR A POST-COVID ECONOMY

The past year has been a tough one for everyone, our markets and woolgrowers. With the global COVID-19 pandemic continuing to badly impact many countries across the world, 2021/22 is also shaping up to be challenging. However, while the situation changes daily, I believe better times are now ahead compared to the 2020/21 financial year.

Lockdowns and social distancing measures during the past year resulted in lower-than-normal consumption of apparel products in the usually large wool-consuming countries in the northern hemisphere such as those in Europe and the USA. In contrast, China's domestic consumption of wool apparel products at retail recovered well during the year, mainly due to the clear resurgence of the Chinese economy.

Although the relatively buoyant consumption in the Chinese market has not been enough to make up for the poor performance of western consumer markets, the bounce back in China does provide optimism and confidence for coming retail seasons in other global markets, once the rollout of vaccines has reduced COVID-19 infection levels and they are under control. Reflecting the situation in China, we anticipate an upsurge in demand in global markets once daily life returns to some form of normality and consumers begin to indulge in social gatherings once again.

Some apparel segments – such as outdoor/sports, knitwear, coats – have been more resilient than others during the past year and we expect healthy spending in these sectors to continue. High levels of online purchasing are also expected to continue, even if brick and mortar stores remain open. It is hoped that the suiting and formal

attire sectors, which have been badly hit in many countries, will recover but it remains to be seen to what extent.

In 2021/22, AWI's marketing teams across the world will continue to focus on (1) large volume, high consumption sectors, (2) sectors that are seeing a rise in demand, such as active wear, and (3) retailers and brands that have proven and robust digital retail platforms.

In the trade space, given that it usually takes more than 12 months for brands to develop and roll out their apparel collections, COVID-19 has already somewhat disrupted the 2021/22 northern hemisphere autumn/winter retail season, aside from in China. However, we are hopeful that the level of wool buying by processors will be back to normal during the second half of this calendar year, for autumn/winter 2022/23 collections across the entire northern hemisphere.

MACRO TRENDS TO BENEFIT WOOL

I strongly believe that the premium and natural qualities of our fibre and the relationships we have built along the supply chain during the past decade ensure a positive outlook for Australian wool, not only as the industry recovers from the economic effects of COVID-19, but in the longer term.

There are two macro trends that play in wool's favour. Firstly, the trend towards health and wellness. Consumers' interest in how the clothing they wear, the bedding they sleep under, the carpets they walk on and the furnishings that surround them is increasing – and the natural properties of wool, in contrast to synthetic fibres, have been shown to be beneficial for people's wellbeing. AWI will continue to fund scientific research into wool's benefits in this regard, especially regarding the fibre's benefits for sleep and health.

The second macro trend is the shift towards products that are environmentally friendly. Wool is a natural, biodegradable and renewable fibre, making it the perfect choice for those seeking products that have a minimal environmental impact. AWI funds scientific research into wool's eco-credentials to help the wool industry market Australian wool to the textile trade and consumers as the 'planet-friendly' fibre of choice.

ON-FARM R&D AND EXTENSION PROJECTS

It is important to note that while much attention at the moment has understandably been on our retail markets, our on-farm R&D and extension projects are largely run in Australia and have escaped the worst of the fallout from the pandemic. They continue to operate largely as outlined in our Strategic Plan, although we closely monitor their progress and budgets.

We continue to invest in on-farm R&D in the areas that woolgrowers have told us are important to them: optimising sheep health and welfare, combatting wild dog and fox attacks, increasing the reproductive efficiency of ewes, improving the genetic gain of the Merino, funding of in-shed shearer and wool handler training, and harnessing opportunities for on-farm automation.

In addition, we will continue to deliver practical training programs through our extension networks in each state to increase woolgrowers' adoption of best practice on-farm production and management. We will also continue to provide timely market intelligence to woolgrowers, hold many face-to-face industry events, and run projects to encourage the next generation into the wool industry.

OPERATING WITH REDUCED REVENUE

In the past two years, AWI's revenue, which is largely dependent on wool levy income, has taken a hit. This is due to a combination of three things. Firstly, the reduction in the rate of wool levy from 2% to 1½%, which came into effect on 1 July 2019. Secondly, the fall in Australia's wool production caused by the drought and low sheep numbers. Thirdly, the fall in the EMI, although prices have recently somewhat recovered.

AWI operates in a lean, efficient and transparent manner, but just like any business with a reduced income, we have had to make cutbacks in staffing and projects. While we have had healthy reserves, some of which we are using, the reality is that with a reduced revenue we can't provide the level of R&D and marketing that we were undertaking two years ago.

LOOKING TO THE FUTURE

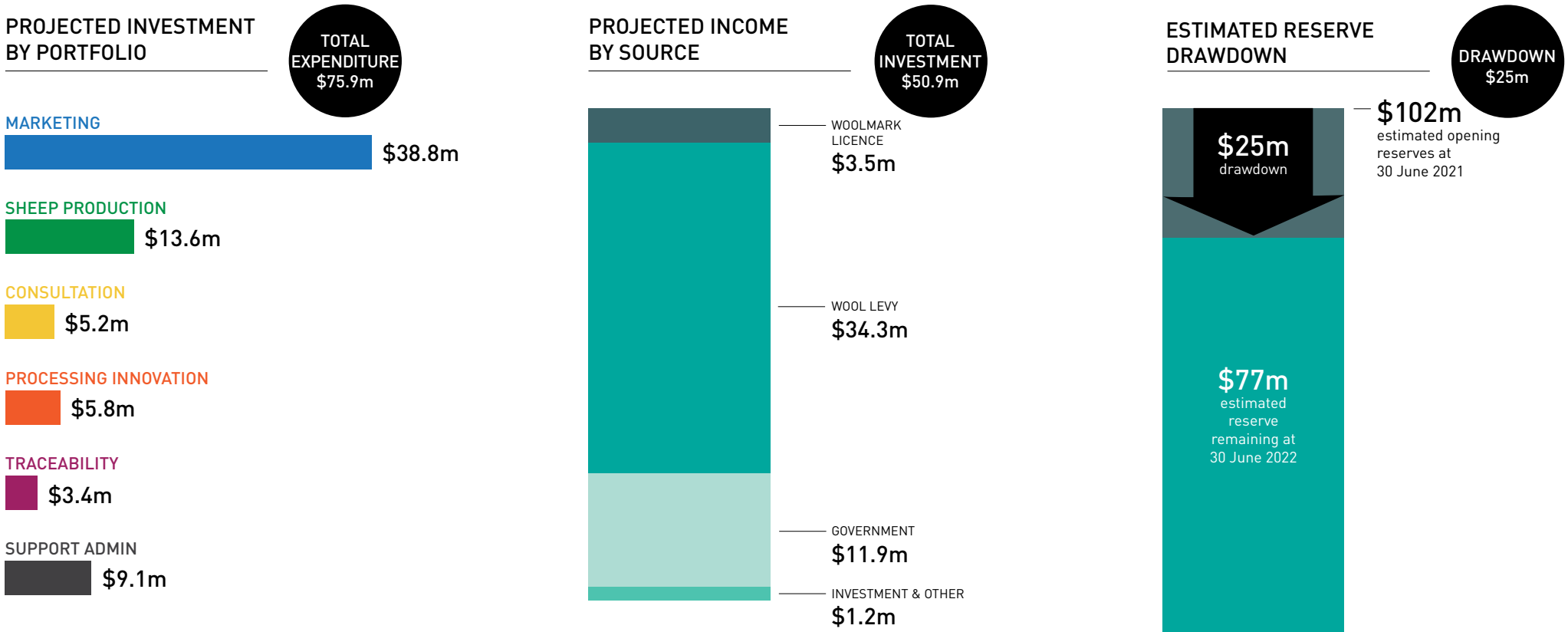
Without doubt, the economic fallout from the global pandemic during the past 16 months has been very tough for many industries including the wool industry. While I have always been absolutely sure about the resilience of our industry, I am more confident now than I have ever been that there is light at the end of the tunnel and a recovery is under way.

I hope you have all been safe and well during these unprecedented times and remain so. Rest assured that AWI will continue to work relentlessly for woolgrowers to ensure the sustainability of our industry and profitability for your enterprises.

Stuart McCullough



1.3. Budget Summary 2021/22



2. OPERATING ENVIRONMENT

2.1. Operating Environment

This 2021/22 Annual Operating Plan (AOP) is the third of the three-year strategic period 2019-2022 which provides a blueprint outlining AWI's objectives with clear deliverables. In demonstrating value to Australian woolgrowers, the investment targets and measurement metrics set out in this plan are wherever possible an annualised subset of the three-year targets in AWI's Strategic Plan.

The 2020/21 operating environment has thrown it challenges to AWI and the Australian wool industry – which in turn has demonstrated its resilience with the Eastern Market Indicator recovering strongly in the since the low of 858c in September 2020 – to now being at 1311c. This is a 53 per cent rise in AUD terms and a 62 percent rise in USD terms.

Favourable seasonal conditions for wool production are expected to extend into the new season boosting average cut per head.

However, low sheep numbers will continue to limit shorn wool production in the short term. The Australian Wool Production Forecasting Committee estimates a 2.1 per cent increase in shorn wool production to 290 million kilograms (mkg) from the 2019/20 estimate of 284mkg. On the back of this, the 2021/22 season is forecast to increase further to 305mkg.

Global uncertainty remains through the COVID-19 disruption to manufacturing, supply chains and consumption. And while we are now seeing steady vaccination rates and the easing of travel restrictions in our major markets, this will continue to impact AWI throughout the 2021/22 period.

AWI will build adaptable budget scenarios and conduct rapid reviews of how the pandemic recovery may impact the operating functions. Hence with this AOP and the overarching three-year Strategic Plan, AWI's Board and Management remain focused on

continuing to address the key investment priorities identified by stakeholders. We will strive to continue to deliver targeted research, development, extension, adoption and marketing investments that impact on the four key Measurement and Evaluation (M&E) drivers of productivity, efficiency, price and demand. During the 2021/22 financial year, we will continue the process of realigning our resources to ensure we are structured for long term success.

This AOP provides AWI personnel with a clear picture of their tasks and responsibilities in line with the targets contained within the Strategic Plan. The outcome for some of the targets will be achieved after the completion of the three-year period due to the nature of the projects. In planning its operations for the 2021/22 financial year, AWI is acutely aware it is the custodian of woolgrower funds. In managing its programs, AWI will make certain that funds are managed

prudently to achieve the maximum impact ensuring accountability, integrity, stewardship and transparency. Consultation with woolgrowers, industry and other stakeholders, has been a priority throughout the 2020/21 period and will remain so in 2021/22. In doing so, AWI continues to build trust and transparency across the supply chain by embedding into our operations an industry best-practice, structured, targeted and measurable engagement model.

2.2. Portfolio Structure



2.3. Risk Management

AWI is the research, development, extension and marketing company entrusted to invest woolgrower levies and matching eligible R&D funds from the government, to increase the profitability of the Australian wool industry.

AWI continually reviews the company's risk appetite which can be influenced by a number of factors, including those considered during the preparation of the Strategic Plan such as the levy rate reduction, ongoing drought conditions and now the impacts of COVID-19. Therefore, AWI seeks to balance the risk position between.

- Investing in higher risk activities that may drive substantial growth in the demand for wool; and
- The need to remain a stable organisation with the capacity to continue to work for woolgrowers long into the future.

AWI's risk appetite, by necessity, is towards the middle of the risk-taking spectrum. Depending on results from year to year, the option to either increase or decrease the appetite for higher risk activities can be availed.

AWI's risk assessment considers the company's regulatory compliance, reputation, performance management, knowledge and IP, health and safety, and financial situation.



Regulatory Compliance

At AWI we commit to ensuring we have no regulatory compliance breaches across our global footprint.



Reputation

AWI will act with integrity and respect with all stakeholders and partners. There is zero tolerance, for fraud, corruption, facilitation payments or unsafe workplaces.



Performance Management

We assess the impact of investment across AWI to ensure we are delivering results to our stakeholders.



Knowledge & Intellectual Property (IP)

AWI respects the value of the knowledge and intellectual property it develops.



Health Safety

AWI is committed to providing safe working environments.



Financial

AWI is the custodian of grower funds and will manage these prudently within the governance policies adopted.

2.4. Woolmark Program

The Woolmark brand underpins many of AWI's other programs by providing a central point of focus to link initiatives across the entire wool supply chain. However, the program has been impacted over recent years by competing certification schemes, pressure across the supply chain to reduce the cost of production in an extremely competitive market and, ultimately, the impact of the COVID 19 global pandemic.

To stem the dramatic decline in licensees, and the number of tickets and labels carrying the Woolmark, TWC undertook a thorough review of the program to address the areas of accessibility, cost, complexity and value. An updated and more streamlined program will launch on 1 July 2021 with the aim to improve adoption of Woolmark brand logos through a simplified access model for the supply chain, retailers and brands.

There is a renewed focus on building upon and strengthening the licence along the

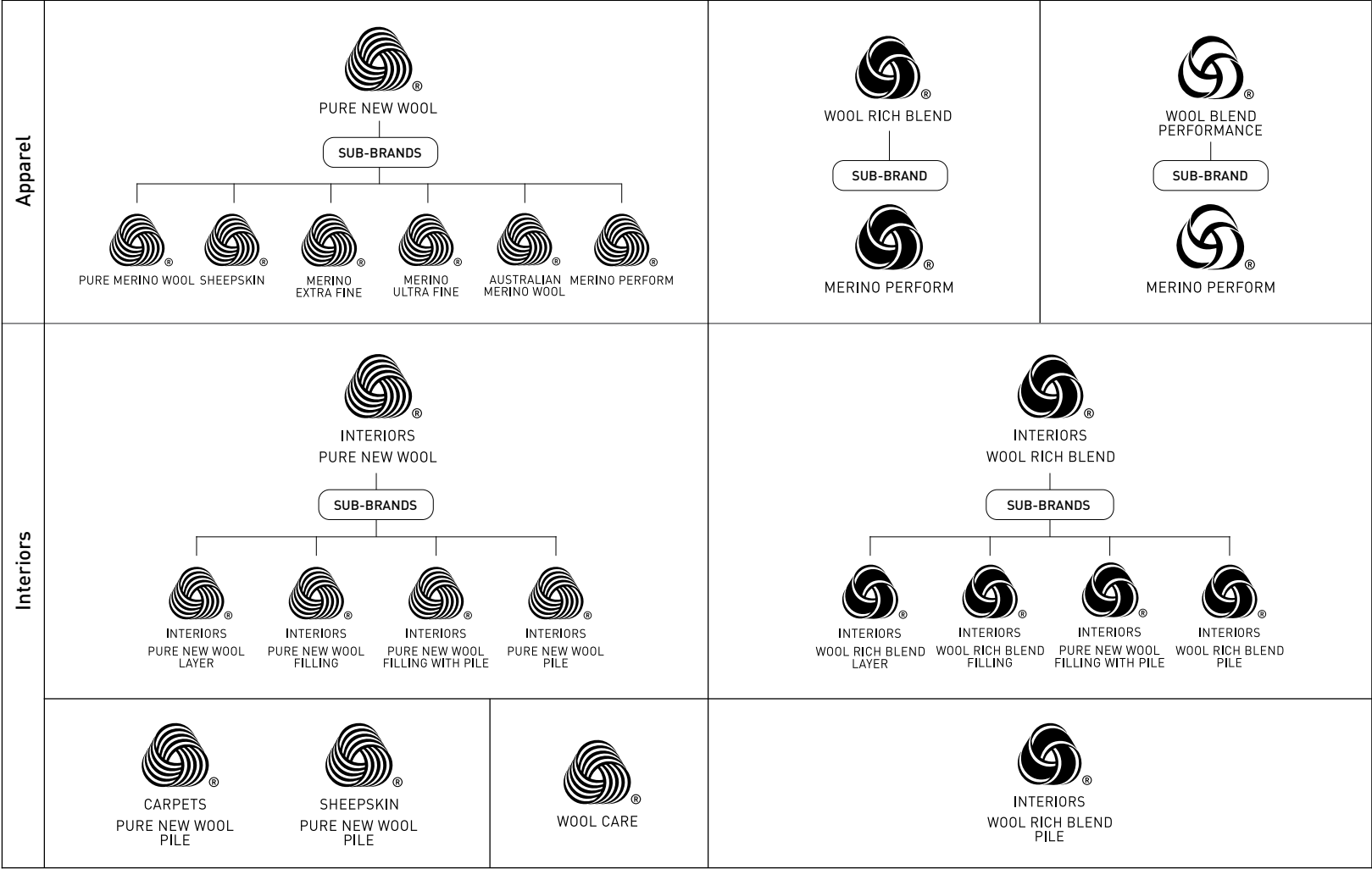
supply chain by encouraging spinners, weavers, knitters and garment makers to pass on their Woolmark licence to retailers and brands, as a value add to the sale of their wool products. Retailers and brands are now eligible for a fee-free licence and the supply chain will be required to pay the standard fee which will now provide access to the full range of Woolmark brands at no additional cost.

Quality assurance is a powerful tool, however, the program, fibre and industry have potential to leverage other aspects such as environmental credentials, scientific integrity and intimate supply chain knowledge to add greater relevance to the Woolmark. With sustainability a founding principle of the Australian wool industry's strategy, it is essential we communicate our support and relevance by positioning Merino wool's compelling eco credentials front and centre of the Woolmark program. By repositioning the Woolmark as a symbol

of quality and supply chain integrity, we add value to wool products that align with market demands for sustainable products and deliver tangible returns for Australian woolgrowers.

The my.Woolmark portal, launching on 1 July 2021, will transform the service model of the program by streamlining the process for licensees to self-service their account, as well as providing a detailed account activity view for Account Managers to more efficiently manage these relationships. The portal will provide an opportunity to track the use of the Woolmark globally and ensure accurate reporting on wool products in the market. Additionally, the automation of the testing process will enable more focused research and investment in processing and manufacturing support in the future.

The Woolmark licensing brands infrastructure



2.5. Stakeholder Engagement/Consultation

We believe to be effective, accountable and productive, good consultation is essential. AWI consults with stakeholders to identify research, development and extension (RD&E) priorities and activities that provide benefits to the wool industry.



AWI's key stakeholders include:

- Woolgrowers
- Woolgrower representative groups (national and state)
- State Farming Organisations
- Government (federal, state and international)
- Domestic supply chain representative groups
- Research and development vendors
- Retailers and brands
- Fashion designers
- Manufacturers and supply-chain partners
- Animal welfare organisations

Woolgrower representative advisory groups

- AWI's Woolgrower Industry Consultation Panel (quarterly)
- AWI's Woolgrower Consultation Group (annual)

Stakeholder events and meetings

- Regular meetings with industry groups and Government
- Annual General Meeting
- Extension Networks
- Shearing and Wool handling workshops
- Field days
- Merino Ewe competitions
- Leading Sheep forums
- Sheep Connect
- State Farm Organisations committees, events and conferences
- Workshops
- Webinars

Publications

- AWI Strategic Plan
- Annual Operating Plan
- Surveys
- Newsletters
- Beyond the Bale magazine

AWI Business cycle

- Statutory Funding Agreement
- Independent Review of Performance
- WoolPoll

Online

- Wool.com
- Facebook
- Twitter
- Instagram
- Woolgrower App

2.6. Culture

AWI people are expected at all times to have regard to the best interests of AWI and AWI shareholders collectively and must strive to meet the legitimate expectations of Australian woolgrowers and the Federal Government in the performance of their work.

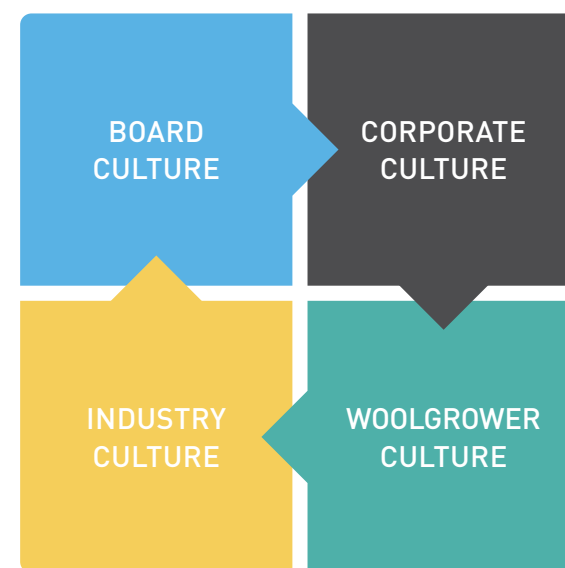
AWI wishes to promote a culture which reflects that of its stakeholders.

Woolgrowers hold in high regard the values of being innovative, transparent, accountable, hard-working, and collaborative.

AWI's guiding values are set out as follows, and AWI People are expected to reflect these values in undertaking their work:

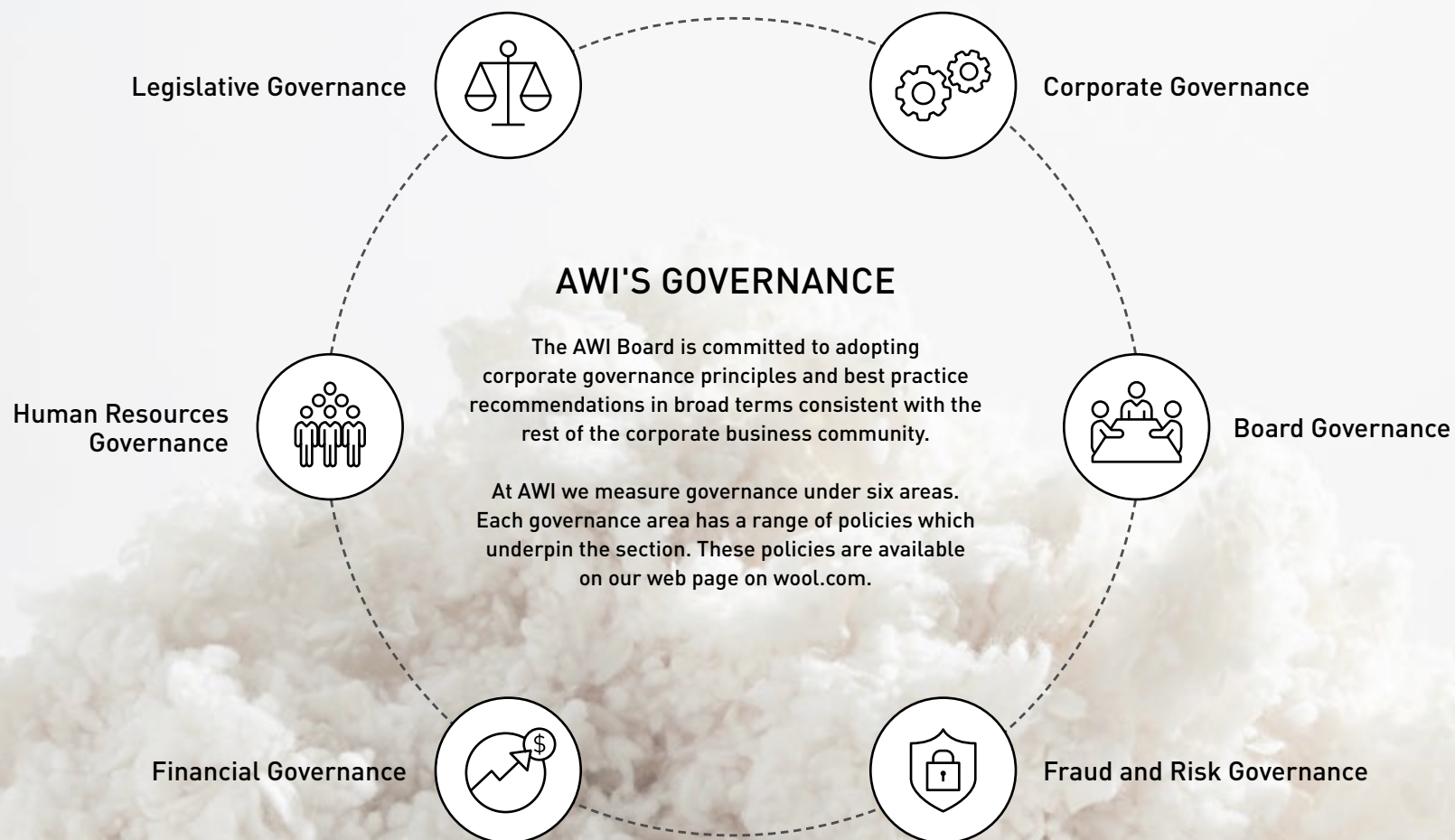
- **Innovative:** We will continuously pursue fresh approaches and ideas in research and development, and marketing throughout the supply chain.
- **Collaborative:** AWI and its stakeholders have limited resources, and do not control the processing or end use of their product. As such, we will work with partners through the supply chain, including other RDC's to ensure results are achieved through collaboration and partnership.

- **Accountable:** Adopting principles of measurement and accountability in all activities is vital to maintaining the credibility of AWI.
- **Transparent:** In all our operations and dealings internally and externally we will seek to be transparent about what we do, why and how we do it.
- **Integrity and respect:** Integrity drives our commitment to put growers first. We will engage with each other and consult and interact with woolgrowers and other industry stakeholders in a professional and respectful way.
- **Proactive:** We will seek to understand future trends, anticipate market needs and drive growth opportunities.
- **Committed:** We are committed to providing our staff and management with a safe, rewarding, accountable and supportive work environment.








AWI identifies 4 key areas in culture

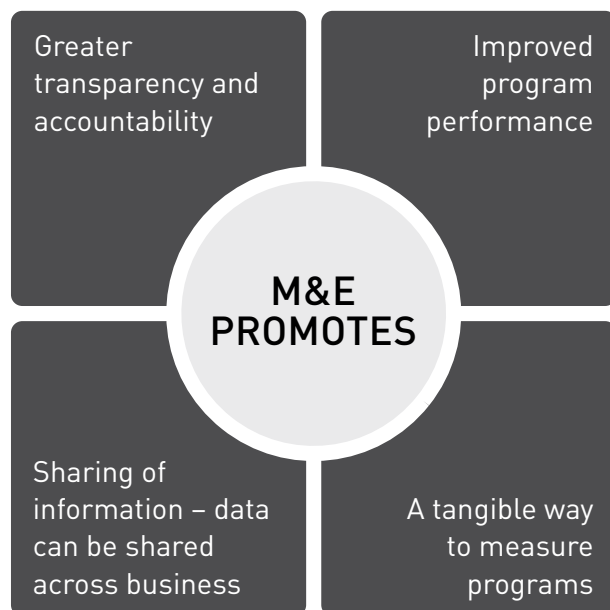
2.7. Governance



2.8. Wool 2030 Alignment

PORTFOLIO	STRATEGY					
		PILLAR 1 Caring for our animals and environment	PILLAR 2 Marketing the world's most desirable fibre	PILLAR 3 Communicating with our customers	PILLAR 4 Transforming our production systems through innovation	PILLAR 5 Fostering a prosperous woolgrowing community
SHEEP PRODUCTION, SCIENCE & TECHNOLOGY	HEALTHY PRODUCTIVE SHEEP	●			●	
	AGRI TECHNOLOGY	●			●	●
	TRAINING & TECHNOLOGY UPTAKE	●			●	●
CONSULTATION	WOOLGROWER	●		●	●	●
	INDUSTRY	●				●
PROCESSING INNOVATION EDUCATION & FASHION EXTENSION	PROCESSING INNOVATION		●	●		
	EDUCATION EXTENSION		●			
	WOOMARK		●			
MARKETING	TRADE		●	●		
	BUSINESS & TALENT DEVELOPMENT		●			
	CONSUMER		●			
TRACEABILITY	SUPPLY CHAIN INITIATIVES	●		●		●
	FIBRE SCIENCE	●		●		

2.9. Measurement and Evaluation



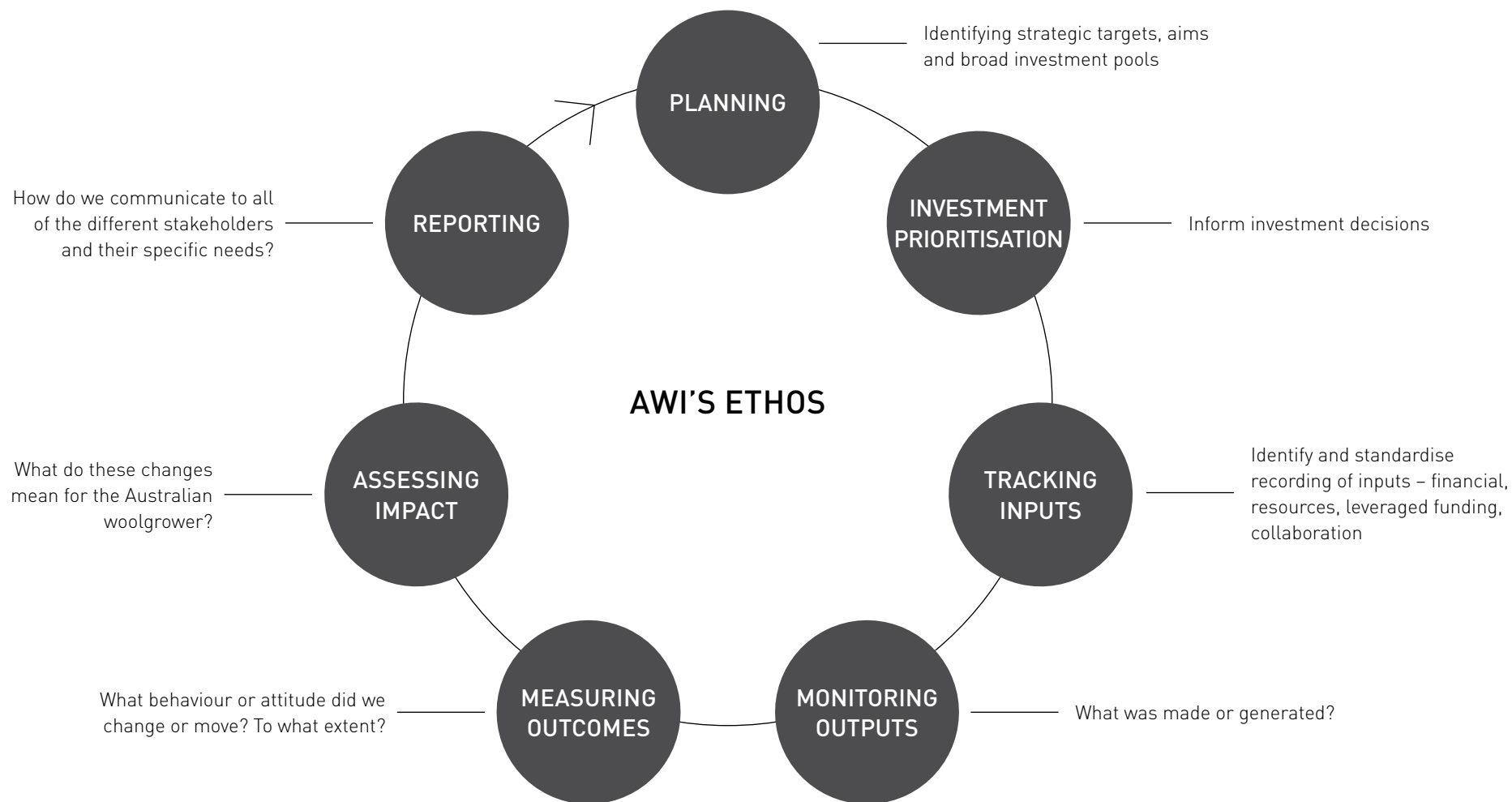
AWI is committed to providing quantifiable returns on woolgrower and government funds. The Measurement and Evaluation (M&E) framework provides the necessary data to guide strategic planning, to design and implement programs and projects. The M&E framework covers objectives, indicators, data sources, plans for data collection, analysis, and reporting. In other words, it clearly outlines how data collected, analysed, and reported.

M&E data provides quantifiable results to help program managers learn from project successes, challenges and are better prepared to respond to the ever-evolving project situations, determine what worked and what did not and why it did not work and how it could be improved. Through the M&E system, we are able create a link between the past, present, and future measures to improve program implementation of the current program and effectively plan for future program.

AWI's goal is to continue to support and increase the profitability and sustainability of the Australian wool industry through strategically targeted investments. To achieve AWI's goal, four drivers of value

have been identified which are productivity, efficiency, demand, and price. Return of farm assets managed (RoFAM) will be applied to inform the methods of M&E of all AWI programs and investment. To successfully measure the four drivers and RoFAM, M&E has laid a foundation in collecting data that can be used in calculating the Cost Benefit Ratio and Return on Investment at program level.

AWI has implemented a Data Management System capable of meeting our business needs. **Domo** is the selected system, and it provides a platform for storage, analysis, visualisation, and reporting of data. We are now in the process of integrating and modelling the data by combining information from multiple sources. M&E and Digital are working closely with other teams to find out what data is useful and build dashboards based on their needs. As a result, data is transformed into an important business asset, which is efficiently stored, retrieved, and shared. Through this system we aim to create an environment in which users will have better access to more and better managed data that will lead to better and faster decisions.



2.10. Collaboration

Woolgrowers and the Australian Government, as investors in AWI's activities, expect collaboration with other Research and Development Corporations (RDCs), public and privately funded research institutes and the commercial sector.

This ensures sharing of knowledge, an increased funding pool, efficient research and development progress, enhanced reach and depth of education and progress on shared problems which otherwise may not be addressed.

These collaborations look to address common challenges and seek opportunities to enhance the image and brand of Australian agriculture.

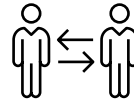
Wherever possible across all AWI's portfolios collaborators are sought for both cash or in kind contributions.

Leverage, adoption efficiency, maximising returns and research outcomes



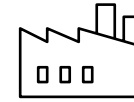
Farm Research

- RDCs
- Virtual Research Centres
- Government
- Universities
- Private sector



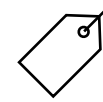
Extension & Education

- RDCs
- Government
- Universities
- Schools
- Private sector



Supply Chain Research & Development

- RDCs
- Government
- Universities
- Manufacturers
- Retailers
- Brands
- Private sector



Marketing & Fibre Promotion

- Retailers
- Brands
- Other fibre organisations

2.11. AWI’s Modern Slavery Stance

AWI has a zero-tolerance approach to modern slavery, bolstered by our voluntarily compliance with the Commonwealth Modern Slavery Act 2018.

AWI is aware that modern slavery is a risk throughout its operations and supply chains. Whether directly or indirectly, AWI operates in countries where modern slavery is far more prevalent than in Australia.

AWI has identified that within its business’ operations, the supply chain and marketing sectors of the company pose the highest risk of coming into contact with modern slavery. The following actions will be taken by AWI to assess and address modern slavery risks, to ensure that risk will be mitigated as best as possible.



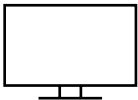
Modern slavery clauses standardised across business wide contracting procedures.



Additional training for key staff members, prioritised to members of staff with heightened exposure with manufacturers and factories in ‘at risk’ countries.



Under all contracting circumstances, project managers with conduct additional due diligence to obtain transparency into the company’s policies on modern slavery.



Compliance training mandatory for all staff members to raise awareness of modern slavery.



AWI will express their right to request pre-contract checks and independent modern slavery audit certificates from supply chain manufacturers.



In the event of AWI group identifying a case that constitutes modern slavery within their supply chain, AWI group will cease work with the company in question until they have been cleared of all allegations.

2.12. Annual Operating Plan 2021/22 Summary

SHEEP PRODUCTION, SCIENCE & TECHNOLOGY

OVERALL OBJECTIVE Lower the cost of production of wool on-farm by increasing the productivity of sheep and land, and increasing the efficiency of use of inputs and resources while maintaining Australia's reputation for sustainability.

STRATEGY	PROGRAMS	TARGETS
HEALTHY PRODUCTIVE SHEEP	SHEEP HEALTH & WELFARE	<ol style="list-style-type: none"> 1. Evidence of successful development of a flystrike vaccine prototype. <i>(OP)</i> 2. Demonstrate a 10% increase in adoption of welfare improved practices. <i>(OC)</i>
	VERTEBRATE PESTS	<ol style="list-style-type: none"> 1. Reduce the negative impacts of predation by 10% by 2022. <i>(OC)</i> 2. Improve capacity to undertake pest animal control by 10% by 2022. <i>(OC)</i> 3. Development of new rabbit bio-controls. <i>(OP)</i>
	REPRODUCTION & NUTRITION	<ol style="list-style-type: none"> 1. At least 1500 woolgrowers engaged in implementing beneficial feedbase guidelines and practices by 2022. <i>(OC)</i> 2. Increase Merino marking rates by 0.5% per annum. <i>(OC)</i> 3. Complete the development of guidelines and extension workshops to improve reproductive rates that support the aim of 34% of ewes differentially managed to best practice by 2022. <i>(OC)</i> 4. Improve the understanding of two key areas to address climate variability; best practice for supplementary feeding and managing of resilient pasture species. <i>(OP)</i>
	GENETICS	<ol style="list-style-type: none"> 1. By 2022, 50% of Merino producers will be using genetic tools (e.g. ASBVs, Flock breeding Values, or wether trial data) in ram purchasing decisions. <i>(OC)</i>
AGRI TECHNOLOGY	NOVEL APPLICATIONS	<ol style="list-style-type: none"> 1. Educational packages to increase technology adoption and digital literacy. <i>(OC)</i>
	MECHATRONICS	<ol style="list-style-type: none"> 1. Proof of concept robotic shearing system delivered. <i>(OP)</i>
TRAINING & TECHNOLOGY UPTAKE	HARDWARE & SOFTWARE DEVELOPMENT	<ol style="list-style-type: none"> 1. AWI Smart Tag system delivers at least three practical functionalities driven by sensors, hardware is reliable and durable, and software is able to be updated remotely. <i>(OP)</i> 2. Artificial Intelligence (machine learning) applied for data analysis delivering accurate predictions for at least two sheep traits or paddock events. <i>(OP)</i>
	SHEEP & WOOL MANAGEMENT SKILLS	<ol style="list-style-type: none"> 1. 750 tertiary participants in AWI leadership and practical skills events. <i>(OC)</i> 2. AWI leadership and practical skills events delivered to participants receive a net promoter score of at least 7.5/10. <i>(OC)</i> 3. 20,000 views of AWI Education & Extension resources online. <i>(OC)</i>
	WOOL HARVESTING & QUALITY PREPARATION	<ol style="list-style-type: none"> 1. 1,500 novice and intermediate level participants trained by AWI shearer and wool handler trainers. <i>(OC)</i> 2. Ongoing retention rate of 75% of those trained yearly. <i>(OC)</i> 3. Support the promotion of shearer and wool handling profile through support of elite competitions and competitors nationally. <i>(OC)</i> 4. 25,000 views of AWI Wool Harvesting resources online. <i>(OC)</i>

OC – Outcome OP – Output

CONSULTATION

OVERALL OBJECTIVE To build trust and transparency across the supply chain through an industry best-practice structured, targeted and measurable engagement model; and for this intelligence to influence, inform or contribute to AWI's business activities.

STRATEGY	PROGRAMS	TARGETS
WOOLGROWER	EXTENSION NETWORKS	1. 15,000 active participants in AWI extension initiatives. <i>(OC)</i> 2. AWI workshops with a net promoter score of 7.5. <i>(OC)</i> 3. 400,000 views of AWI Network resources online. <i>(OC)</i>
	EVENTS & FORUMS	1. Support and engagement at more than 50 events and forums nationally. <i>(OP)</i>
	MARKET INTELLIGENCE & COMMUNICATIONS	1. 70% of users of AWI's Market Intelligence find it of 'high value' or above. <i>(OC)</i> 2. Increase subscriber numbers by 10%. <i>(OC)</i> 3. Market Intelligence area on AWI website receives 15,000 views per month. <i>(OC)</i>
INDUSTRY	WOOLGROWER REPRESENTATIVE BODIES	4. WICP and WCG members report AWI consultation efforts have been maintained or improved at 8.9 (approval rating out of 10). <i>(OC)</i>

PROCESSING INNOVATION & EDUCATION EXTENSION

OVERALL OBJECTIVE Increase the profitability and sustainability of the wool processing and manufacturing supply chain and educate students, trade and retailers about the benefits of wool.

STRATEGY	PROGRAMS	TARGETS
PROCESSING INNOVATION	TEXTILE & RETAILING TECHNOLOGIES	1. Proof of concept novel retail technology application. <i>(OP)</i> 2. Proof of concept novel textile technology / fashion tech application. <i>(OP)</i> 3. Educational packages developed to increase technology awareness, adoption, and digital literacy. <i>(OP)</i>
	PARTNERED INNOVATION	1. Partner with 6 machinery companies for product or process development. <i>(OP)</i> 2. Minimum of 3 fully-fashioned garment product developments made commercially available. <i>(OP)</i> 3. Minimum of 5 footwear developments made commercially available. <i>(OP)</i> 4. Research and commercial trial of one wearable technology. <i>(OP)</i> 5. Partnered product developments to increase by 10%. <i>(OP)</i>
EDUCATION EXTENSION	RETAIL EDUCATION	1. Deliver retail training programs across womenswear, menswear and sportswear to a minimum of 25 retailers/brands globally. <i>(OC)</i> 2. Retail staff have successfully completed 100 retail training courses on the properties and benefits of Australian wool on the Woolmark Learning Centre digital platform. <i>(OC)</i>
	TRADE EXTENSION	1. Increase swatch requests from The Wool Lab by 1.5%. <i>(OC)</i> 2. Increase the number of The Wool Lab views and presentations by 10%. <i>(OC)</i> 3. 250,000 visitors to Woolmark digital trade show pages. <i>(OC)</i>
	STUDENT EDUCATION	1. Increase participation in the Learn About Wool primary and secondary education program by 2.5%. <i>(OC)</i> 2. Increase global participation in the Wool4School secondary design competition by 5% across Australia, Hong Kong, UK and Italy. <i>(OC)</i> 3. Increase participation in tertiary education programs by 5%. <i>(OC)</i> 4. Students have successfully completed 2000 courses on the Australian wool industry through the Woolmark Learning Centre digital platform. <i>(OC)</i>
WOOLMARK	QUALITY CONTROL	1. 400 branded product samples purchased and processed through the QA program to maintain the integrity of the Woolmark brand. <i>(OP)</i>
	LICENSING	1. Increasing the use of the Woolmark logo on qualifying product by 5% as measured through the use of branded tickets and labels. <i>(OC)</i>

2.12. Annual Operating Plan 2021/22 Summary (continuation)

MARKETING

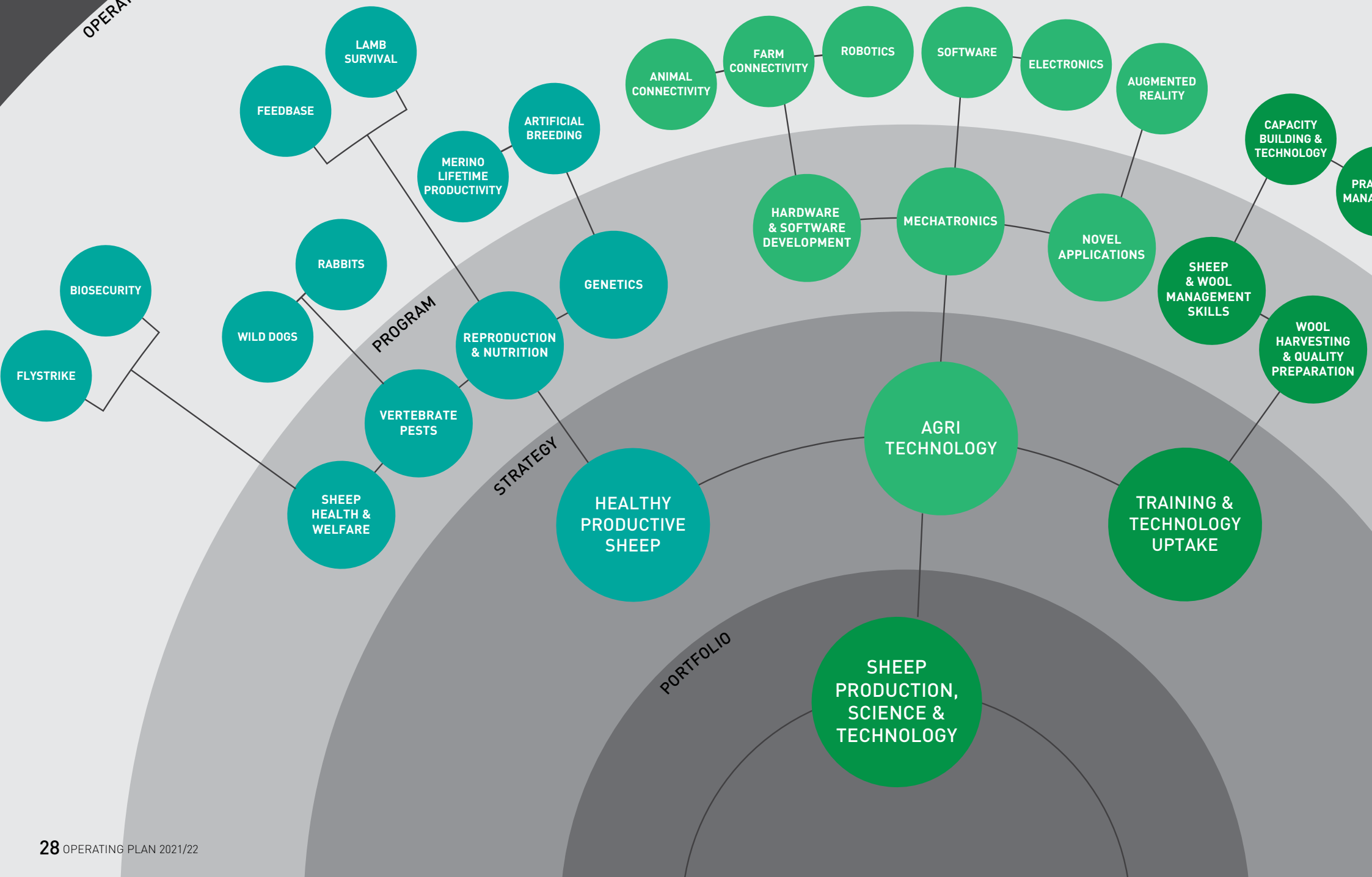
OVERALL OBJECTIVE	To continue to build demand for Australian wool by reinforcing its position in the market and solidifying a strong price to ensure a sustainable future for Australian woolgrowers.		
STRATEGY	PROGRAMS	TARGETS	
TRADE	FIBRE ADVOCACY	1. Increase trade leads by 50%. <i>(OC)</i> 2. 50% active engagement rate on owned content. <i>(OC)</i>	
BUSINESS & TALENT DEVELOPMENT	INTERNATIONAL WOOLMARK PRIZE	1. 300 new leads per year. <i>(OC)</i> 2. 60% of IWP Finalist collections commercialised. <i>(OC)</i> 3. Achieve a 5% increase on active engagement on IWP related content. <i>(OC)</i> 4. Achieve 50% of surveyed alumni as continued wool advocates post-award. <i>(OC)</i>	
	WOOLMARK PERFORMANCE CHALLENGE	1. Increase digital engagement by 20% year on year. <i>(OC)</i> 2. Increase competition entry rate by 10%. <i>(OC)</i> 3. Increase webinar average attendance rate from 19 to 22. <i>(OC)</i>	
CONSUMER	FIBRE ADVOCACY	1. 5% increase in active engagement on owned media channels. <i>(OC)</i> 2. Increase The Woolmark Company brand awareness by 5%. <i>(OC)</i> 3. Increase The Woolmark Company brand sentiment by 7%. <i>(OC)</i>	
	BRAND PARTNERSHIP	1. Partner with two global brand partners. <i>(OC)</i> 2. Increase purchase intent of Australian wool by 10%. <i>(OC)</i> 3. Achieve 5% increase of units of clothing with five brand partners with a global presence. <i>(OC)</i>	

TRACEABILITY

OVERALL OBJECTIVE	To provide tools to ease the flow of information about Australian wool up and down the supply chain to all parties; to communicate wool's benefits, facilitate provenance and supply chain transparency.		
STRATEGY	PROGRAMS	TARGETS	
SUPPLY CHAIN INITIATIVES	WOOLQ	1. An increase of 250 woolgrowers adopting the WoolQ grower tools. <i>(OC)</i> 2. Deliver a WoolQ tender selling option to compliment the WoolQ bulletin board and auction. <i>(OP)</i>	
	FIBRE IDENTIFICATION & TRACING	1. Define new fibre-origin test method for adoption into the supply chain and use by laboratories. <i>(OP)</i> 2. Draft protocols for the chain of custody of wool through the supply chain ready for review by global wool industry bodies. <i>(OP)</i>	
FIBRE SCIENCE	HEALTH AND WELLNESS	1. Produce and publish evidence of specified next to skin Merino garments as improving sleep quality. <i>(OP)</i> 2. Generate new test protocols to measure wool's breathability in dynamic conditions. <i>(OP)</i>	
	ECO CREDENTIALS	1. Produce and publish evidence on how Sustainable Apparel Coalition environmental scoring disadvantages the value chains of natural and renewable biogenic carbon fibres compared to non-renewable fossil carbon derived fibres. <i>(OP)</i> 2. Produce and publish case studies on the environmental and economic impact of woolgrowers using regenerative farming practices. <i>(OP)</i> 3. Develop and publish a method for accounting for recycling in LCA. <i>(OP)</i> 4. Generate new knowledge of wool's carbon account, including emissions at the national and farm scales and identifying plausible mitigation strategies. <i>(OP)</i> 5. Improve wool's environmental rating relative to synthetics, by working to establish a level playing field for rating apparel. <i>(OC)</i>	

OC – Outcome OP – Output

3. STRATEGIC PORTFOLIOS



3.1. SHEEP PRODUCTION INNOVATION & ADVOCACY

CTICAL
AGEMENT

OBJECTIVE

Lower the cost of production of wool on-farm by increasing the productivity of sheep and land, and increasing the efficiency of use of inputs and resources while maintaining Australia's reputation for sustainability.

OUTCOMES

- Australian woolgrowers use tools and information to:
 - improve the lifetime welfare of their sheep
 - reduce predation impacts.
- Research and development provides evidence for improved flystrike prevention, rabbit biocontrol, differential ewe management, improved feedbase practices and genetic evaluation.
- Development of agri-technology provides evidence for improved labour efficiency and lower cost inputs.

Sheep Production, Science & Technology Strategies



HEALTHY PRODUCTIVE SHEEP

The challenges are to efficiently achieve lifetime sheep health and welfare, timely pasture growth and more lambs without compromising future productivity. When woolgrowers succeed through genetic benchmarking or adjusting inputs or their management, they want to ensure their gains are not decimated by predators.



AGRI TECHNOLOGY

Automation will bring efficiencies in farm data collection, analysis and decision-making using smart sheep tag hardware, sheep to sheep connectivity, sheep to farm connectivity and augmented reality interfaces. Safe (or soft) robotics are working with humans in other industries which is an opportunity for improving the wool harvesting process.



TRAINING & TECHNOLOGY UPTAKE

To be recognised as a valuable contributor to the profitability and sustainability of Australian woolgrowers, through the provision of a broad range of grower-facing communication, engagement and training initiatives.

Strategy: Healthy Productive Sheep

PROGRAMS	INVESTMENT FOCUS	TARGETS
SHEEP HEALTH & WELFARE	<ul style="list-style-type: none"> Natural blowfly sampling completed with completed report on the population structure and gene flow models of the Australian sheep blowfly to inform vaccine, chemical treatment and resistance management strategies. Investigations into the development of a flystrike vaccine completed and recommendations on future research and activities available. 	1. Evidence of successful development of a flystrike vaccine prototype. <i>(OP)</i>
	<ul style="list-style-type: none"> 2021/22 Breech Flystrike Prevention Communication Plan developed and implemented, that includes: <ul style="list-style-type: none"> Resources for grower workshops on strategic flystrike control, including breeding for breech flystrike resistance, are developed and available. Information for growers on best practices integrated pest management and the use of analgesia and anaesthesia are regularly published in industry communications and through the AWI Extension Networks. A mechanism for the collection of sheep health and welfare related metrics to inform the Sheep Sustainability Framework and Wool 2030 Strategy is implemented. 	2. Demonstrate a 10% increase in adoption of welfare improved practices. <i>(OC)</i>
VERTEBRATE PESTS	<ul style="list-style-type: none"> 3% reduction in negative impacts of predation. Maintain 6 Wild Dog Coordinator positions across Australia and support for other sector funded coordinators. Increase co-funding and partnerships to support Wild Dog Coordinator positions. Provide training and support to Wild Dog Control and Cluster groups subject to financial constraints. 	1. Reduce the negative impacts of predation by 10% by 2022. <i>(OC)</i> 2. Improve capacity to undertake pest animal control by 10% by 2022. <i>(OC)</i>
	<ul style="list-style-type: none"> Identify distribution and spread of Calicivirus strains across Australia. Identification and monitoring of strain X environment activity. Publications and extension material where appropriate and valuable. Establishment of RHDV2 program. 	3. Development of new rabbit bio-controls. <i>(OP)</i>

Strategy: Healthy Productive Sheep (continuation)

PROGRAMS	INVESTMENT FOCUS	TARGETS
REPRODUCTION & NUTRITION	<ul style="list-style-type: none"> Improve knowledge and skills of producers in regards to the newly-developed novel dryland legumes to suit their production needs. Improve the understanding of the optimal phosphorus requirements of pasture legumes to reduce inputs and production costs for woolgrowers. Improve the knowledge and understanding of the suitability, optimal establishment and ongoing management of superior forage shrubs to fill feed gaps and make use of previously unproductive land. 	1. At least 1,500 woolgrowers engaged in implementing beneficial feedbase guidelines and practices by 2022. <i>(OC)</i>
	<ul style="list-style-type: none"> Lifetime Ewe Management program (LTEM) delivered. Development of reproduction extension packages and tools to provide guidelines to increase lamb survival and marking rates (Lamb Survival Workshops). 	2. Increasing Merino marking rates by 0.5% per annum. <i>(OC)</i>
	<ul style="list-style-type: none"> Lifetime Ewe Management program (LTEM) and AWI One Day Workshops (e.g., Winning With Weaners, Picking Performer Ewes) delivered. This program equips participants with best practice management principles for ewe management to increase on-farm productivity and profitability improving marking rates. Increase the collection and use of data to increase ewe reproductive efficiency (e.g., pregnancy scanning for multiples and differentially managing ewes based on their pregnancy status, wet and drying at lamb marking and identifying lambled and lost ewes). 	3. Complete the development of guidelines and extension workshops to improve reproductive rates that support the aim of 34% of ewes differentially managed to best practice by 2022. <i>(OC)</i>
	<ul style="list-style-type: none"> Management of resilient pasture species: improved knowledge and understanding of newly-developed novel dryland legumes, and their production requirements to suit the variability of our climate in years to come. 	4. Improve the understanding of two key areas to address climate variability; best practice for supplementary feeding and managing of resilient pasture species. <i>(OP)</i>
GENETICS	<ul style="list-style-type: none"> Review the future of wether trials as a genetic evaluation tool and general extension. Continue to collect MLP and MLP Add-On project data and increase awareness of the projects and where appropriate promote early results through newsletters, field days, websites and interviews. Collaborate on the MLP analysis and reporting options with industry and research provider. 	1. By 2022, 50% of Merino producers will be using genetic tools (e.g. ASBVs, Flock Breeding Values, or wether trial data) in ram purchasing decisions. <i>(OC)</i>

OC – Outcome OP – Output

Strategy: Agri Technology

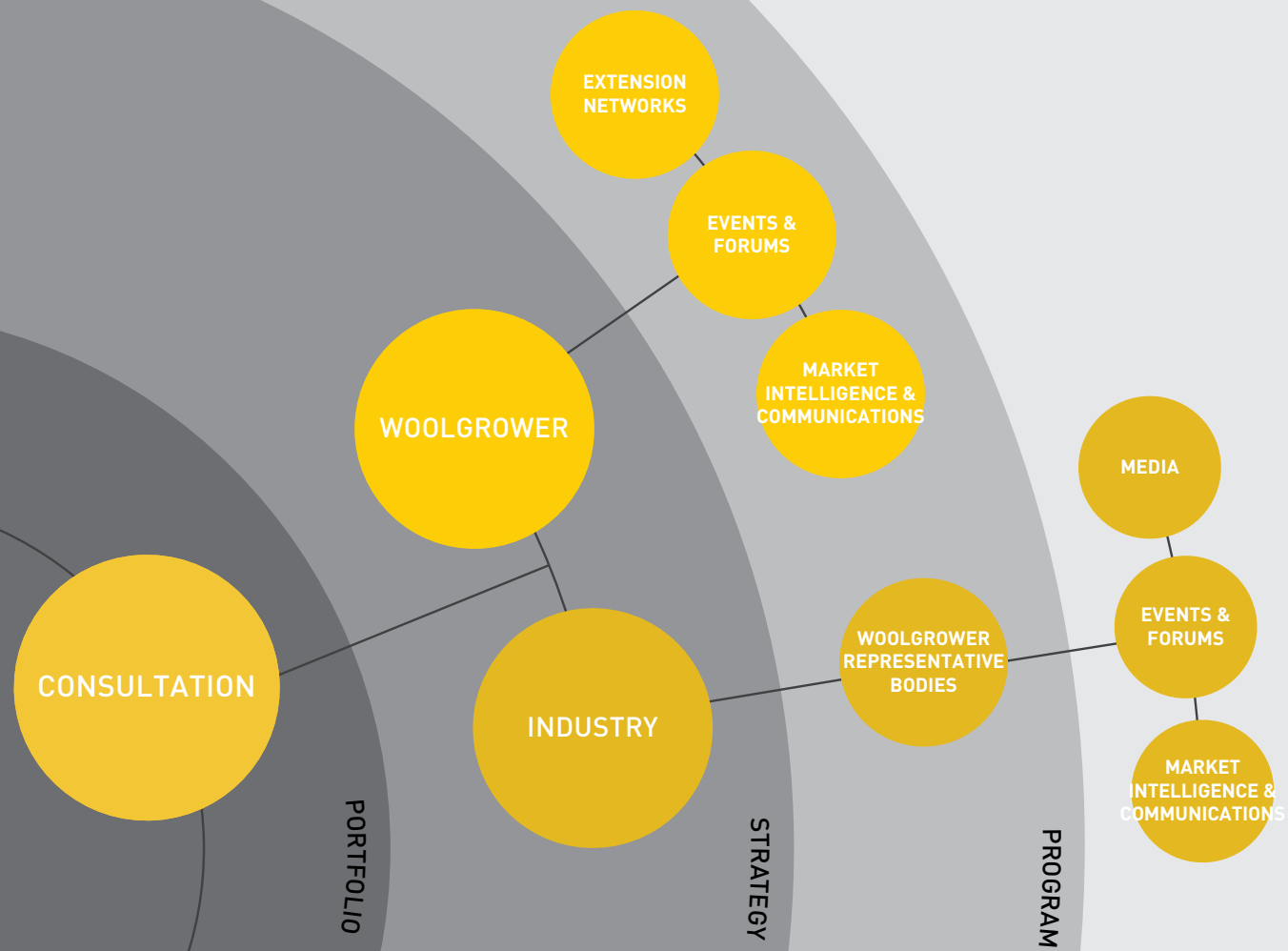
PROGRAMS	INVESTMENT FOCUS	TARGETS
HARDWARE & SOFTWARE DEVELOPMENT	<ul style="list-style-type: none"> AWI Smart tag range has increased to significantly reduce the equipment required in the paddock to collect data. Location precision improved achieving GPS comparable accuracy. Algorithm developed and integrated into the system for one key disease. Reproductive algorithms validated for rams and ewes. 	<ol style="list-style-type: none"> AWI Smart Tag system delivers at least three practical functionalities driven by sensors, hardware is reliable and durable, and software is able to be updated remotely. <i>(OP)</i>
	<ul style="list-style-type: none"> Validation of grazing behaviour AI models to predict feed intake/grazing performance. Machine learning applied to refine current behaviour signatures. 	<ol style="list-style-type: none"> Artificial Intelligence (machine learning) applied for data analysis delivering accurate predictions for at least two sheep traits or paddock events. <i>(OP)</i>
MECHATRONICS	<ul style="list-style-type: none"> Proof of concept delivered for smart handpiece and system to monitor shearers muscle fatigue. 	<ol style="list-style-type: none"> Proof of concept robotic shearing system delivered. <i>(OP)</i>
NOVEL APPLICATIONS	<ul style="list-style-type: none"> AWI continues to support programs to develop entrepreneurship and technology capabilities amongst woolgrowers. 	<ol style="list-style-type: none"> Educational packages to increase technology adoption and digital literacy.

Strategy: Training & Technology Uptake

PROGRAMS	INVESTMENT FOCUS	TARGETS
SHEEP & WOOL MANAGEMENT SKILLS	<p>Practical management information</p> <ul style="list-style-type: none"> AWI will continue to develop and make available key industry resources on best management practices and existing technologies across all facets of sheep production. Resources will be made available through a range of mediums including print, app development and AWI websites. <p>Capacity building & technologies</p> <ul style="list-style-type: none"> Retention of wool industry participants through access to skills building opportunities to increase their capacity in leadership, business, industry promotion and their confidence in the future of their industry. Address shortfalls in practical, hands-on and entry level training initiatives specific to wool and sheep management. 	<ol style="list-style-type: none"> 750 tertiary participants in AWI leadership and practical skills, events and online initiatives. <i>(OC)</i> AWI leadership and practical skills events delivered to participants receive a net promoter score of at least 7.5/10. <i>(OC)</i> 20,000 views of AWI Education & Extension resources online. <i>(OC)</i>
WOOL HARVESTING & QUALITY PREPARATION	<p>Innovative in-shed practices and technologies</p> <ul style="list-style-type: none"> With the broader adoption of innovative approaches to wool harvesting, such as upright and mobile shearing, multi-purpose sheds and easier catch/drag/release methods, AWI will work with industry to develop and deliver applicable training components. <p>Promote elite shearing and wool handling</p> <ul style="list-style-type: none"> AWI will continue to recognise elite shearing and wool handling through communication and promotion initiatives, as well as regional, state and national competition support. 	<ol style="list-style-type: none"> 1,500 novice and intermediate level participants trained by AWI shearer and wool handler trainers. <i>(OC)</i> Ongoing retention rate of 75% of those trained yearly. <i>(OC)</i> 25,000 views of AWI Wool Harvesting resources online. <i>(OC)</i> Support the promotion of shearer and wool handling through support of elite competitions and competitors nationally. <i>(OC)</i>

Annual Operating Plan Sheep Production 2021/22

STRATEGIES	PROGRAMS	Program Budget (AUD '000)	Strategy Budget (AUD '000)	Sheep Production Sub-total (AUD '000)	Allocation Of Cross Functional Project (AUD '000)	Total Project Allocation Budget (AUD '000)	Operating Costs (AUD '000)	Total Portfolio Costs (AUD '000)
HEALTHY PRODUCTIVE SHEEP	Sheep Health & Welfare	1,027	4,638	10,580	404	10,984	2,598	13,582
	Vertebrate Pests	967						
	Reproduction & Nutrition	1,341						
	Genetics	1,303						
AGRI TECHNOLOGY	Hardware & Software Development	736	1,287					
	Mechatronics	500						
	Novel Applications	50						
TRAINING & TECHNOLOGY UPTAKE	Sheep & Wool Management Skills	1,250	4,655					
	Wool Harvesting & Quality Preparation	3,405						



3.2. CONSULTATION

OBJECTIVES

To build trust and transparency across the supply chain through an industry best-practice structured, targeted and measurable engagement model; and for this intelligence to influence, inform or contribute to AWI's business activities.

OUTCOMES

- Measurable contribution to future-proofing the industry, in terms of retaining and attracting the next generation to the industry; and to maintaining and building the Australian Merino flock.
- Accountability to woolgrowers by listening to and acting upon on-farm and regional challenges that are communicated via a structured and enhanced industry consultation model, and in turn leverage this feedback loop as a means of achieving improved awareness and understanding of AWI business activities by its levy payer base.
- Demonstrable positive increase in woolgrower sentiment toward AWI, via an annual survey, as a highly valued contributor to a vibrant, profitable, innovative and sustainable Australian wool industry.
- Deliver an innovative, practical and tailored project suite that lifts non-shareholder levy payer awareness of AWI activities to a level where woolgrowers within this group see value in converting to an AWI shareholder.
- Build strong relationships within Australian and state Government, and respective departments; demonstrating a collaborative approach with industry, and tangible returns on government investment via robust measurement and evaluation.
- Provide opportunity for reducing knowledge gaps between supply chain partners by an enhanced market intelligence function, and by acting as a conduit between sectors.

Consultation Strategies



WOOLGROWER

Australian woolgrowers are the reason AWI exists. Australian woolgrowers and the future health of their operations will always be the business' priority focus, in terms of woolgrower levies that fund AWI activities, and in managing these funds prudently to deliver strategic, relevant, sophisticated, and measurable outcomes that contribute to a vibrant, profitable, innovative and sustainable Australian wool industry.



INDUSTRY

AWI looks to work in a structured, transparent and collaborative way with the plethora of industry bodies, and for the intelligence gleaned from this engagement to influence, inform or contribute to AWI business activities.

Strategy: Woolgrower

PROGRAMS	INVESTMENT FOCUS	TARGETS
EXTENSION NETWORKS	<ul style="list-style-type: none"> AWI will continue to develop and disseminate key industry resources on best management practices and existing technologies across all facets of sheep production, with these readily available in both digital and print format. Participants through access to skill-building opportunities to increase capacity in leadership, business, industry promotion and confidence in the future of the industry. Address shortfalls in practical hands-on and entry level training initiatives specific for wool and sheep management. Seeking new networks to engage with in order to reach woolgrowers, particularly in cropping zones where renewed interest in sheep exists. Examples: Grains Industry Association, WA; Birchip Cropping Group, VIC; Mallee Sustainable Farming, VIC, SA; Grassland Society, NSW. Increased consultation with extension group PAPs and increased engagement with woolgrowers through events, workshops and conferences. 	<ol style="list-style-type: none"> 15,000 active participants in AWI extension initiatives. <i>(OC)</i> AWI workshops with a net promoter score of 7.5. <i>(OC)</i> 400,000 views of AWI Network resources online. <i>(OC)</i>
EVENTS & FORUMS	<ul style="list-style-type: none"> Focus on future-proofing the industry in terms of the Merino flock, next generation and new technologies. Direct and collaborative support and presence at events. Increase current reach to engage with more commercial woolgrowers, young woolgrowers and potential woolgrowers, via existing or new events. Ensure feedback is gathered, and acted upon wherever possible, to inform the business on regional priorities and to continually sharpen relevance to woolgrowers. 	<ol style="list-style-type: none"> Support and engagement at more than 50 events and forums nationally. <i>(OP)</i>
MARKET INTELLIGENCE & COMMUNICATION	<ul style="list-style-type: none"> Create the most valued market intelligence in the wool industry. Build demand and subscriber numbers as an indication of quality, well presented and sought-after information. Provide forecast analysis and insights into global trends to inform business owners of threats and opportunities across the supply chain. 	<ol style="list-style-type: none"> 70% of users of AWI's Market Intelligence find it of 'high value' or above. <i>(OC)</i> Increase subscriber numbers by 10%. <i>(OC)</i> Market Intelligence area on AWI website receives 15,000 views per month. <i>(OC)</i>

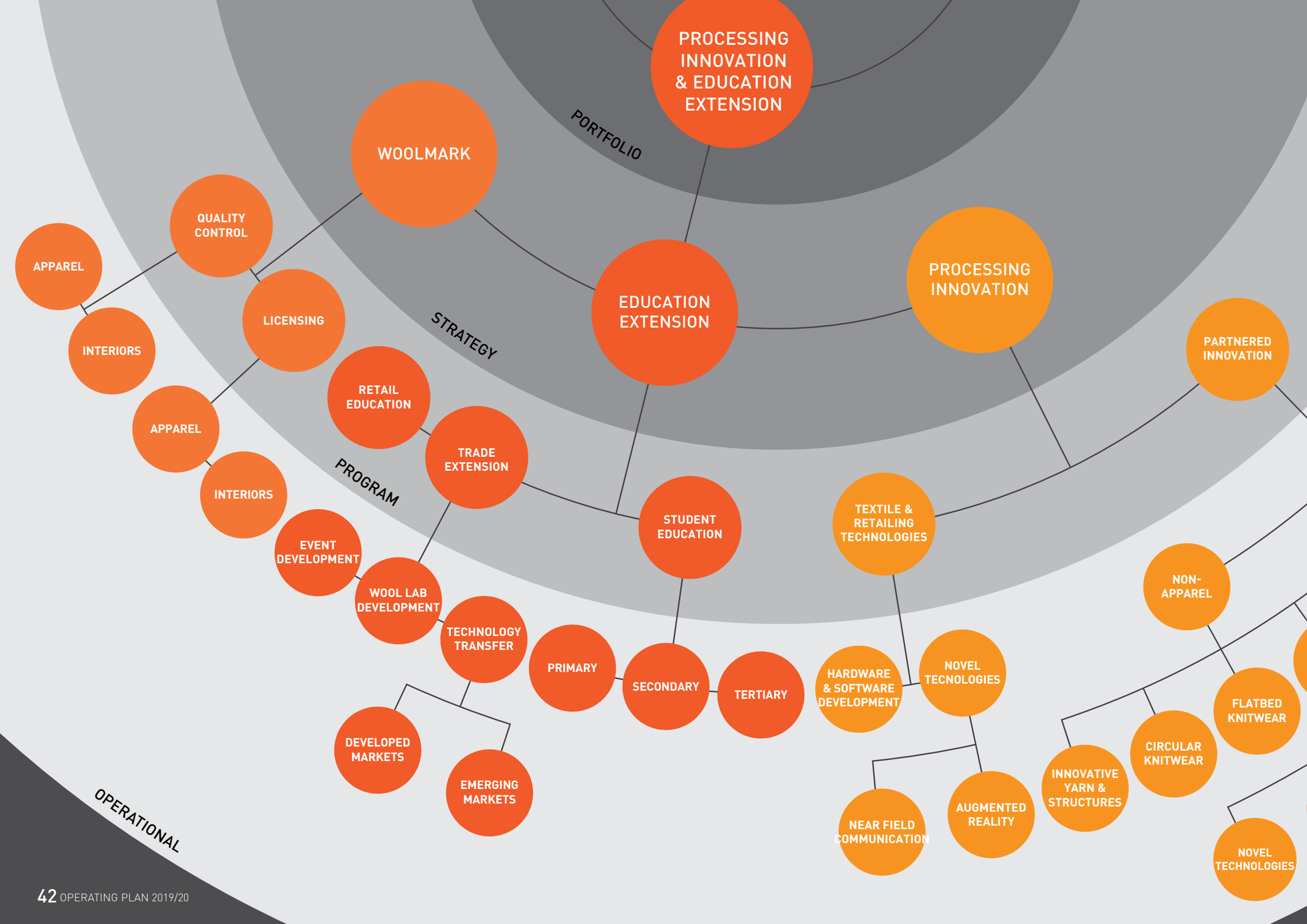
OC – Outcome OP – Output

Strategy: Industry

PROGRAMS	INVESTMENT FOCUS	TARGETS
WOOLGROWER REPRESENTATIVE BODIES	<p>AWI has undertaken a significant review of its consultation activities over the past strategic period, commencing in 2016 and culminating in the establishment of a new consultation model in early 2019.</p> <p>The focus of the new consultation model is on developing more effective, respectful and meaningful consultation with woolgrower representative bodies through:</p> <ol style="list-style-type: none"> 1. AWI's Woolgrower Industry Consultation Panel (WICP); and 2. AWI's Woolgrower Consultation Group (WCG). 	<ol style="list-style-type: none"> 1. WICP and WCG members report AWI consultation efforts have been maintained or improved at 8.9 (approval rating out of 10). <i>(OC)</i>

Annual Operating Plan Consultation 2021/22

STRATEGIES	PROGRAMS	Program Budget (AUD '000)	Strategy Budget (AUD '000)	Woolgrower Services Sub-total (AUD '000)	Allocation Of Cross Functional Project (AUD '000)	Total Project Allocation Budget (AUD '000)	Operating Costs (AUD '000)	Total Portfolio Costs (AUD '000)
WOOLGROWER	Extension Networks	1,035	2,285	3,435	154	3,589	1,568	5,157
	Events & Forums	250						
	Market Intelligence & Communication	740						
Media	260	1,150						
INDUSTRY	Government		50					
	Representative Bodies		1,100					





3.3. PROCESSING INNOVATION & EDUCATION EXTENSION

OBJECTIVE

Increase the profitability and sustainability of the wool processing and manufacturing supply chain.

OUTCOMES

- Develop new innovative manufacturing and technology processes.
- Develop new product ranges based on newly developed processes launched globally in collaboration with supply chain partners and marketing teams.
- Manufacturers mainly in emerging countries, new to wool, using established wool technologies.

Processing Innovation & Education Extension Strategies



PROCESSING INNOVATION

By assisting (through transfer of innovations) manufacturers to adopt innovative technologies which add significant value, either functionally (eg moisture management properties) or aesthetically (new textures) so their products will attract higher premiums. This in turn will lead them to become more profitable, and thus more likely to stay in wool and willing to pay a higher price for it.



EDUCATION EXTENSION

Education and training of supply chain participants ensures wool remains a competitive processing sector against other fibres and inspires designers, brands and retailers to use wool in their product ranges, and ideally, to leverage the intrinsic properties of wool to grow profitable demand for their products.



WOOLMARK

The Woolmark brand underpins many of AWI's other programs by providing a central point of focus to link initiatives across the entire wool supply chain. The Woolmark product specifications and quality control and testing policy support The Woolmark Company's consumer marketing efforts to change perceptions about wool.

Strategy: Processing Innovation

PROGRAMS	INVESTMENT FOCUS	TARGETS
TEXTILE & RETAILING TECHNOLOGIES	<ul style="list-style-type: none"> Interactive retail & ecommerce technologies. Digital engagement tools and emerging digital opportunities. Connected garments (Fashion Tech) and virtual presentation. 	<ol style="list-style-type: none"> Proof of concept novel retail technology application. <i>(OP)</i> Proof of concept novel textile technology / fashion tech application. <i>(OP)</i> Educational packages developed to increase technology awareness, adoption, and digital literacy. <i>(OP)</i>
PARTNERED INNOVATION	<ul style="list-style-type: none"> Development of new yarns, textiles, garments, footwear and non-woven products. Engagement with leading machinery manufacturers to explore new opportunities for wool production, process and treatments. Wearable technologies and 3D printing. Technical transfer. Partnered product innovations with key global brands. Research and trials into eco-friendly processing treatments and technologies. 	<ol style="list-style-type: none"> Partner with 6 machinery companies for product or process development. <i>(OP)</i> Minimum of 3 fully-fashioned garment product developments made commercially available. <i>(OP)</i> Minimum of 5 footwear developments made commercially available. <i>(OP)</i> Research and commercial trial of one wearable technology. <i>(OP)</i> Partnered product developments to increase by 10%. <i>(OP)</i>

Strategy: Education Extension

PROGRAMS	INVESTMENT FOCUS	TARGETS
RETAIL EDUCATION	<ul style="list-style-type: none"> Develop 'white label' retail training programs across a diversity of brands with a specific focus on womenswear, menswear and sportswear brands for global delivery. Continue to work directly with brands and retailers to develop custom training programs across various product categories. Develop a retail training portal via the Woolmark Learning Centre to ensure all retail training programs are accessible online and in multiple languages. Continue to host retail training tours to Australia where influential luxury brands have an opportunity to come to the source of Australian Merino wool and be connected with woolgrowers. This program aims to bridge the gap between the woolgrower and the brand/retailer at the end of the supply chain providing an education opportunity for both. 	<ol style="list-style-type: none"> 1. Deliver retail training programs across womenswear, menswear and sportswear to a minimum of 25 retailers/brands globally. <i>(OC)</i> 2. Retail staff have successfully completed 100 retail training courses on the properties and benefits of Australian wool on the Woolmark Learning Centre digital platform. <i>(OC)</i>

Strategy: Education Extension (continuation)

PROGRAMS	INVESTMENT FOCUS	TARGETS
TRADE EDUCATION	<ul style="list-style-type: none"> THE WOOL LAB (DEVELOPMENT) The Wool Lab (TWL) will continue to be the main tool to inspire and connect designers, brands and retailers to wool. AWI will continue to develop and deliver TWL via seasonal (Spring/Summer and Autumn/Winter collections) as well as a targeted Sports collection and Wool Denim collection to appeal to the contemporary market. We will continue to increase the extension of TWL by face to face presentations, however a key focus is on digital means to maximise the value and reach. TWL provides a sourcing service for key luxury brands and retailers for innovative design and fashion trends that utilise wool as the main fibre. EVENT DEVELOPMENT (TRADESHOWS) AWI will continue to exhibit at the most influential international trade shows, including machinery, yarn, fabric, sports/outdoor, and technical shows that will support investment across our off-farm and marketing areas. Trade show messaging will focus on TWL (sourcing), new innovations (inspiration) and the eco-credentials of wool (education). AWI will use these shows to affirm The Woolmark Company's role as a leading authority in the fashion and textile industry, through seminars, media coverage and partner feedback (including post-trade fair follow up). Trade shows also provide an important source of leads for continual business development as well as the opportunity to support our supply chain partners. WOOL RESOURCE CENTRES AND DEVELOPMENT CENTRES The first Wool Resource Centre opened in Hong Kong in 2016 with the aim to provide a global hub for the fibre, textile and apparel industries to discover the wonders and versatility of Merino wool. The centre includes a wool library, showroom and events space for use across the entire supply chain from wool growers, manufacturers to designers, brands, retailers and students. Following its success, AWI plans to open additional centres in the UK (London) and USA (New York) to provide hubs in key markets. Development Centres currently existing at Nanshan Group (weaver), Xinao (spinner) and Donghua University. These centres have been aligned with key Chinese strategic partners to ensure that wool inspiration and education is available to their clients and students. AWI will continue to develop these existing centres by ensuring up-to-date information is available and that wool is at the forefront of mind when making a fibre selection. We will expand this approach into new target markets of Vietnam (emerging market) and Italy (developed market). TECHNOLOGY TRANSFER <i>Developed Markets</i>- Working in developed markets to identify and support market trends and new opportunity areas for wool that can be adopted by existing and new manufacturing markets. AWI will continue to monitor and evaluate market trends and discuss opportunities with supply chain partners to create new business. <i>Emerging Markets</i> - By identifying and working with new manufacturing partners in emerging countries, our aim is to support the shift of processing operations out of China, whilst at the same time creating new business opportunities and new demand for Australian wool. During this strategic period the focus will be on the establishment and growth of midstream processing, ie spinning, knitting weaving, garment making etc, with the overall objective of establishing new manufacturing supply chains in Vietnam, and other markets yet to be identified. 	<ol style="list-style-type: none"> Increase swatch requests from The Wool Lab by 1.5%. <i>(OC)</i> Increase the number of The Wool Lab views and presentations by 10%. <i>(OC)</i> 250,000 visitors to Woolmark digital trade show pages. <i>(OC)</i>

Strategy: Education Extension (continuation)

PROGRAMS	INVESTMENT FOCUS	TARGETS
STUDENT EDUCATION	<ul style="list-style-type: none"> AWI will continue to develop and produce educational resources such as 'Sam the Lamb' and 'Learn About Wool' for primary and secondary students. Support will be provided to teachers by way of education materials, online lesson plans, videos and other materials in line with National curriculums. AWI will continue to refine and roll-out the Wool4School Design competition globally to engage secondary students to learn about the benefits and versatility of wool. Seminars and competitions via Woolmark Performance Challenge for tertiary students will be held globally to educate, inspire and connect the future generation, giving them an understanding of processing, the supply chain and the many possibilities for careers within the wool industry. AWI will continue to develop the Wool Appreciation and Wool Education Courses aimed at tertiary Design and Textile Engineering students to be delivered via face-to-face and train the trainer approach to key global markets. AWI will continue to convert all educational courses and competitions available for primary, secondary and tertiary students and teachers onto the online Woolmark Learning Centre platform to create a central hub for all educational resources. This platform will ensure participants (students and teachers) have access to the most up to date information and resources. It will also allow students to be credited for the courses they complete via a badging system. 	<ol style="list-style-type: none"> Increase participation in the Learn About Wool primary and secondary education program by 2.5%. <i>(OC)</i> Increase global participation in the Wool4School secondary design competition by 5% across Australia, Hong Kong, UK and Italy. <i>(OC)</i> Increase participation in tertiary education programs by 5%. <i>(OC)</i> Students have successfully completed 2000 courses on the Australian wool industry through the Woolmark Learning Centre digital platform. <i>(OC)</i>

Strategy: Woolmark

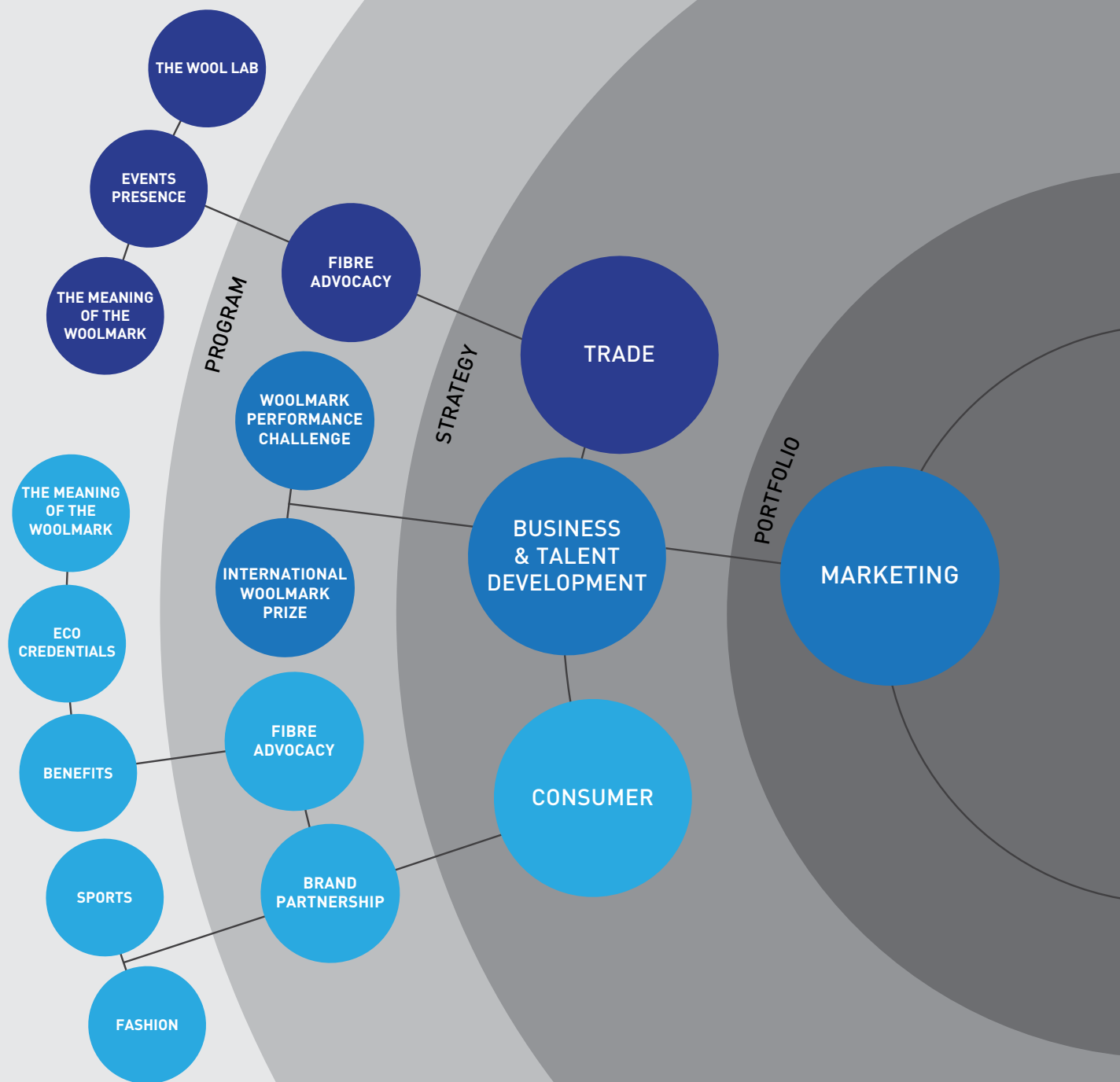
PROGRAMS	INVESTMENT FOCUS	TARGETS
QUALITY CONTROL	<ul style="list-style-type: none"> Maintaining the position of the Woolmark licensing program as a quality assurance.. 	<ol style="list-style-type: none"> 400 branded product samples purchased and processed through the QA program to maintain the integrity of the Woolmark brand. <i>(OC)</i>
LICENSING	<ul style="list-style-type: none"> Maintenance of the supply chain and licensing database. Robust internal processes to ensure the licensing of the Woolmark logos through the supply chain to end product is well administered. Effectively administrative support for the QA system. Getting engagement from supply chain partners. 	<ol style="list-style-type: none"> Increasing use of the Woolmark logo on qualifying product by 5% as measured through the use of branded tickets and labels. <i>(OC)</i>

Annual Operating Plan Processing Innovation & Education Extention 2021/22

STRATEGIES	PROGRAMS	Program Budget (AUD '000)	Strategy Budget (AUD '000)	PIEE Sub-total (AUD '000)	Allocation Of Cross Functional Project (AUD '000)	Total Project Allocation Budget (AUD '000)	Operating Costs (AUD '000)	Total Portfolio Costs (AUD '000)
PROCESSING INNOVATION	Textile & Retailing Technologies	60	760	2,921	174	3,095	2,736	5,831
	Partnered Innovation	700						
EDUCATION EXTENSION	Retail Education	196	1,796					
	Trade Education	1,250						
	Student Education	350						
WOOLMARK	Quality Control	215	365					
	Licensing	150						



OPERATIONAL



3.4. MARKETING

OBJECTIVE

To continue to build demand for Australian wool by reinforcing its position in the market and solidifying a strong price to ensure a sustainable future for Australian woolgrowers.

OUTCOMES

- New and sustainable demand for Australian wool.
- Australian wool is positioned as the world's premium sustainable fibre, optimal for building circular, traceable products.
- Enhanced consumer awareness of the benefits of Australian wool as a fibre of choice in apparel.
- The Woolmark Company is a credible, globally recognised and mutually beneficial partner for brands and retailers.

Marketing Strategies



TRADE

The Trade Marketing strategy (B2B) aims to build the reputation for Australian wool amongst the global apparel industry through a program of fibre advocacy, fostering and promoting innovation, increasing brand equity for the Woolmark and championing Australian wool's inherent eco-credentials. The Woolmark Company's internal creative and digital teams will deliver cost-efficient, cutting edge marketing and communications.



BUSINESS & TALENT DEVELOPMENT

A strategic Business and Talent Development (BTD) program, bringing together the company's Education and Extension, Processing Innovation and Marketing functions to drive increased business development opportunities and build an alumnus of life-long Australian wool advocates. The strategy encompasses key programs such as the International Woolmark Prize and Woolmark Performance Challenge.



CONSUMER

The Consumer marketing strategy (B2B2C) aims to develop and implement marketing campaigns with key designers, brands and partners to drive growth, defend core categories and build the reputation for Australian wool. This strategy will deliver value to partner brands, maximise investment efficiency and deliver the wool message across all touchpoints aligned to the most important brands and retailers across the world.

Strategy: Trade

PROGRAMS	INVESTMENT FOCUS	TARGETS
FIBRE ADVOCACY	<p>THE WOOL LAB</p> <p>The Wool Lab has become one of the essential tools for global brands and designers searching for the highest quality, most innovative wool products in the market, directly connecting them with the supply chain.</p> <p>The trade marketing strategy will ensure The Wool Lab and latest innovations are effectively promoted to the global industry to guarantee continued innovation uptake, growth for Australian wool and positioning of The Woolmark Company as a global authority.</p> <ul style="list-style-type: none"> • Highlighting new processing applications to promote adoption of wool innovations. • Owned content & communication strategy (imagery, video, trend reports, research and insight sharing). • Paid media strategy. • PR <p>EVENTS</p> <p>The inability to travel to trade fairs and showrooms causes various sourcing and buying challenges. Through heightened communication to our supply chain partners, the strategy is digitised to provide on-demand technical and marketing support:</p> <ul style="list-style-type: none"> • Digitisation of Woolmark Licensee program and portal • Wool sourcing tool and traceability integration • Personalised EDM Strategy + e-Database growth • Online Brand Surveys • Social first media strategy <p>MEANING OF THE WOOLMARK</p> <p>Use the Woolmark brand promise to build loyalty between the apparel industry and the Australian woolgrowers by providing a globally recognised quality assurance program that communicates best practices and provenance. The Woolmark Company will aim to curate a community of wool advocates within the trade industry through access to insights, research and education around the intrinsic benefits of the fibre and the prestige of the Woolmark certification.</p> <ul style="list-style-type: none"> • Highlight the commercial benefits of the Woolmark program to a trade audience through content, collateral and seminars. • Promote best-practice licensees to commercial brands through editorial, events and paid media. • Create valuable content and communication strategy for licensee retention and wool education (owned content strategy). • Ensure retailers and brands are educated about the intrinsic benefits of the fibre and the prestige of the Woolmark certification. 	<ol style="list-style-type: none"> 1. Increase trade leads by 50%. <i>(OC)</i> 2. 50% active engagement rate on owned content. <i>(OC)</i>

Strategy: Business & Talent Development

PROGRAMS	INVESTMENT FOCUS	TARGETS
INTERNATIONAL WOOLMARK PRIZE	<p>ALUMNI</p> <ul style="list-style-type: none"> Educational wool seminars and webinars. Partnerships with influential industry experts in marketing, retail and business to offer independent advice to alumni and specifically winners on how they can maximise their relationship with The Woolmark Company and the fibre. Continued coverage and support of alumni brand development across The Woolmark Company-owned digital and social platforms. <p>EVENTS/CONTENT</p> <ul style="list-style-type: none"> Investment in boundary-pushing content profiling the award and its participants by aligning with top level tastemakers from across the fashion, art and technology industries to create highly sharable and media worthy assets. Create inspiring events that tell the story of the fibre in a unique way and encourage top level media attendance and content opportunities for continued editorial and social media coverage. Secure the most influential fashion commentators, celebrities, stylists and influencers to attend events and elevate the prestige of the award. <p>RETAIL/COMMERCIALISATION</p> <ul style="list-style-type: none"> Support for international retail launch activities including local area marketing, events, merchandising and designer appearances for maximum engagement with VIP shoppers, media and staff to promote the benefits of the fibre. 	<ol style="list-style-type: none"> 300 new leads per year. <i>(OC)</i> 60% of IWP Finalist collections commercialised. <i>(OC)</i> Achieve a 5% increase on active engagement on IWP related content. <i>(OC)</i> Achieve 50% of surveyed alumni as continued wool advocates post-award. <i>(OC)</i>

Strategy: Business & Talent Development (continuation)

PROGRAMS	INVESTMENT FOCUS	TARGETS
WOOLMARK PERFORMANCE CHALLENGE	ACADEMIC ENGAGEMENT AND EDUCATION <ul style="list-style-type: none"> Promotion of the competition to highly-respected tertiary-level institutions globally. Educational material delivery (online and physical) providing the next generation of product developers with the knowledge and inspiration to innovate using Australian Merino wool. Engagement of credible industry experts across a range of boundary-pushing disciplines to act as advocates of the program within their respective fields and provide training and development for finalists. 	
	BUSINESS DEVELOPMENT AND TRADE AWARENESS <ul style="list-style-type: none"> Create thought-provoking events that communicate the potential benefits of the innovation ideas presented for industry and end consumers, and Australian wool's pivotal role in achieving these benefits. Attract attendance of key decision makers and influencers in sportswear, textile futures, and product innovation. Investment in content profiling the challenge, partners and the finalists, and their innovative concepts in highly creative and engaging ways to create sharable and media-worthy assets. Secure influential athletes, professionals, and relevant media personalities to attend events and become credible advocates for the challenge and its aims. Create platforms and events that provide networking opportunities for AWI/The Woolmark Company and WPC participants facilitating new wool product collaborations. Marketing support for new WPC-driven wool products at time of public release, if and when appropriate, to elevate wool's position as an innovative fibre and encourage consumer uptake. 	<ol style="list-style-type: none"> Increase digital engagement by 20% year on year. <i>(OC)</i> Increase competition entry rate by 10%. <i>(OC)</i> Increase webinar average attendance rate from 19 to 22. <i>(OC)</i>

Strategy: Consumer

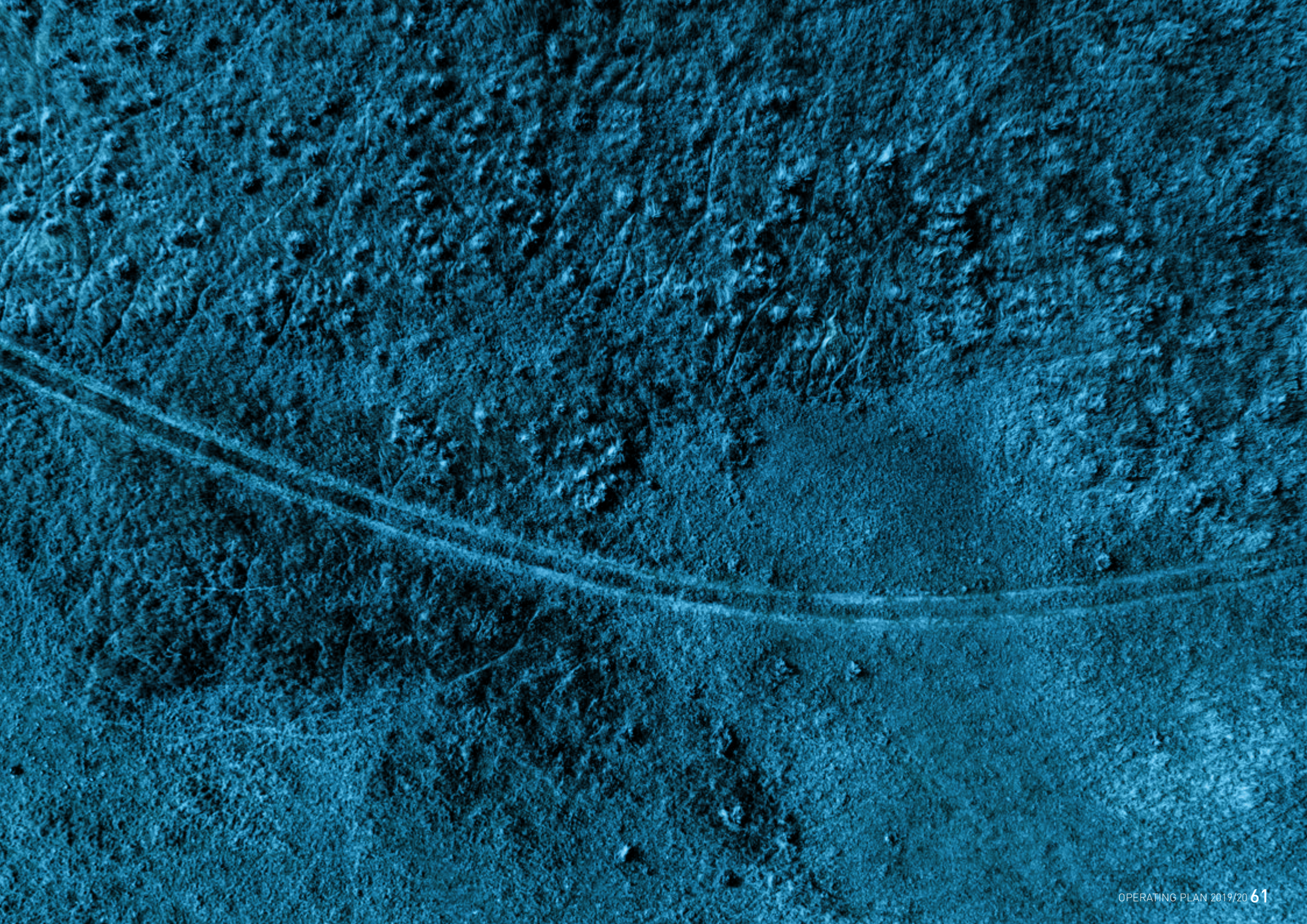
PROGRAMS	INVESTMENT FOCUS	TARGETS
FIBRE ADVOCACY	<p>MEANING OF THE WOOLMARK</p> <p>Leveraging global brand recognition of the Woolmark logo to build loyalty between consumers and the Australian wool industry through a strategic marketing and content program that communicates quality assurance, best practices and provenance. Building equity for the mark in the minds of the global consumer will help position fibre content and Australian wool as a purchase driver.</p> <ul style="list-style-type: none"> • Develop a content strategy to communicate the meaning and prestige of the Woolmark. • Secure co-brand content to highlight the meaning of the mark. • Consumer advertising program. <p>ECO CREDENTIALS</p> <p>Establish a comprehensive strategy to communicate the environmental positioning of Australian wool, that is publicly available online. This strategy will reaffirm the Australian wool industry's commitment to best practice management of environmental and social aspects of wool-growing.</p> <p>Through content and PR, we will aim to position Woolmark as a standard bearer for sustainability, providing consumers with a clear reference point for Woolmark's exacting standards. The Woolmark Company will promote best practice, adhering to industry guidelines and will include the following principles: environmental management, animal welfare and labour standards.</p> <ul style="list-style-type: none"> • Content strategy highlighting Australian wool's eco-credentials. • Global PR strategy positioning Australian wool as a sustainable choice for conscious consumers. • Partner alignment strategy. <p>BENEFITS OF WOOL</p> <p>Continue to challenge the common misconceptions around wool that remain a barrier to purchase through content, PR, ambassador alignment and brand experience. Build fibre advocacy by highlighting the technical benefits of the fibre through marketing, advertising, defensible communication and media.</p>	<ol style="list-style-type: none"> 1. 5% increase in active engagement on owned media channels. <i>(OC)</i> 2. Increase The Woolmark Company brand awareness by 5%. <i>(OC)</i> 3. Increase The Woolmark Company brand sentiment by 7%. <i>(OC)</i>

Strategy: Consumer (continuation)

PROGRAMS	INVESTMENT FOCUS	TARGETS
BRAND PARTNERSHIP	<ul style="list-style-type: none"> FASHION Partner with culturally relevant or transformational brands, retailers and designers to secure increased representation of Australian wool product within collections. Create co-branded marketing strategies to promote Australian wool product by communicating technical and/or environmental benefits to help ensure fibre composition is a key purchase driver. SPORT Partner with leading performance, athleisure and wellness brands to deliver new Australian wool product. Create co-branded marketing strategies to promote Australian wool product by communicating technical and/or environmental benefits to help ensure fibre composition is a or purchase driver. 	<ol style="list-style-type: none"> Partner with two global brand partners. <i>(OC)</i> Increase purchase intent of Australian wool by 10%. <i>(OC)</i> Achieve 5% increase of units of clothing with five brand partners with a global presence. <i>(OC)</i>

Annual Operating Plan Marketing 2021/22

STRATEGIES	PROGRAMS	Program Budget (AUD '000)	Strategy Budget (AUD '000)	Marketing Sub-total (AUD '000)	Allocation Of Cross Functional Project (AUD '000)	Total Project Allocation Budget (AUD '000)	Operating Costs (AUD '000)	Total Portfolio Costs (AUD '000)
TRADE	Fibre Advocacy	1,930	1,930	27,375	1,348	28,723	10,058	38,781
BUSINESS & TALENT DEVELOPMENT	International Woolmark Prize	2,300	2,600					
	Woolmark Performance Challenge	300						
CONSUMER	Fibre Advocacy	17,210	22,845					
	Brand Partnership	5,635						



OPERATIONAL

PROGRAM

STRATEGY

PORTFOLIO

TRACEABILITY

SUPPLY CHAIN
INITIATIVES

FIBRE
SCIENCE

WOOLQ

FIBRE
IDENTIFICATION
& TRACING

BLOCKCHAIN
& AUTOMATED
CLEARING
HOUSES

HEALTH AND
WELLNESS

ECO
CREDENTIALS

3.5. TRACEABILITY

OBJECTIVES

To provide tools to ease the flow of information about Australian wool up and down the supply chain to all parties; to communicate wool's benefits, facilitate provenance and supply chain transparency.

OUTCOMES

- Provide tools to woolgrowers which improve profitability through informed decision making.
- Provide tools to the wool supply chain to meet retail market calls for supply chain transparency and provenance stories.
- Provide scientific information to retailers and consumers to demonstrate that wool is the planet-friendly fibre of choice.
- Provide scientific information to retailers and consumers to demonstrate that wool is the fibre of choice for comfort.

Traceability Strategies



SUPPLY CHAIN INITIATIVES

Supply chain initiatives will be researched and developed to distinguish and identify Australian wool through the supply chain. Tools to increase efficiency and transparency from farm gate to end consumer will be developed and enhanced.



FIBRE SCIENCE

Fibre science is the evidence the wool industry uses to promote to consumers that wool is the planet friendly fibre of choice. AWI will add to the body of knowledge that consumers' personal micro-environment, their living and working environment and the global environment can all be improved by wool.

Strategy: Supply Chain Initiatives

PROGRAMS	INVESTMENT FOCUS	TARGETS
WOOLQ	<p>INDUSTRY GROWTH Improve the prosperity/profitability and interest of Australian woolgrowers by:</p> <ul style="list-style-type: none"> delivering a high quality, easy to use tool that will assist/allow woolgrowers and their business partners to make better business decisions regarding the selling of their wool. allowing woolgrowers to become more invested in the selling of their wool clip through greater access and transparency to their customers and the selling options. ensuring that competition throughout the entire supply chain remains paramount. promoting tangible links between woolgrowers, the processors and end users of Australian wool. <p>INNOVATION Foster an environment of innovation in the Australian wool industry by:</p> <ul style="list-style-type: none"> demonstrating commitment to continuous improvement of the WoolQ platform. promoting and not crowding out additional (non-WoolQ) industry innovation. preparing the industry for constant and inevitable change including the downstream consumer demands of provenance and traceability. 	<ol style="list-style-type: none"> An increase of 250 woolgrowers adopting the WoolQ grower tools. <i>(OC)</i> Deliver a WoolQ tender selling option to compliment the WoolQ bulletin board and auction. <i>(OP)</i>
FIBRE IDENTIFICATION & TRACING	<ul style="list-style-type: none"> Scoping and proof of concept work to determine how AWI delivers tools in the emerging space of traceable textile/apparel markets. 	<ol style="list-style-type: none"> Define new fibre-origin test method for adoption into the supply chain and use by laboratories. <i>(OP)</i> Draft protocols for the chain of custody of wool through the supply chain ready for review by global wool industry bodies. <i>(OP)</i>

Strategy: Fibre Science

PROGRAMS	INVESTMENT FOCUS	TARGETS
HEALTH & WELLNESS	<ul style="list-style-type: none"> Collect clinical data assessing the impact of Merino wool and cotton sleepwear on the sleep outcomes and symptoms of post-menopausal women in preparation for publication. Collect clinical data assessing the impact of Merino wool baselayers on skin health outcomes and symptoms of eczema sufferers. 	<ol style="list-style-type: none"> Generate new test protocols to measure wool's breathability in dynamic conditions. <i>(OP)</i> Produce and publish evidence of specified next to skin Merino garments as improving sleep quality. <i>(OP)</i>
ECO CREDENTIALS	<ul style="list-style-type: none"> Produce and publish evidence on how elements of rating systems methodologies disadvantages natural and renewable fibres. 	<ol style="list-style-type: none"> Produce and publish evidence on how Sustainable Apparel Coalition environmental scoring disadvantages the value chains of natural and renewable biogenic carbon fibres compared to non-renewable fossil carbon derived fibres. <i>(OP)</i>
	<ul style="list-style-type: none"> Complete a publication assessing the impacts of regenerative farming practices. Undertake a survey of the major pesticide groups and individual compounds in greasy wool to identify changes in pesticide use and undertake advocacy activities demonstrating the benefits of wool relative to other fibres. Investigate current and potential garment care scenarios evidencing how wool delivers better environmental outcomes 	<ol style="list-style-type: none"> Produce and publish case studies on the environmental and economic impact of woolgrowers using regenerative farming practices. <i>(OP)</i>
	<ul style="list-style-type: none"> Complete a study of wool's fit into a circular economy that monetises end-of-life impacts of textiles including the collection of supply chain evidence of wool's benefits. 	<ol style="list-style-type: none"> Develop and publish a method for accounting for recycling in LCA. <i>(OP)</i>
	<ul style="list-style-type: none"> Engage with the EU Product Environmental Footprint program, through the development and contribution of meaningful LCA methodology that does not disadvantage wool. Complete a scientifically defensible review of the PEF Guidelines including, the method choices, data assumptions, gaps and risks and propose recommendations to improve the methodology. 	<ol style="list-style-type: none"> Improve wool's environmental rating relative to synthetics, by working to establish a level playing field for rating apparel. <i>(OP)</i>
	<ul style="list-style-type: none"> Develop a report assessing the technical feasibility, cost-benefits and opportunities of achieving lower emission wool. Undertake a review of accounting methods for methane emissions from ruminants and the implications for global warming. Commence a study of the impact of methane-mitigating dietary supplements on grazing sheep. 	<ol style="list-style-type: none"> Generate new knowledge of wool's carbon account, including emissions at the national and farm scales and identifying plausible mitigation strategies. <i>(OP)</i>

OC – Outcome OP – Output

Annual Operating Plan Traceability 2021/22

STRATEGIES	PROGRAMS	Program Budget (AUD '000)	Strategy Budget (AUD '000)	Traceability Sub-total (AUD '000)	Allocation Of Cross Functional Project (AUD '000)	Total Project Allocation Budget (AUD '000)	Operating Costs (AUD '000)	Total Portfolio Costs (AUD '000)
SUPPLY CHAIN INITIATIVES	WoolQ	605	1,005	2,275	102	2,377	1,045	3,422
	Fibre Identification & Tracing	400						
FIBRE SCIENCE	Health & Wellness	770	1,270					
	Eco Credentials	500						

4. OPERATIONAL

4.1. Operational Support Functions



CORPORATE SERVICES

Corporate Services provides key expertise, compliance, governance, support and value to the global business in the areas of financial management, legal and company secretarial support including IP portfolio management, people services and internal IT services.



DIGITAL SERVICES

With the ever-changing digital landscape, it is the role of Digital Services to ensure technology is woven throughout AWI's global operations. This ensures a firm, secure digital ecosystem is established while at the same time remaining nimble to adapt to changing market conditions.

Strategy: Corporate Services

PROGRAMS	INVESTMENT FOCUS
BOARD	<p>STRATEGY – Defining and overseeing the implementation of the AWI’s purpose and strategic objectives and the relevant programs and budgets.</p> <p>GOVERNANCE – Approving and monitoring the effectiveness of the Company’s governance practices including Code of Conduct and business ethics and oversight of compliance with the Statutory Funding Agreement (SFA).</p> <p>RISK – Setting the risk appetite within which the management operates and ensuring an appropriate risk management framework is in place.</p>
FINANCE SERVICES	<p>COMPLIANCE – monitor and manage corporate financial compliance and reporting requirements globally, acknowledging the complexity and changing governance requirements across the company’s global footprint.</p> <p>RISK – manage the company’s global investment and foreign currency exposures within the approved policies to safeguard corporate funds and minimise currency risk exposure.</p> <p>PROCESS AND REPORTING – provide useful and accurate financial reports to the business to enable effective decision making that meets the global financial compliance requirements. Continual improvement of processes, systems and tools to enhance the value provided internally to the business to the business.</p>
PEOPLE AND CULTURE	<p>TALENT ACQUISITION AND RETENTION – Source the best available talent for our business and retain that talent by providing ongoing development opportunities for AWI people, and empowering them to reach their full potential.</p> <p>PEOPLE PERFORMANCE – Ensure AWI people have the required skills, processes, support, training and environment to facilitate them performing at their best whilst embracing the company’s values and vision to achieve our mission for woolgrowers.</p> <p>WORKPLACE CULTURE – Create a culture that has integrity, Respect and Transparency at its core, and encourages and celebrates diversity and inclusiveness; where AWI people are passionate about innovation and collaboration and where we take care of each other, our woolgrowers, our partners and community.</p>
LEGAL SERVICES	<p>LEGAL RISK – provide legal support to AWI group to minimise legal risk and ensuring good governance processes.</p> <p>COMPLIANCE – monitoring legal statutory and regulatory compliance requirements across AWI global operations.</p> <p>INTELLECTUAL PROPERTY MANAGEMENT – monitor and manage the group Intellectual property (IP) portfolio.</p>

Strategy: Corporate Services (continuation)

PROGRAMS	INVESTMENT FOCUS
MEASUREMENT & EVALUATION	<p>FRAMEWORK – develop, support and monitor the AWI M&E framework across the group.</p> <p>SUPPORT – provide internal support to AWI staff to ensure effective implementation, compliance and adoption of the framework to build and embed a performance culture.</p> <p>EVALUATION – coordinate and prepare annual reviews by external independent consultants to complete evaluations and validate internal mechanisms.</p>
INFORMATION TECHNOLOGY & SERVICES	<p>ITS will deliver clear direction and vision as a service and enabler to the business, and look to anticipate and identify emerging technology trends to ensure continuous innovation while making intelligent technology investment decisions and increasing overall operational efficiency.</p> <p>CLOUD INFRASTRUCTURE – Continue the adoption of a Cloud-first strategy, preferencing public cloud offerings over on-premise infrastructure. This reduces risk, lowers cost, improves availability and increases agility in the deployment of IT software and systems infrastructure.</p> <p>SECURITY AND RISK MANAGEMENT – Continue ongoing risk assessment and implementation of robust protections against fast emerging cyber security threats that can harm business reputation and data assets. In alignment with AWI's IT strategy, development and regular review of policies and controls are inherent throughout the business.</p> <p>GOVERNANCE AND COMPLIANCE – Ensure AWI is compliant with global and local data protection and privacy standards and legislations (including GDPR). ITS is focused on improved data management architecture and lifecycle.</p> <p>COLLABORATION AND ACCESSIBILITY – Increase internal capacity to connect staff and allow teams to communicate and work together more efficiently and effectively, thus delivering sustained productivity improvements.</p> <p>DATA-DRIVEN DECISIONS – Seek technology investment solutions in order to consolidate, categorise, analyse and present AWI data to internal and external stakeholders. Support employees with necessary knowledge change management to treat data as an asset and offer methods to discover new ways to find value and insights in existing and complementary data sets.</p>

Strategy: Digital Services

PROGRAMS	INVESTMENT FOCUS
DIGITAL	<p>INFRASTRUCTURE – The management and maintenance of a secure technology, data and digital ecosystem will provide ongoing cost and operational savings whilst providing solid governance and the ability to respond to changing market conditions or business needs in an economical and efficient manner.</p> <p>DELIVERY – We will leverage existing platforms as well as deploying new ones as a way to increase speed to market for a variety of projects and initiatives across all facets of the business. This will enable the business to pivot as needed during times of crisis without overall disruption to operations.</p> <p>CUSTOMER ENGAGEMENT – We aim to utilize integrated digital systems and audience mapping to have targeted communications with and gather useful data on our key customers and stakeholders, helping us to get the right message to the right people at the right time while improving the efficiency and capacity of staff.</p> <p>MARKET MONITORING – The business currently operates across a range of markets and audiences and as such it is important to monitor and remain aware of new technology and digital market changes to ensure the business continues to grow, especially during times of change like COVID-19.</p>

5. ANNUAL BUDGET 2021/22

		BUDGET 2021/22 (AUD '000)
REVENUE	Wool Levy	34,300
	Government Contribution	11,900
	Woolmark	3,500
	Investment and Other Income	1,205
	TOTAL REVENUE	50,905
PROGRAM SUPPORT COSTS	Sheep Production, Science & Technology	13,582
	Consultation	5,157
	Processing Innovation & Education Extension	5,831
	Marketing	38,781
	Traceability	3,422
	TOTAL PROGRAM SUPPORT COSTS	66,773
SUPPORT & ADMINISTRATION COSTS		9,132
TOTAL EXPENDITURE		75,905
NET RESULT (as a function of reserve drawdown)		(25,000)



The Operating Plan is available at

WOOL.COM