

# Strategic Plan

2022-2025

**AWI's mission is to enhance the profitability,  
international competitiveness and sustainability  
of the Australian wool industry**



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## OUR PURPOSE

- > To enhance the profitability, international competitiveness and sustainability of the Australian wool industry.
- > To increase value, demand and market access for Australian wool.
- > Through collaboration and consultation with stakeholders, to invest in research, development, extension and marketing initiatives whilst collaborating and consulting with stakeholders.



Photo: Wendy Sheehan @bulldust\_and\_mulga

# 83%

average reduction  
(2014–2020) in losses  
to predation due  
to AWI support for  
community backed  
management

# 223

new learner  
shearers since  
July 2021



## AWI highlights



# 1.5%

(21,770)

AWI  
shareholders  
increased  
in 2021



# 63,645

participants in the  
Wool4School  
competition globally  
since 2019

# 12M

ewes\* have been  
managed to best  
practice since 2006  
from LTEM program

\*estimates

# 15,000

members of AWI  
funded extension  
network in 2020/21



AWI China  
marketing campaign  
in 2020/21 delivered  
**3.2 benefit  
cost ratio**

### **To chart where you are going you should never forget where you have come from. Australian wool has a proud history stretching back more than 220 years.**

In an ever-changing world, our premium quality fibre has been one constant. Our next three-year plan builds on that heritage to maximise the opportunities in the future. Rewind just three years ago and no one could have predicted the circumstances we find ourselves in today due to COVID-19. It has profoundly changed the world and AWI had to respond.

We acted swiftly and decisively at the start of the pandemic to ensure the company and the interests of woolgrowers were protected and optimised at every level. The company was able to change tack, cut and review projects and redeploy funds and resources to best address the disruption of such accelerated change. It is this nimbleness and willingness to thrive on constant change that will drive AWI into this next strategic period.

Despite these challenges, several key fundamentals that existed prior to the pandemic remain today. These include a shift in consumer priorities towards more sustainable purchasing decisions, a move towards a more casually dressed workforce, a growing focus on health, well-being and outdoor activity, and the rapid shift to online retail.

These trends have only been accelerated recently and present more opportunities than threats for our fibre. The emergence of Generation Z (people born between the mid 1990s and the early 2010s) as the dominant demographic of global consumer spending power will be a key focus for AWI. To put it simply, we need to tap into their perspective and

preferences in directing many of our projects when it comes to marketing, product innovation and education. This will drive ongoing demand for wool through greater awareness of wool's vast range of natural attributes, and functional applications as both a fibre of fashion and a fibre of function that has a rightful place in all sectors of fashion from luxury apparel to high performance sportswear.

New wool processing technologies and product innovations will be highly important to drive the use of wool in existing markets as well as new and emerging processing hubs.

With so many opportunities ahead of our fibre we should be optimistic. Wool's eco credentials and unrivalled quality and versatility have it perfectly positioned to deliver what the world demands. However, in order to leverage these opportunities we must combat the challenges.

Wool faces considerable competition at both the on-farm production level and at the consumer retail level. Primary producers in Australia are enjoying healthy commodity prices from a number of competing land uses and they have choices. So too, do consumers who are confronted with a multitude of textile choices and accompanying stories of provenance and sustainability.

To address this, AWI will work throughout the supply chain from farm through to finished product. Creating efficiencies on farm and within the supply chain as well demand creation through innovation and marketing will

be at the core of what we do. Of particular focus in the immediate term is the current crisis of wool harvesting and we are working with stakeholders to develop an "all of industry" solution. Future proofing wool through traceability and allowing wool's story to be shared and validated with a global audience will underpin our efforts and educate our customer keeping wool and all it has to offer front of mind in a highly competitive world.

We are pleased to share this strategic plan. It is a result of extensive collaboration with stakeholder groups throughout the global wool industry and highly constructive input from our wool-growing shareholders, and passionate AWI team.

**I cannot think of a more exciting time for our fibre and look forward to ongoing collaboration across industry as we build a healthy and bright future for wool.**



# Industry highlights

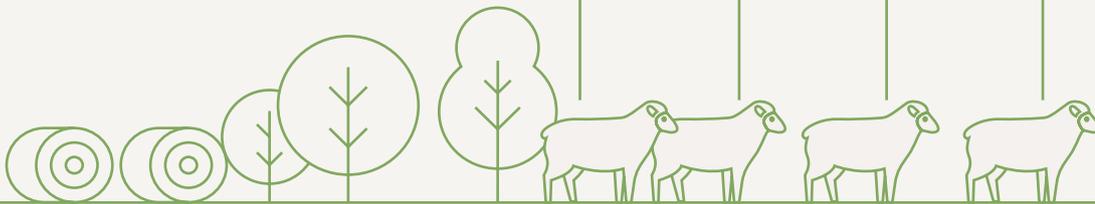
83% of flock is 24.5 micron or less

17% of flock is 24.5 micron or more

30 million Merino ewes (72% of total breeding flock) in 2021

71 million sheep forecast in 2022/23

4.5 kg wool average cut per head



Wool contributed to 3% of the total Australian agricultural gross value of production (2020/21)



321 million kg greasy shorn wool production in 2022/23



\$3 billion of wool exports (2022/23). Australia remains the world's largest exporter of greasy wool

Between 2018-19 and 2020-21, the biggest export markets for Australian wool were:

China (82%)	India (4%)	Italy (3%)	Czech Republic (3%)
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### **Australian wool has a bright future and over the next three years AWI will work even harder to maximise the opportunities and meet the challenges facing woolgrowers.**

Our commitment to enhance the profitability, international competitiveness and sustainability of the Australian wool industry will never change. Change though has been the one constant in the last couple of years on so many levels.

As a grower myself I know only too well the multitude of challenges that we face from having enough good quality shearers and shed staff, to changing growing conditions and soaring input costs.

Delivering better outcomes in wool harvesting is an absolute must. Our redevelopment of the Falkiner Field Station is a further example of our enduring commitment in this area. The Field Station has already begun to showcase innovative approaches to making shearing easier and it will also be a place for training.

We will continue to train and help retain new and improver shearers but it would be wrong to say we have all the answers or the ability to fix the problem alone. Instead, we will continue to work with industry groups, state and Commonwealth governments to help tackle the shortage.

Off farm, COVID-19 has been a major disruptor to international demand for wool as well as blowing out the time it takes for our first-class fibre to make it from the farm to the factory and then to the customer.

This next Strategic Plan is framed by what growers want AWI to focus on and what we can do as a Research and Development Company.

The preparation of this plan began almost twelve months ago. It is informed by:

- 2030 Roadmap: Australian Agriculture's Plan for a \$100 Billion Industry
- Wool 2030 Strategy
- Sheep Sustainability Framework

Most importantly, it is guided by feedback from our major stakeholders directly and also through the Wool Industry Consultative Panel (WICP) and the Wool Consultation Group (WCG). We formally presented on the plan to the WCG in December 2021 and May 2022, and to the WICP in March and May 2022. We also conducted a survey with members of both the WICP and WCG in March 2022. There were 31 responses, 22 of whom support the priorities, 9 did not.

Some of those suggestions which we have incorporate into the strategy are:

- the need to increase the value of wool as well as the demand for it
- the urgency of tackling the shortage of shearing through a variety of methods



- the need to address changing consumer demands and expectations

The Commonwealth as the single largest contributor of funds to our work has also played a vital and collaborative role in framing this plan.

The Strategic Plan is high level; over the next three years there are also individual yearly operating plans that detail the individual programs that enhance the overall strategy.

**Thank you for taking the time to read this and I hope you find this strategy is useful and informative.**

# Challenges and opportunities for Australian wool

**The global operating environment has been in constant flux for the past two years as the pandemic and now the Ukraine/Russia conflict not only affect global macroeconomics, but also supply chain logistics and retail store operations. While some of these factors pose a threat to wool, many others open opportunities for demand growth.**

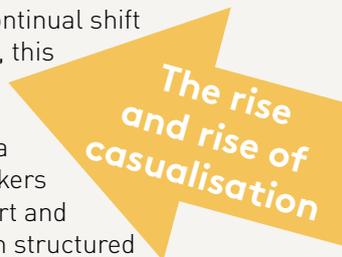
COVID lockdowns changed the way people shop, with a fundamental shift toward online retail. And while bricks and mortar stores have re-opened and customers are returning, there remains a significant shift to e-commerce and the way customers shop.



For many brands and retailers, the lockdowns and travel restrictions exposed the significant risks associated with sourcing and supply chain disruption. Increased shipping costs and shipment delays mean brands are looking to diversify their manufacturing base, with renewed focus on 'Nearshoring' options. Ensuring these emerging manufacturing markets have supply chain access and the technical skills to use wool is critical to ensure wool is the fibre of choice.



While there has been a continual shift towards casual workwear, this has been exacerbated throughout the pandemic and working from home, a push which has seen workers choose apparel for comfort and casual styling, rather than structured formal workwear such as suiting. While this shift has impacted wool's traditional suiting market, the natural stretch, breathability and comfort of wool apparel creates opportunities within this trend. Casual and athleisure segments are forecast to continue growth into the foreseeable future.



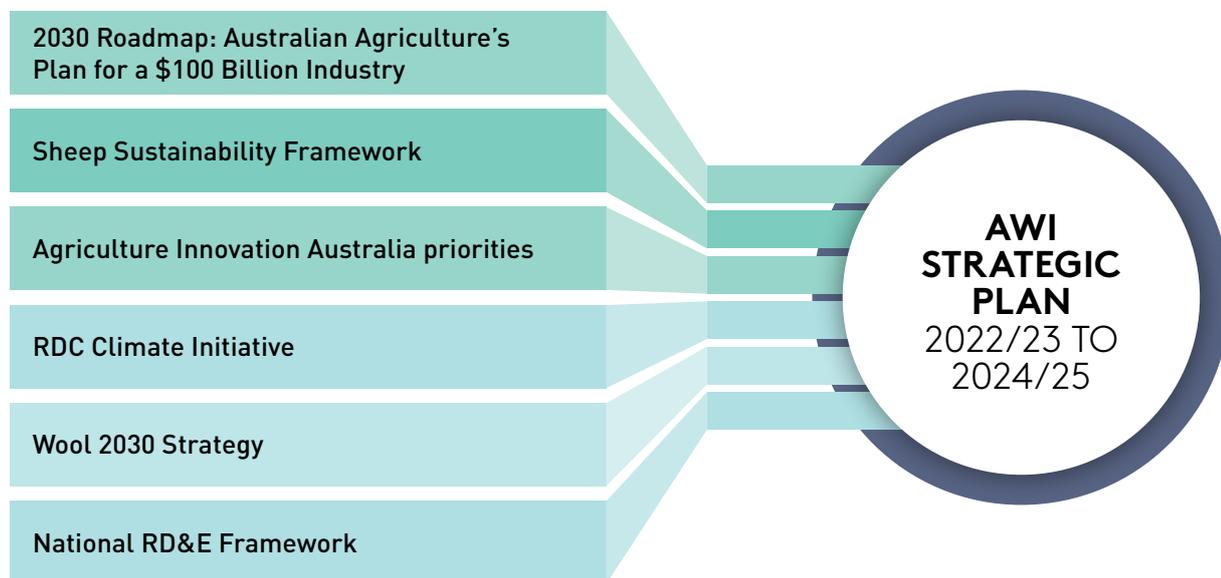
For many farmers, enterprise mix can be an ever-changing balancing act, based around factors such as input costs, commodity prices and other associated risk factors. To this extent, woolgrowers often have the choice of whether to grow wool or other products. Providing the best information on market outlooks and profit drivers will give woolgrowers the confidence that wool is profitable and sustainable.

The push towards environmental and ethical sustainability has accelerated significantly since the pandemic as consumers now see their purchase decisions as an agent for change. This 'eco-awakening' has important implications for wool and how it is positioned as a natural, renewable and environmentally friendly fibre choice. Having the evidence to back up any claims is paramount, as is ensuring circularity modelling is not biased by vested interests.



Recent years have demonstrated the prevalence and impact of extreme and intense drought, flooding and temperature variability. And while some farming endeavours are more affected by adverse and extreme weather conditions, Australian woolgrowers also benefit from the information and tools to forecast and plan and take pre-emptive action.

# Measuring and evaluating the strategic plan

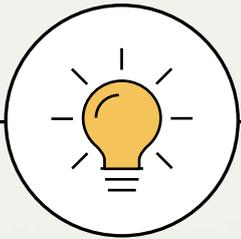


AWI is committed to providing quantifiable returns on woolgrower and government funds. The AWI Measurement and Evaluation (M&E) Framework, developed in 2011 and updated in 2022, defines the evaluation logic and operational processes, and is publicly available through the AWI website. Our M&E process is based on the principle of continuous improvement and refinement to the evolving needs of AWI and the greater industry we serve.

AWI will monitor the results of the strategic plan at the output, outcome and impact levels. This will apply real time monitoring (where applicable) to chart the progress towards the targets, critical assumptions, and risks. AWI will prioritise evaluations and quantitative and qualitative analyses to learn from the implementation of the strategic plan and inform our strategic decision-making process.

## Strategic Plan overall indicators

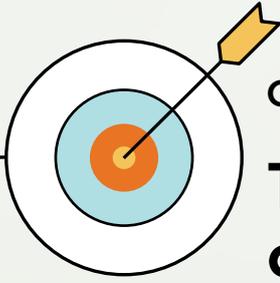
KEY PERFORMANCE INDICATOR	MEASUREMENT	BASELINE
Increase the total gross value of Wool GVP to \$4.6B by 2030 as part of the drive for a \$100B Australian agricultural output by 2030.	GVP from ABARES	2020/21 – \$2.7B
Maintain or increase ewe flock intentions from 37%.	MLA/AWI survey and ABARES	2021 – 37%
EU PEF methodology favourable to wool and inclusion of missing elements from the current methodology, e.g. microplastics, renewability, biodegradability, and non-physical durability.	Significant contribution towards an improved/positive PEF rating	N/A
Measure competing fibre uses of percentage of wool against other fibres.	Report on Purchase trends	2020/21



## OUR VISION

**To be a highly valued contributor through collaboration and consultation with stakeholders from farm to fashion in a vibrant wool industry and turn investment into returns through targeted innovations in research, development, extension and marketing.**

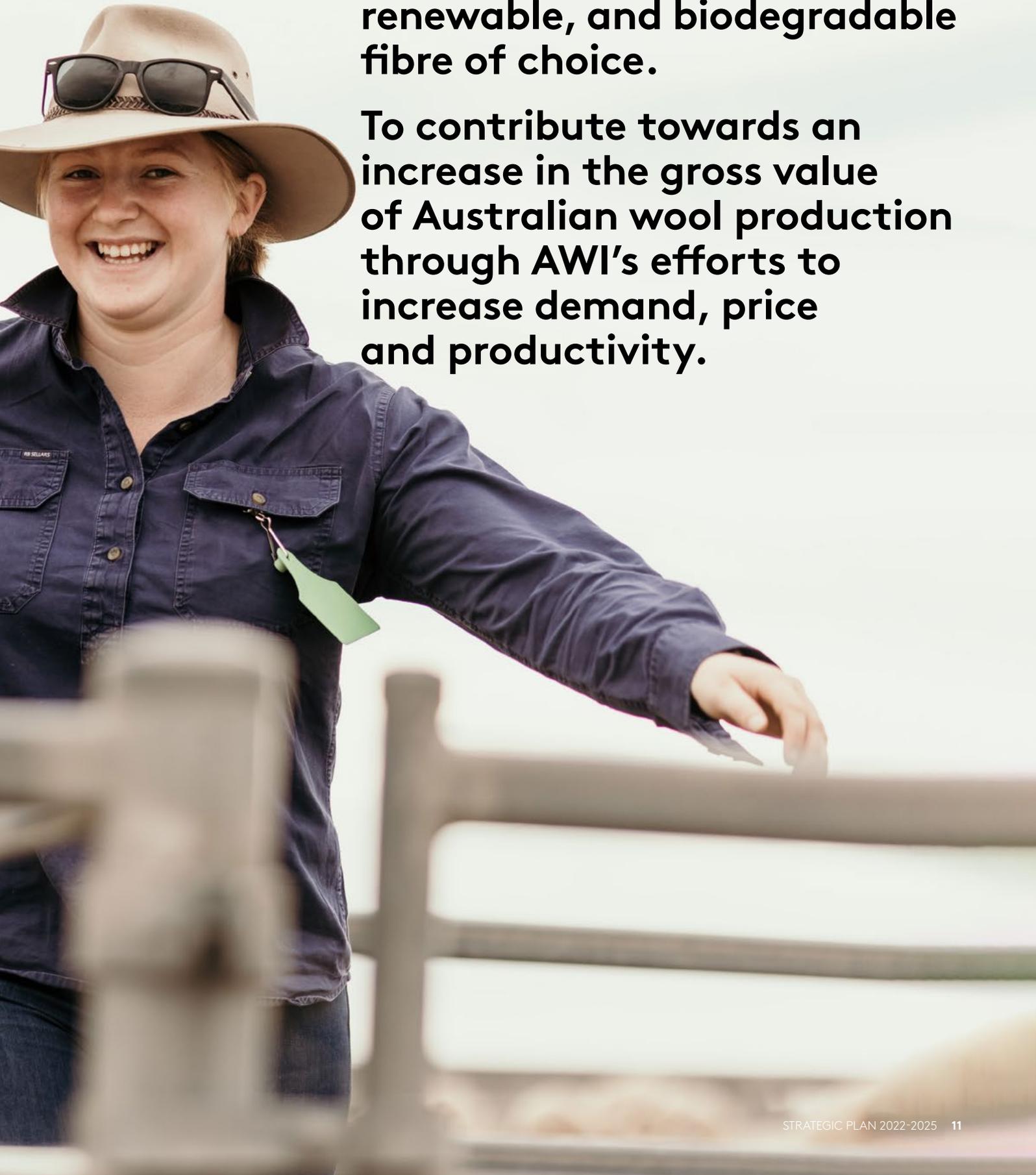
Photo: Mads Porter @madsporter\_photography



## OUR GOALS

**To position Australian wool as the sustainable, natural, renewable, and biodegradable fibre of choice.**

**To contribute towards an increase in the gross value of Australian wool production through AWI's efforts to increase demand, price and productivity.**



# Key priorities 2022-2025



**Growing the value and international demand for wool**



**Wool harvesting**



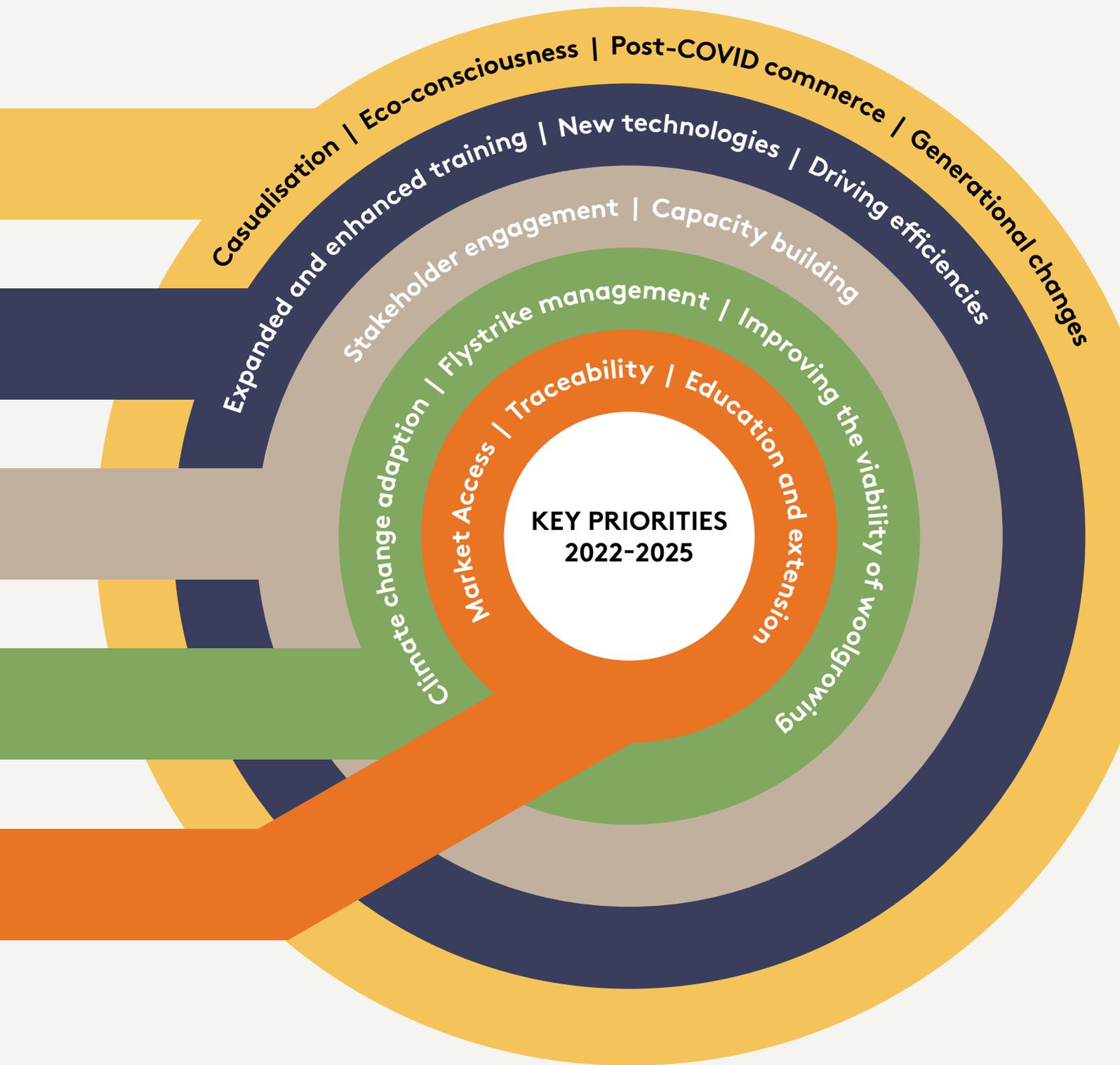
**Collaboration, consultation and engagement**



**Sustainability**



**Strengthening the supply chain**



# Growing the value and international demand for wool



**We must continue to advocate effectively at the international level to ensure robust demand for Australian wool in key markets.**

## AWI will continue its strong commitment in growing the value and international demand for Australian wool across a number of areas:



**Sports marketing**



**Eco education**



**Value proposition**



**Creative brand collaboration**



**Target market evolution**

### Sports

As global trends continue to preference casualisation, which was accelerated by COVID-19, the decline in demand for suiting and tailored textiles means that we remain focussed on our ambition for Australian wool to become the preferred ingredient for premium performance and outdoor apparel.

AWI's sports marketing strategy is a combination of high-profile sponsorships of elite teams and events to build credibility for the fibre, and partnerships with influencer brands across premium lifestyle and outdoor categories to drive product availability.

In response to the growth in health and wellness globally, this program will also look beyond traditional performance and invest proportionally in wellness related products by leveraging wool's scientifically validated benefits for skin and sleep.

### Eco-conscious

Eco-consciousness is across many levels. Government, supply chains and consumers are calling for systemic change in the fashion industry and for sustainability to become a standard for the post COVID-19 business environment.

We will continue to advocate for wool's sustainability benefits at an international level to ensure robust demand for Australian wool in key markets. AWI will

continue to work in Europe via the Make the Label Count campaign to stop attempts to give man-made fibres a higher environmental rating than natural fibres like wool. In the United States, we also must continue to underline the sustainability qualities of wool just as legislators there are starting to target greenwashing claims via the New York Fashion Act.

The European Union intends to introduce Extended Producer Responsibility (EPR) legislation which presents a strong opportunity for wool because it's a policy approach that brings the importance of the circular economy in developing truly sustainable products.

Our trade marketing program aims to engage eco-ambitious fashion and sports brands on how best to capitalise on wool's inherent circular qualities to ensure their material strategies are aligned with future policy and consumer expectations.

With 1 in 3 consumers claiming that they consider social and environmental impacts when buying clothes, this consumer demand for sustainable products and brands remains one of the most important opportunities for our fibre.

However, according to AWI's recent research, consumers rarely consider fibre impact when assessing the impact of clothing at point of purchase. Our direct-to-consumer eco campaign program over the next 3 years aims to educate consumers on fibre impact and make fibre composition a purchase driver for wool.



**AWI's brand partnership strategy will see an increased focus on wool's sustainability, durability and circularity for the new generation of consumers who are increasingly adopting a "slow fashion" and "buy less, choose better" philosophy.**



## Post COVID commerce

Post COVID-19, we are seeing a prudent consumer emerge who prioritises quality, durability and value for money. Australian wool is perfectly positioned to meet this demand as the only fibre to own a globally respected quality assurance certification in the Woolmark. As the definition of quality evolves to meet the expectations of an eco-conscious consumer so too will the role of the Woolmark label to communicate eco-credentials, chain of custody and quality.

## Brand collaboration

AWI's brand partnership strategy will see an increased focus on wool's durability and circularity for the new generation of consumers who are increasingly adopting a "buy less, choose better" philosophy.

We will continue to apply a 'content + ecommerce' model to partnerships allowing us to target consumers with fibre education and inspiration at point of purchase to drive consideration and purchase of Australian wool.

## Generational changes

Generational changes lead into opportunity for our target markets – we are seeing our target audiences across the board digest media primarily on digital platforms. There is currently a generational shift occurring globally as Gen Z emerge – they are moving out of home, starting their careers and are poised to become the engine of consumer spending over the next five years.

For the next three-year strategic period, our primary audience remains Millennials and our secondary audience is Gen Z, however this will shift to a 50/50 focus towards the end of the strategic period. We are carrying out multiple qualitative and quantitative research projects focussed on Gen Z markets in both US and Europe to understand the clear opportunity for Merino wool among this target audience as well.

Clearly, there are more opportunities than challenges for increasing the value of Australian wool over the next three years – the task now is to maximise those for Australia's woolgrowers.



Photo: Oliver Rossi

## Expanding consumer demand

KEY PERFORMANCE INDICATOR	MEASUREMENT	BASELINE
5% improvement in Brand Equity Index (BEI) through tracking performance of wool in comparison with other fibres	AWI global consumer survey	BEI – 1.0 (2021 Brand Tracking Report)
Improvement in consumer recognition of the Woolmark logo by 5%	AWI global consumer survey	48% (2021 Brand Tracking Report)
Improvement in consumer brand awareness of Merino wool by 5%	AWI global consumer survey	41% (2021 Brand Tracking Report)
Increase in the number of brand partner licensees that use the Woolmark logo on their qualifying product	Number of brand partners	66



# Wool harvesting

Enhanced training program, support and mentorship for new shearers, exploring new technologies and better use of technology.

## Harvesting wool remains a most critical component for all wool-growing operations.

It needs to be timely, effective and efficient.

Improving wool harvesting is the number one issue for many growers and AWI has a multipronged plan to tackle the issue head on and make a difference.

### AWI is building on its strong commitment in this area targeting improvement in wool harvesting across a number of areas:



**Enhanced training program**



**Support and mentorship for new shearers**



**Exploring new technologies**



**Better use of technology**



**Training and Innovation Centre**

## Training and support

Wool harvesting relies on a skilled workforce of shearers and wool handlers. AWI collaborates with industry to help deliver a structured program of training and support for learner shearers and wool handlers as they enter the workforce. Our focus is on attracting and retaining the best new entrants into the industry through effective communication and promotion of the career opportunities.

The practical hands-on training aims to increase skills, well-being and professional development from novice to elite levels.

AWI will continue to develop innovative approaches to training and retention which use effective learning methods and build pathways between training and further employment.

An example of this is to tap into social media platforms, in particular Facebook, to communicate directly with potential shearers and wool handlers hoping to improve their skills. It is a cost effective, flexible and timely way to promote workshops and get prospective participants to register.

Novice workshops and on-the-job in-shed training and support continue to be a priority for AWI, with an increased emphasis on harvested wool quality and shearer well-being and professionalism.

AWI's promotion of elite shearing and wool handling skills remains, through ongoing funding support of Sports Shear affiliated competitions at local, state and national levels. These create a further pathway of learning with peer support which showcase the best in wool harvesting.

## Technology

At the same time, AWI continues to investigate how automation of the shearing and wool handling process could be increased.

It is a priority investment area and builds on an extensive body of work.

Almost fifty years after the first automated shearing blows were performed, progress in automation has been frustratingly slow. Nonetheless, we need to push for a breakthrough that has practical application.

In particular, AWI is committed to exploring how robotics has the potential to play a significant role in improving the efficiency of existing methods within the wider wool harvesting process, and more importantly in introducing new methods of wool harvesting.

Wool handling automation will introduce robotics and influence planning for automated shed layout options and future research investment.

Integrating sensors in the handpiece will be crucial for the future automation of shearing.

Good sheep delivery platform designs, including those for an upright platform, can be integrated into autonomous and semi-autonomous systems.

An example of innovation that is resonating with woolgrowers is the Modular Race Delivery project. The pneumatic unit is being trialled and the manual unit has been commercialised. This system eases the physical burden of catch and drag and was born out of collaboration with the Shearing Contractors' Association of Australia. Another innovation is our popular SafeSheds, which is a hands on safety program.

This style of industry wide co-operation is a template for future projects. The system aims to be adaptable to the needs of woolgrowers of different flock size and breeds, meaning it has wide benefits.

Sensors to measure shearer fatigue and injury risk will provide data to inform the design of future projects for semi-autonomous interventions, exoskeletons or other physical aids for shearers. Sensors will also provide important evidence for the adoption of non-robotic interventions.

AWI is determined to provide alternatives to traditional shearing and achieve fully autonomous and semi-autonomous options, but it will be a long process.



## Training and Innovation Centre for wool harvesting

Revitalising the Falkiner Memorial Field Station near Conargo in southern NSW as the AWI Centre of Excellence for Wool Harvesting Training and Innovation is a demonstration of our commitment.

The staged program commences with the fit-out of the current machinery sheds for upright shearing and race delivery training and development. Refurbishment of the site is proposed for accommodation and shearing facilities for 16 people. The Field Station could then be used for additional shearer and wool handler training, along with other practical sheep skills workshops, school/university activities and potential RDC collaborations.



**AWI is committed to exploring how robotics has the potential to play a significant role in improving the efficiency of existing methods within the broader wool harvesting process, and more importantly in introducing new methods of wool harvesting.**

## Building an accessible and competitive wool harvesting industry

KEY PERFORMANCE INDICATOR	MEASUREMENT	BASELINE
Improve the broader adoption of innovative approaches to wool harvesting	Additional harvesting methods to complement existing systems	N/A
Maintain or improve the retention rate of 75% of participants trained to ensure longer term retention	AWI survey on participants trained	2020/21 – Retention rate was 79%
Alternative harvesting options explored through research and development	Conduct research and trials on harvesting options	N/A

A photograph of two men standing in a field of tall, dry grass. The man on the left is wearing a dark blue long-sleeved shirt, light blue jeans, and a dark cap. He is looking towards the man on the right. The man on the right is wearing a light blue long-sleeved shirt and dark blue jeans. He is looking back towards the man on the left. Two dogs are walking away from the camera in the foreground. In the background, there are large, leafy trees and a building partially visible. The sky is bright and clear.

# Collaboration, consultation and engagement

That means doing more listening, more collaborating and more sharing of information, for the benefit of woolgrowers.

## Australia's world leading woolgrowers are at the centre of everything AWI does.

As the not-for-profit company that conducts research, development and marketing of Australian wool, our sole purpose is to increase the long-term profitability of those we serve: Australian woolgrowers.

An important way of achieving this is through effective consultation and engagement with woolgrowers; the Federal Government, which is the single largest funder of AWI's work; the broader wool industry; and fellow rural Research and Development Corporations (RDCs).

That means doing more listening, more collaborating and more sharing of information, for the benefit of woolgrowers.

A detailed annual survey of grower attitudes and priorities is already an important tool that maintains high standards of consultation and engagement. AWI has also introduced mobile technology to capture, measure and evaluate woolgrower engagement and consultation. It will also help track emerging issues across the industry.

We will be better at explaining what, why and how we work for Australian woolgrowers, both in person at field days and workshops but also across digital platforms such as webinars.

A key focus is to be better organised in engaging with all the different parts of the industry in the often-robust debates that the Australian wool industry needs to have.

AWI is one of the few rural RDCs to have the direct election of its board every two years. This provides unfiltered feedback on the company's priorities and performance.

The 2022 release of the Department of Agriculture, Water and Environment's Best Practice Guide to Stakeholder Consultation for AWI is a clear framework in which we will work. The principles of transparency, accessibility being straightforward, well planned, fit for purpose and responsive, plus delivering industry specific goals will be delivered against.

Whether it's woolgrowers, industry, government and fellow RDCs – AWI will work in a timely and respectful way.

### AWI is building on its strong commitment to target improvement in wool-growing across a number of areas:



# Communication

AWI already provides reports on its activities and investments to woolgrowers and other stakeholders, through many channels. As a snapshot:

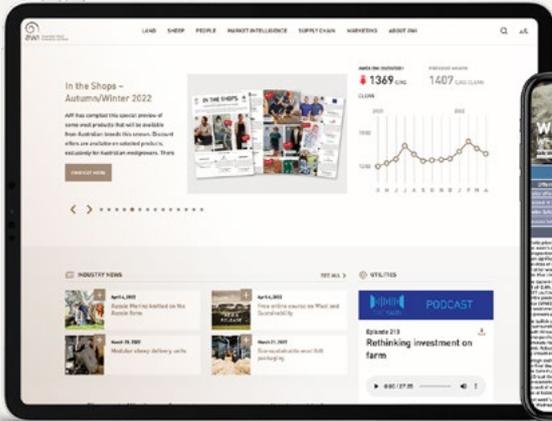
## Monthly grower e-newsletter

market intelligence and a summary of activities across on-farm and off-farm research and marketing, which is emailed to 11,000 recipients.

## SMS market report

daily and weekly reports sent to 6700 mobile phones.

**Wool.com**  
the central point for all information across AWI.



## The Yarn podcast

a weekly report from across AWI and wool industry, which has received 320,000 downloads from more than 200 individual episodes.

## AWI Grower App

enables users to tailor the content to what they want to receive.

## AWI social media channels

Twitter, Facebook and Instagram

## Beyond the Bale

our free quarterly magazine, which is posted direct to nearly 40,000 levy payers and stakeholders and is also available in digital format.

## Extension programs and events

- State based extension networks with a 15,000-strong membership: provides localised production-based information including season/region specific and emergency information. Each network is guided by a Producer Advisory Panel representing all key woolgrowing regions in each state. State government collaboration occurs for networks in SA, Vic and Qld.
- Participation in sheep industry events: including shows such as Wagin Woolorama, SA Stud Merino Expo, and the Australian Sheep and Wool Show.
- AWI production-based workshops/training: these include Winning with Weaners, Ramping Up Repro, Picking Performer Ewes, Lifetime Ewe Management, shearer and shedhand training. Each is an important way we help build capacity across the industry.

- Future Wool events: locally organised meetings where AWI presents across all areas of the company and answers any question from woolgrowers. These events were first introduced in 2021 in response to the cancellation of large-scale events due to COVID-19.
- Programs focused at developing future leaders: including Breeding Leadership, Young Woolgrowers trip to China, Young Stud Masters' Muster, Nuffield Scholarship, Young Farming Champions.

## Collaboration

Collaboration is key to how we get maximum benefit from levy payer and Commonwealth funds.

AWI works closely with other RDCs, public and privately funded research institutes and the commercial sector to drive better outcomes. This means knowledge is shared, the pool of funding is bigger and there is efficient research and development progress.



## Woolgrower representative bodies

AWI already has two formal structures to work with industry, with the ten members of the Wool Industry Consultative Panel (WICP) and the twenty-eight-member Wool Consultation Group (WCG).

The WICP is a highly valued forum which shares the industry's views on the key research, development and marketing priorities of woolgrowers and key industry issues to inform and guide AWI's strategic and investment plans. It meets four times a year.

With its 28 members, the WCG has an even broader coverage of the industry. The WCG also provides an opportunity for grower groups to raise issues directly with us twice a year.

Naturally the RDCs we will continue to work most closely with represent activities in broadacre agriculture, especially Meat & Livestock Australia and Grains Research and Development Corporation. We are also a founding member of Agriculture Innovation Australia which helps catalyse public and private investment.

AWI strives for collaboration wherever possible for both cash or in-kind contributions, which maximises leverage, adoption efficiency and research outcomes.

## Building strong partnership and engagement

KEY PERFORMANCE INDICATOR	MEASUREMENT	BASELINE
Improvement in woolgrower satisfaction towards AWI's activities and programs	Net sentiment through Woolgrower Sentiment Survey	2021 – Net sentiment was +66
Woolgrower satisfaction with AWI engagement has improved by 0.5pt	Woolgrower Sentiment Survey	2021 – 6.0/10
Collaborative projects with partners through growing share of AWI investment portfolio	Co-funded projects with AIA/RDCs Total investments with other partners	\$ Annual investment 2020/21 \$ Annual investment 2020/21



# Sustainability

We are working to enable all stages of the wool supply chain to achieve sustainability goals and deliver positive outcomes for people, planet and prosperity.



## **Australian wool is truly sustainable; it is 100% natural, renewable and biodegradable.**

Wool garments require less frequent washing and are kept in use for longer than other fibre types. It is the most reused and recycled fibre on the planet.

We are working to enable all stages of the wool supply chain to achieve sustainability goals and help our industry deliver positive outcomes for people, planet and prosperity.

### **Sustainability ambition**



**To dress the world in the most sustainable,  
circular fibre of the past, present  
and future.**



**To support Australian woolgrowers  
profitably produce the world's most  
sustainable fibre, optimal for circular,  
traceable products.**



**To position Australian woolgrowers  
as proactive, socially responsible  
and forward-looking stewards of the  
environment, building natural capital  
on their farms.**

Australian wool is a natural fibre that can be easily integrated into sustainable material strategies.

From on-farm workshops to maintain productivity and land health, to technical transfer along the supply chain and education tailored for student and industry education.

AWI is also creating an industry first, global traceability program on WoolQ that will enable the supply chain and brands to understand their production process.

We will continue to assess technologies that allow licensees to trace their wool back to a specific region or property.

Research is also underway using satellite imagery and farming systems models to identify the most effective and regionally relevant ways to reduce greenhouse gas emissions and sequester carbon.

We work with the supply chain to invest in innovations to adopt cleaner and more efficient process and technologies for manufacturing wool products.

We invest in sound, scientific solutions for woolgrowers to manage the eco-credentials of their wool-growing enterprise securing wool's market position as a natural circular and regenerative solution to some of the challenges created by fast fashion.

As the world's biggest supplier of fine apparel Merino wool, with our nation supplying 90% of the global supply it is vitally important to ensure that the supply of fine wool remains sustainable through economically viable production, and also, through evidence of its credentials for protecting the planet and its people.

## **Non-Merino wools from Australia also hold a valued position in Australia's diverse sheep flock and evidence of their wool sustainability credentials enhances their role in a mixed farm income.**

The wool industry's Wool 2030 Strategy is a guide for woolgrowers setting their own business targets and a guide for AWI's investments in sustainability to give woolgrowers the tools from which they can choose to reach their individual sustainability goals.

Individual woolgrower actions create an Australian wool industry trend which will be identified in the monitoring, measuring and reporting by the Sheep Sustainability Framework (SSF) with AWI's support.

This document led by the Australian sheep meat and wool industry has set 21 sustainability priorities across caring for our sheep, enhancing the environment and climate, looking after our people, customers and the community and ensuring a financially resilient industry.

The SSF allows for greater transparency in the industry's practices, whilst building trust and confidence in the industry.

AWI's monitoring and evaluation findings will link directly to measurement within the SSF of industry's progress in sustainability.



## Investment highlights for research that delivers improvements in sustainability include:



flystrike vaccine development



asparagopsis and other supplementation for methane mitigation



sheep genetic progress



vertebrate pest management



reproduction efficiency



flystrike resistance genomics

Sustainability investments will be interlinked across the Strategic Plan:

- Evidence of the sustainability of the wool supply chain will support the promotion of Australian wool as the first choice for a sustainable fibre.

- Growers will be able to use their adoption of best practice to promote their businesses on WoolQ.

Measurements of progress at an industry level will feed into industry collaborations.

## Proving our sustainability credentials and adapting to climate change

KEY PERFORMANCE INDICATOR	MEASUREMENT	BASELINE
Research in methane mitigation to trial methane emissions decline	Preliminary measures of methane mitigation	N/A
55% global respondents who perceive wool to be more environmentally friendly than other fabrics, reflecting wool's positioning as a sustainable fibre	AWI global consumer survey	47% (2021 Brand Tracking Report)
Improved climate outlook forecasting and adapting to climate change	Research into improved climate outlook modelling	N/A
Evidence of eco-credentials on farm to grow the demand for wool	Produce evidence of improved biodiversity and carbon storage on farm	N/A



# Strengthening the supply chain

**Build awareness and educate future generations on the natural characteristics, properties and benefits of the wool fibre.**

**It is vital to keep wool at the forefront of the textile industry's minds to ensure ongoing investment and innovation of both wool processing and the production of wool products. Australian wool is a premium luxury fibre and needs expertise as every stage of the supply chain to maintain quality, diversity and demand.**

Through Education Extension programs, AWI and its subsidiary The Woolmark Company will educate future generations on the natural characteristics, properties and benefits of the wool fibre, build awareness of the diversity of wool products at a consumer level, which in turn will continue to grow demand for the fibre.

Attracting fashion, interior and industrial design students to design with wool; textile engineering students to manufacture wool products; and

showcasing the vast career opportunities within the supply chain of the textile and garment industry will help ensure that wool remains a relevant fibre within the industry.

We will continue to monitor, identify and evaluate market trends and new opportunities for wool that can be adopted by supply chain partners in existing and new manufacturing markets to create new business.

**To ensure an ongoing and viable industry, and that wool stays relevant and is promoted as a technical and advanced fibre, key education and training programs and activities of The Woolmark Company will be targeted at various stakeholders as follows:**

**Primary and secondary school students**

through Learn About Wool lesson plans and the Wool4School design competition



**Trade**

via trade shows, trade engagements, technical transfer and collaboration with product development houses, webinars, seminars, industry connections and collaboration

**Tertiary students**

through Naturally Inspiring seminars, the Wool Performance Challenge competition, industry engagement and sponsorships



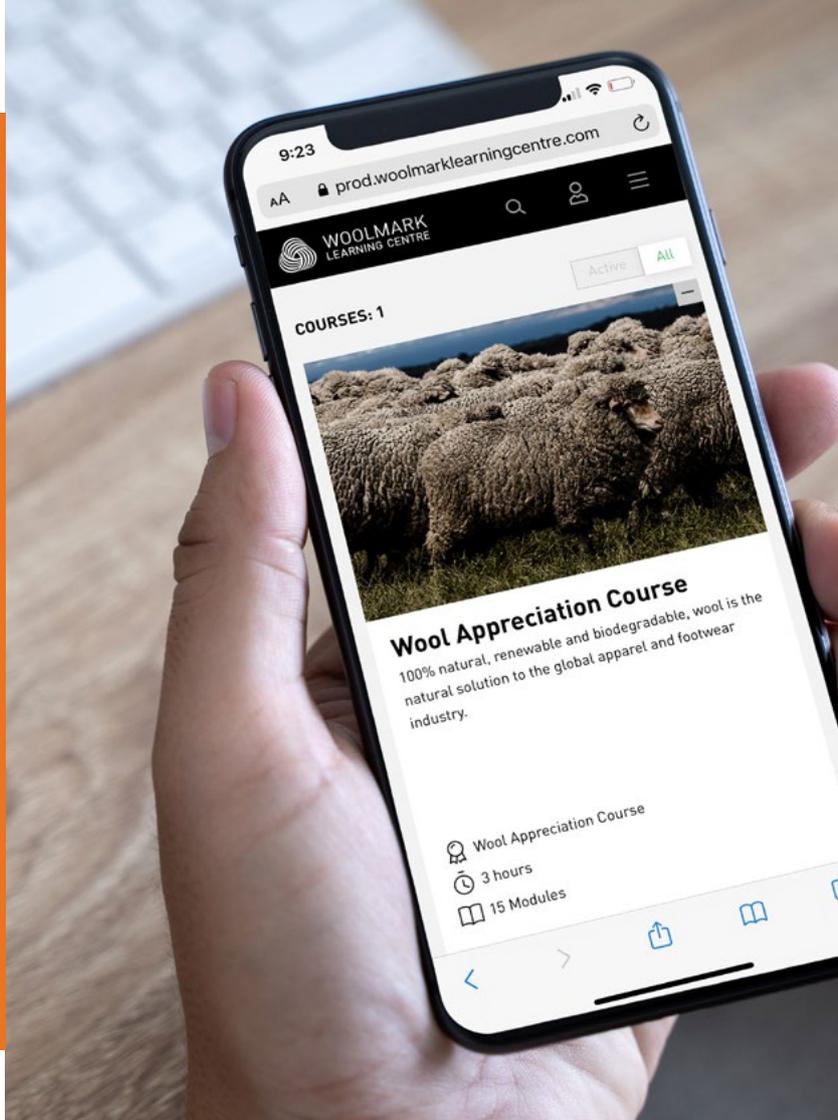
**Inspiration and sourcing**

support to designers and brands through The Wool Lab physical and digital editions.



## Woolmark Learning Centre digital platform

The Woolmark Learning Centre is the ultimate online education platform for all things wool. Designed to educate, transfer knowledge and inspire those in and entering the global wool industry it offers a comprehensive knowledge of wool and the endless possibilities of its use. Courses written and developed by industry experts, The Woolmark Learning Centre is there to empower and inspire secondary and tertiary fashion students, textile engineering students, educators and professionals within the industry. It provides world class courses at no cost.



## Supporting the supply chain

A strong supply chain is critical for the wool industry. The Woolmark Company supports supply chain partners in process and product developments. Technical transfer to ensure expansion of knowledge and uptake of innovative products and process will enable manufacturers to expand on product offerings to designers and brands. By working directly with designers and brands, The Woolmark Company supports innovation and connections with industry partners which helps support timely product and process developments through to commercialisation.

## Emerging Markets

By identifying and working with new manufacturing partners in emerging countries, our aim is to support the emergence of processing operations in new markets, creating new business opportunities and new demand for Australian wool:

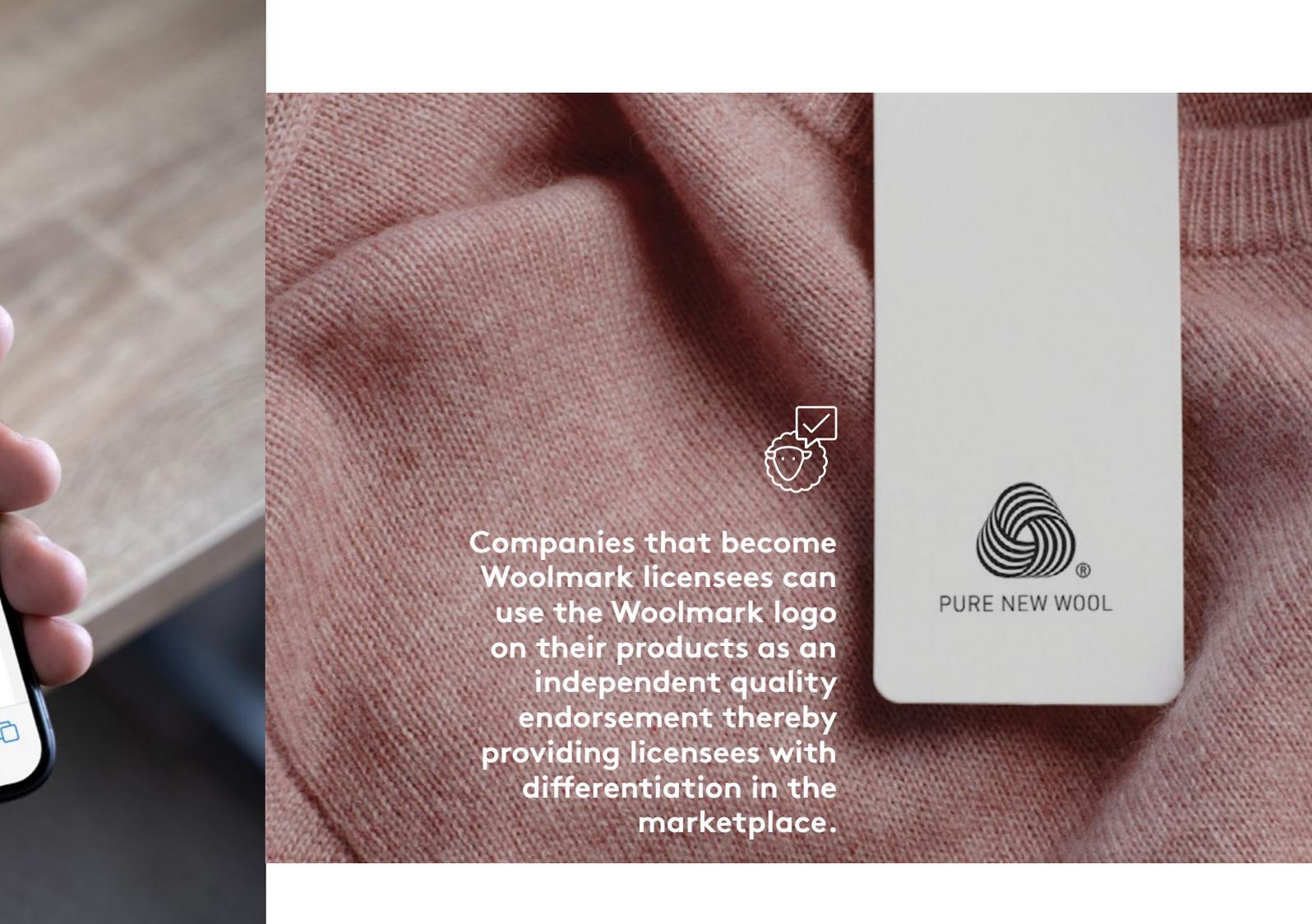
- Identifying new opportunities to expand the processing and manufacturing of wool and wool products
- Establishing new manufacturing supply chains

- Supporting manufacturing in emerging markets
- Sourcing support for raw materials
- Education and training to industry workers, designers and brands
- Technical transfer for manufacturers.

## The Woolmark Licensing Program

The Woolmark Licensing Program is the administration and management of the use of the Woolmark logo on qualifying certified products through contractual relationships with partners in all global markets. Licensees are integral in the supply chain in terms of creating quality products that can be labelled for sale by retailers and brands throughout the world.

The Woolmark brand is owned by The Woolmark Company, a wholly-owned subsidiary of AWI. It is one of the world's most recognised textile fibre brands and provides consumers with guaranteed fibre content and an assurance of quality. Companies that become Woolmark licensees can use the Woolmark logo on their products as an independent quality endorsement thereby providing licensees with differentiation in the marketplace.



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The Woolmark Licensing Program operates globally and allows for the logo to be applied to a range of qualifying products across apparel, interior textiles, bedding, floor coverings, laundry appliances and consumables, and sheepskins. It can also be used through the supply chain for yarns and fabrics.

The Woolmark Quality Control program will operate to maintain the position of the Woolmark Licensing Program as a quality assurance mark through the supply chain. It will be the mark the consumers can rely on to be assured of quality wool products.

### Shoring up the supply chain

KEY PERFORMANCE INDICATOR	MEASUREMENT	BASELINE
Increase percentage of wool processing & manufacturing in emerging markets and exploring new market opportunities in the following countries: India, Vietnam, Cambodia, Bangladesh, Turkey	Measuring change in % exports in targeted countries through ABARES data	2020/21
Increase in the number of supply chain licensees by 10%	Number of supply chain partners	2021/22 – 401
The number of new supply chain partners adopting wool processing capabilities	Number of new partners	2020/21
Progress towards the traceability supply chain to identify Australian grown wool through the full supply chain from farm gate to retail store	Launch of the traceability supply chain	N/A

# Financial Budget

2022-2025

<b>REVENUE</b>	<b>FY23</b>	<b>FY24</b>	<b>FY25</b>
Wool Levy	41.3	42.7	46.4
Government Contribution	15.9	16.4	17.9
Woolmark Income	5.0	5.3	5.3
Other Income	1.6	0.8	0.8
<b>TOTAL</b>	<b>63.8</b>	<b>65.2</b>	<b>70.4</b>
<b>PROGRAM COSTS</b>			
Sheep Production	12.5	12.6	12.6
Consultation	4.6	4.6	4.6
Marketing	36.8	37.1	37.2
Market Analytics	4.2	4.2	4.3
Industry Development	7.2	7.3	7.3
<b>TOTAL PROGRAM COSTS</b>	<b>65.3</b>	<b>65.8</b>	<b>66</b>
Support & Administration Costs	10.0	10.1	10.1
<b>TOTAL EXPENDITURE</b>	<b>75.3</b>	<b>75.9</b>	<b>76.1</b>
<b>NET RESULT/(DRAWDOWN)</b>	<b>-11.5</b>	<b>-10.7</b>	<b>-5.7</b>
<b>CLOSING RESERVES</b>	<b>88.9</b>	<b>78.2</b>	<b>72.5</b>





THE STRATEGIC PLAN IS AVAILABLE ON  
**wool.com**