

# WOOL INDUSTRY CONSULTATIVE PANEL (WICP) COMMUNIQUE FROM MAY 2021 MEETING

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**Date:** 5 May 2021

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

The purpose of this forum is to ensure a clear two-way consultation between AWI and organisational representatives through to growers. The WICP replaces the previous Industry Consultation Committee (ICC). The meeting provides an opportunity for the AWI Board to receive and provide feedback on current/important issues and relevant topics from Board meetings.

## **Business unit update from AWI**

AWI now supplies a comprehensive business unit update on a range of pertinent topics including market analytics, on farm, process innovation, education extension, traceability, WoolQ, emerging markets, fibre science, extension networks, shearing, marketing, and communications. AWI have agreed to the WICP members request for the distribution of this informative pack to levy payers via panel members. If you'd like a copy, reach out to one of the seven members of the WICP panel.

## **International trade relations**

China continues to dominate the market at the moment with 87% of the export market share, meanwhile there is increased activity from Indian buyers. AWI continues to pursue an emerging markets strategy and is working with the Department of Agriculture and Department of Foreign Affairs and Trade (DFAT) on providing webinars in Bangladesh and creating greater links into Cambodia. Myanmar is no longer a market AWI is pursuing based on the current unrest there.

## **Fabric footprint metrics**

Panel members expressed concern regarding the metrics devised to measure fibres under the European Commission's Product Environmental Footprint system. Despite wool being 100% natural, renewable and biodegradable, environmental ratings agencies have historically rated wool poorly against competing synthetic fibres. AWI echoed concerns that an accurate and scientifically credible assessment of wool's environmental footprint from its cradle on the farm, through all life stages to wool's ultimate biodegradation back into the soil was needed. By working with the apparel ratings agencies, AWI is seeking to improve the accuracy of the ratings. There are severe shortcomings because they consider only a limited part of the supply chain and some of the environmental impacts. This can be seen as one of the greatest threats or challenges for the industry.

## **Woollen workwear & safety garments**

AWI reported on a successful campaign with a major US supplier to supply first responders in the US including the Los Angeles Police Department (LAPD) with woollen workwear and safety garments. There is an expectation that this work will continue as AWI continues to create awareness about wool functionality.

## **Covid impact to wool markets**

Panel members sought insight from AWI as to any further information regarding the current pandemic and its impact on wool processing or the wool industry more broadly. It was iterated that wool contracted 6 weeks ago is currently being filled at auction which is contributing to a reasonably solid wool market however there will be a potentially negative impact going forward especially if ports close due to covid.

## **Peter Meyer's tenure ends**

Panel member Peter Meyer representing the Australian Association of Stud Merino Breeders reported AASMB elections were to be conducted in Longreach at the Queensland State Sheep Show, and this would be his last meeting as the AASMB representative. The WICP Chair thanked Peter for his contribution during his time with the WICP and the panel wished Peter all the best for the future.

### **WoolQ concerns raised**

Panel members sought an update on WoolQ citing concerns about industry uptake, cost and duplication of aspects. AWI advised that WoolQ has seen good membership growth over the last 2 months, with 85 new registrations in February and March. Work continues to highlight the potential of the WoolQ industry network to growers, quality assurance schemes as well as brands. A panel member recommended AWI consider negotiating with AWEX and AuctionsPlus to partner on the eSpeci component of WoolQ.

### **Ongoing shearer shortage**

Panel members expressed ongoing concerns regarding shearer training and follow up, availability of shearers to assist during the busy shearing periods, the need for visa pathways and promotion of shearing as a worthwhile career. It was reiterated to members that AWI continues to follow up on additional extension shearing courses after the novice course to upskill shearers for the employment. A request was made for AWI to consider incorporating life skills and financial management aspects into the Shearer and Wool Handler Training to increase this training as a career pathway choice. During this discussion an AWI Board representative advised members that initiatives such as recognising shearing as a trade profession, structured mentoring and financial modelling for this trade would be highly beneficial.

### **Move away from Merino**

A panel member raised concerns about a trend in major farming zones in western New South Wales whereby landholders are discussing moving to Dorpers in the next 12 months or are leaving the wool industry completely. This has been conflated somewhat by the aforementioned shearing shortages for mixed farming areas as well as shearing award rate misinformation and subpar conditions in shearing sheds. These concerns have affected the industry and deterred some participants. It was suggested that growers and AWI need to continue to promote the positive aspect of the industry from a marketing and R&D perspective.

### **Sustainability and Marketing launch**

WoolProducers Australia updated the panel on the Sheep Sustainability Framework launch and thanked AWI for funding part of this project. During this discussion it was agreed that while the industry knows the good sustainable qualities of the fibre, the industry will need to continue to grow its merino flock. Positive feedback has been received on the recent Trust in Australian Wool launch.

### **Review of performance commences**

Accenture Australia have recently been appointed as the company for the 2021 Review of Performance. Accenture is a global consulting firm specialising in strategy reviews as well as methodology, operations, and marketing. Accenture have conducted a number of reviews with many different sectors however this is the first review they have done with an RDC. WICP members will be consulted during this review process using five performance principles which include stakeholder engagement, strategic planning, collaboration and governance and outcomes to understand members' views on how well AWI is performing in these areas.

### **WICP Independent Chairman**

WICP members were given an opportunity to put forward nominations for the role of the WICP Independent Chair. As a result, Lyndsey Douglas was the only nominated candidate put forward during this process by five WICP members. A motion was put forward for the current chair, Lyndsey Douglas to hold another 12-month term as the WICP's Independent Chair. All members agreed, and there was unanimous support for Lyndsey to fill this position again.

### **Wool 2030 implementation**

WICP is working with AWI to develop a steering committee to drive the industry ten year plan, Wool 2030. The role of the Wool 2030 Steering Committee is to meet and measure the industry movement towards the aspirational recommendations outlined in the Wool 2030 plan, and report back to the AWI, WICP and WCG. The WICP will be working with the Department of Agriculture to develop the scope for the steering committee in the near future.

### **Raising the profile of the WICP**

Panel members agreed that increasing the profile of the purpose and people that comprise the WICP is central to ensuring woolgrowers leverage this forum to communicate issues to AWI. Subsequently, WICP will seek to utilise additional communication channels including AWI's magazine, website and podcast to encourage woolgrowers to liaise with panel members on pertinent topics.

Lyndsey Douglas  
WICP Chair  
1 June 2021