



Independent Review of Performance

Prepared for Australian Wool
Innovation Limited

Final Report

August 2021

Accenture Strategy

Summary of Findings

In 2021 the Federal Government Introduced a standard set of performance principles for Research and Development Corporates (RDCs) articulated in the Statutory Funding Agreement for each organisation. This review is the first Independent Review of an RDC against the new performance principles. In its evaluation of Australian Wool Innovation's (AWI) performance against the five performance principles outlined in the Statutory Funding Agreement, Accenture's findings are as follows:

1 Context

There have been significant external and internal challenges that have affected the wool industry and AWI over the last three years:

- **Externally**, the wool price has fallen ~25%, China has increased its dominance of the consumer market and COVID-19 was a major interruption to marketing and sales activities.
- **Internally, AWI has also had to respond to the challenge of the last review of performance**, which included a significant reduction in its budget, as well as continued divisions in the wool industry which have a significant impact through its directly elected Board and its activities.

2 AWI Performance

Given this difficult context, AWI has shown notable improvement in its performance. AWI has achieved several significant objectives with further improvement possible. Overall, results from activities, surveys of levy payers and interviews with AWI staff suggest that despite the difficult backdrop, AWI's performance has been **appropriate**. Key achievements include:

- **Responding to the last review of performance:** making significant changes to its industry consultation process, upgrading its monitoring and evaluation (M&E) framework and approach, and recommending changes to its Board process (e.g. tenure).
- **Strengthening its marketing campaigns and managing through COVID-19:** AWI has demonstrated its strength in marketing through campaigns such as Luna Rossa Prada as well as showing significant flexibility in pivoting to digital campaigns through COVID-19.
- **Improving its organisational culture:** while always a work in progress, Board and organisational culture is much improved: more positive, constructive and collaborative.

3 Recommendations

In terms of areas for improvement, two main themes stand out:

- **Improving its strategic focus:** while AWI has clear objectives at the program level, it is generally missing strategic objectives at the organisation and portfolio level whether that be marketing, RD&E or stakeholder engagement. As a result, AWI is not as clear about its strategic objectives, not able to effectively articulate outcomes against these objectives and has not achieved as much as it could.
- **Communication with stakeholders:** AWI has made significant gains in its consultation with stakeholders with the development of the Wool Industry Consultative Panel (WICP) and Wool Consultation Group (WCG), but there are still significant opportunities to improve engagement with levy payers, shareholders and the broader wool industry.

Detailed evaluation of AWI across each principle is provided in this document. Overall, Accenture's evaluation is that AWI's performance is **meeting or part-meeting most of the performance principles**. The proposed recommendations cover all the performance principles with a primary focus on these two areas of improvement.



Background and Terms of Reference

Background

Australian Wool Innovation Limited (AWI) is the industry owned Research and Development Corporation. AWI funds wool research, development, commercialisation and marketing activities, which directly increase the long-term profitability, productivity, and sustainability of Australian woolgrowers.

The majority of AWI funding comes from the wool levy collected from Australian woolgrowers, and matching funds for research and development from the Commonwealth government. The Wool Services Privatisation (Wool Levy Poll) Regulations 2003 (Cth) directs the conduct of a poll (WoolPoll) of all eligible wool levy payers to determine the levy rate they pay in the following three-year period. The next poll of eligible levy payers is to be undertaken from September – November 2021.

In October 2020, AWI agreed with the Commonwealth Government to a new ten-year *Statutory Funding Agreement* (SFA) based on five performance principles. As outlined in AWI's new SFA, the Commonwealth may from time-to-time request AWI to obtain an independent review of its performance against the performance principles. On 4 March 2021, the Department of Agriculture, Water and the Environment (DAWE) wrote to AWI requesting that AWI commission an independent review of its performance against the performance principles. The outcomes of this review will be reported to woolgrowers in the lead up to WoolPoll 2021.







Terms of Reference

Prior to commencement of the review, AWI and the independent reviewer will agree on the appropriate breadth and depth of the review required to report on AWI's performance against the performance principles consistent with Section 10.6 of AWI's Statutory Funding Agreement 2020 – 2030 with the Commonwealth Government, including:

1. Review of AWI's performance between 2018 – 2021 against the performance principles outlined at Section 10.2 (a-e) in the Statutory Funding Agreement 2020 – 2030 and detailed in the Companion Guidelines for RDC Funding Agreements.
2. The review should also include:
 - a) Evaluation of AWI Board's contribution to organisational performance (10.6), and
 - b) An objective assessment of the effects of the implementation of the recommendations in the 2018 review of performance with regard to organisational culture and Board independence.
3. Consult with levy payers and key stakeholders as part of the review.
4. Provide an independent report simultaneously to AWI and the Commonwealth within 20 business days of concluding the draft independent review.

AWI is meeting or part-meeting its obligations under SFA performance principles

■ Not meeting¹
■ Part-meeting²
■ Meeting³


Principle	Dimension	Assessment	Rationale
1 Stakeholder Engagement 		Part-meeting	<ul style="list-style-type: none"> There has been improvement in stakeholder engagement over the last three years especially through enhanced industry consultation mechanisms via the Woolgrower Industry Consultative Panel (WICP) & Woolgrower Consultation Group (WCG). However, there is a continued need to strengthen industry consultation processes, reach more wool growers and develop a stronger and more targeted communication strategy for stakeholders.
2 Research, Development & Extension 	RD&E	Meeting	<ul style="list-style-type: none"> Research programs are meeting short term objectives and have real areas of strength. RD&E objectives can be more closely aligned to industry priorities which would provide additional clarity to stakeholders of the value of this work.
	Marketing	Meeting	<ul style="list-style-type: none"> Strong marketing activities (e.g. Luna Rossa Prada and China digital campaigns) have provided clear gains for the global wool industry with an opportunity to strengthen overall 'wool' brand management.
3 Collaboration 		Meeting	<ul style="list-style-type: none"> Evidence of a strong collaborative culture, with over 200 collaborations completed in the last few years, on a number of different issues (e.g. EU Product Environmental Footprinting project) and strong engagement with Meat and Livestock Association in particular.
4a Governance 		Meeting	<ul style="list-style-type: none"> Overall governance of the organisation appears to be in line with legislation and similar organisations. The majority of AWI staff and levy payer representatives interviewed believe AWI governance and leadership has improved in the 2018 – 2021 period.
4b Additional governance terms 	Board independence	Part-meeting	<ul style="list-style-type: none"> Board structure and processes are generally in line with standard practice. The current Board has a mix of capabilities across the wool value chain and seeks advice where there are gaps. However, there is room to improve the overall corporate strategy and planning process, increase the transparency of industry consultation in Board decisions and actions, and, assess leadership diversity against future industry need.
	Organisational culture	Part-meeting	<ul style="list-style-type: none"> The majority of staff are positive about the organisational culture despite effects of COVID-19, but some elements of people and culture practice can improve. While Board culture has seen significant improvements since 2019, external perception lags behind the improvements.
5 Monitoring and Evaluation 		Part-meeting	<ul style="list-style-type: none"> There has been a strong focus on building internal capabilities and processes for M&E since 2019. M&E findings are only starting to be incorporated into AWI planning and performance cycles; M&E of internal process (e.g. staff sentiment) should be incorporated.

Notes: 1. Not Meeting: There are insufficient organisational enablers, processes and capabilities for Principle with no or limited impact,
 2. Part-meeting: There are sufficient organisational enablers, and/or, processes and capabilities for Principle with limited or inconsistent impact,
 3. Meeting: There are sufficient to exemplary organisational enablers, processes and capabilities for Principle with consistent impact.

Recommendations: AWI can improve its stakeholder management as well as its strategic focus (I/II)

Very high priority  Moderate priority

Recommendation	Description summary ¹	Priority
1.1 Develop a stakeholder communication strategy	<ul style="list-style-type: none"> Improve communication with stakeholders by developing a communication strategy, which includes an analysis of key stakeholder groups, their interests, needs, and best channels of engagement. Support key staff with stakeholder engagement training to aid implementation. 	Very High
1.2 Improve engagement with the wool industry	<ul style="list-style-type: none"> Increase mixed farming and Next Generation representation on the WICP. See Recommendation 4.2 for additional recommendation in relation to the WICP. Increase engagement with WCG by having a forward agenda of industry issues to work through. And, facilitate smaller groups more frequently to encourage discussion on key issues. Formalise AWI staff reports highlighting feedback and issues raised by discussions at extension network meetings and events. These should be provided to both the WICP and the AWI Board for review and consideration to increase transparency. 	Very High
2.1 Strengthen RD&E investment by developing strategic priorities with input from woolgrowers	<ul style="list-style-type: none"> Leverage the Wool 2030 Strategy to align RD&E focus to industry strategic priorities, this includes determining outcomes and targets that align with the aspiration of the industry. Improve metrics for RD&E programs, these could be developed in consultation with industry (e.g. WICP, WCG) and woolgrowers, or can be benchmarked using historical data. 	High
2.2 Commission an independent report to measure international sentiment towards mulesed wool	<ul style="list-style-type: none"> Commission an independent report to measure current, and predict future trends, in consumer sentiment towards mulesed wool in relevant global markets. This should include economic modelling to determine the impact of these trends on wool price and production. The report should be used to inform AWI RD&E expenditure and assist in communications with both woolgrowers and the supply chain. If commercially viable, the report should be published, on Wool.com for levy payers to access. 	High
2.3 WoolQ stakeholder engagement plan and go/no go analysis	<ul style="list-style-type: none"> Undertake an internal review of the WoolQ project focusing on the development of an ongoing stakeholder engagement strategy for the program including the groups involved in the initial WSSR (2017). In addition, create a set of go/no go criteria for each component of WoolQ including timing of when these should be reviewed and implemented. 	High
2.4 Investigate the opportunity of a brand strategy for 'wool'	<ul style="list-style-type: none"> Investigate the viability and feasibility of developing and implementing a broader brand strategy for 'wool' as a fibre to complement the power of the existing 'Woolmark' brand. Develop an approach targeting critical consumer segments to regularly monitor their sentiment towards wool and wool products across all fibre types. 	High

 Notes: 1. These are abridged summaries, for the complete recommendations please see the relevant report pages, 1.1 - 1.2 Stakeholder Engagement page 22, 2.1- 2.4 Research, Development & Extension page 32. Copyright © 2021 Accenture. All rights reserved.

Recommendations: AWI can improve its stakeholder management as well as its strategic focus (II/II)

Very high priority  Moderate priority

Recommendation	Description summary ¹	Priority
3.1 Include collaboration as a key pillar in strategic planning	<ul style="list-style-type: none"> Expand the scope of the 'Project Initiation Guidelines for Collaboration' to include marketing activities and agricultural promotion activities. Include sections on criteria for who and what to collaborate on across all areas of the business. Define corporate objectives against this principle and make this clear to stakeholders via publication on wool.com. 	Moderate
4.1 Improve leadership capabilities and diversity	<ul style="list-style-type: none"> A leadership skills, experience and diversity analysis against future need for the industry should occur. This analysis should leverage the Wool 2030 Strategy and skills needed for industry modernisation. The analysis should be used as a benchmark for Board and AWI leadership skills assessment in addition to the current process. 	Very high
4.2 Include industry consultation in strategic decision making	<ul style="list-style-type: none"> Formalise the process of consultation with the industry via the WICP while maintaining the independence and leadership of the Board. WICP chair should attend Board meetings to present outcomes of WICP meetings, and, formally table items of industry significance to the WICP via a paper for discussion and request for recommendations to the Board. 	High
4.3 2022/23 Strategic planning to be simplified and aligned to best practice	<ul style="list-style-type: none"> The AWI Board should oversee the strategic planning for the 2022/23 period and beyond by ensuring alignment to the Wool 2030 Strategy, and, alignment of AWI's vision and purpose with shareholders and levy payers. Outcomes of strategies should be tangible and measurable and feed into the organisation's M&E framework. These plans should feed into organisational principles and objectives and considered at all levels of the organisation in relation to decision making. 	Very high
4.4 Enhance executive performance management	<ul style="list-style-type: none"> The AWI Board can enhance how the AWI executive performance management is conducted by updating CEO measurement criteria, increasing use of 360-degree feedback of executives and formalising feedback between the Board chair and CEO in line with AICD best practice (this is currently planned for 2021 CEO review). 	Very high
4.5 Board changes to be included in next independent review	<ul style="list-style-type: none"> Changes to Board tenure and Board nomination processes are yet to be fully discharged². While key changes have been enacted or planned, the impact of these changes will not materialise in the timeline of this review. Thus, the impact of these activities should be included in the next review of performance. 	Very high
4.6 Modernisation of people management and culture	<ul style="list-style-type: none"> AWI leadership can continue to enhance organisation culture by implementing current best practice HR programs, specifically rewards and recognition (outside of pay and benefits), and, Inclusion programs to build unity and diversity in staffing. Prioritising regular staff engagement surveys, pulse checks and modernising HR technology platform(s). 	High
5.1 Build M&E maturity	<ul style="list-style-type: none"> Continuing to develop the maturity of M&E practices by: aligning M&E framework to corporate objectives and outcomes, creating a proactive evaluation process to regularly review, iterating targets for programs, using reporting to derive business insights and informing business decisions. 	High

> Notes: 1. These are abridged summaries, for the complete recommendations please see the relevant report pages, 3.1 Collaboration page 37, 4.1-4.6 Governance page 49-50, 5.1 M&E page 55; 2. It is noted that the change to Board tenure is dependent on Shareholder voting at the 2021 AGM.

Review approach

The new Statutory Funding
Agreement performance principles



The new Statutory Funding Agreement Performance Principles have changed the way RDCs are assessed

How this report is different



- The Statutory Funding Agreement 2020-2030 included an update to the independent review framework with the commencement of the five performance principles. This review is the first to utilise the updated performance principles and AWI will be the first Rural Research and Development Corporation (RDC) to be measured against these.

What is in scope








- Assessment of AWI against the performance principles which includes any additional terms of reference (TORs) outlined in the engagement of the independent review by both AWI and the Department.

What is out of scope



- It is not within the remit of this review to undertake a comprehensive analysis of whether the 2018 independent performance review recommendations have been met. Where relevant they have been referred to or analysed.

The independent review assessed AWI's performance against the five Performance Principles

Principle	Principle objective	Assessment framework	
1 Stakeholder Engagement 	Engage stakeholders to identify research, development and extension (RD&E) priorities and activities that provide benefits to portfolio industries.	Not meeting	Part-meeting
2 Research, Development and Extension (RD&E) Activities 	Ensure RD&E and marketing priorities and activities are strategic, collaborative and targeted to improve profitability, productivity, competitiveness and preparedness for future opportunities and challenges through a balanced portfolio.	There are insufficient organisational enablers, and/or processes and capabilities for Principle with no or limited impact .	There are sufficient organisational enablers, and/or processes and capabilities for Principle with limited or inconsistent impact .
3 Collaboration 	Undertake strategic and sustained cross-industry and cross-sectoral collaboration that addresses shared challenges and draws on experience from other sectors.	Meeting	Exceeding
4 Governance 	Governance arrangements and practices fulfil legislative requirements and align with contemporary Australian best practice for open, transparent, and proper use and management of Funds.	There are sufficient to exemplary organisational enablers, processes and capabilities for Principle with consistent impact .	There are exemplary organisational enablers, processes and capabilities for Principle with consistent significant impact .
5 Monitoring and Evaluation (M&E) 	Demonstrate positive outcomes and delivery of RD&E and marketing benefits to levy payers and the Australian community in general, and continuous improvement in governance and administrative efficiency.		

We interviewed 61 stakeholders, conducted 2 surveys which covered 517 woolgrowers and 113 staff, and reviewed over 560 documents

Completed interviews	<p>8</p> <p>WICP members have been interviewed incl. the independent Chair</p>	<p>13</p> <p>WCG members have been interviewed</p>	Survey responses	<p>517</p> <p>Respondents to the levy payer survey</p>
	<p>4</p> <p>Federal Government Department conversations</p>	<p>23</p> <p>AWI staff including board members have been interviewed</p>		<p>113</p> <p>Respondents to the AWI staff survey</p>
	<p>5</p> <p>Wool industry interested parties¹</p>	<p>8</p> <p>Broader ecosystem partners have been interviewed (e.g. RDCs, Government Departments, researchers)</p>	Documentation	<p>560+</p> <p>Documents reviewed including strategy documents, reports, board papers, minutes, and actions</p>

> Note: 1. Wool Interested parties include individuals working within or beside the wool industry but are not in the WICP or WCG e.g., brokers, journalists, agriculture experts

We have measured performance using a transparent set of criteria and a range of different evidence sources



Each performance principle will be assessed by three critical performance measures

Dimensions	Description	Examples (non-exhaustive)	Example evidence sources (non-exhaustive)
Organisational enablers	<ul style="list-style-type: none"> Critical people, structures and assets the organisation has which allows it to undertake processes and activities. 	<ul style="list-style-type: none"> Organisational structure. Workplace culture and values. Skills and capabilities of key individuals supporting activities. Financial allocation and support available. Assets used to undertake activities such as IT platforms, infrastructure, transport. 	<ul style="list-style-type: none"> Organisational charts CVs and profiles of key individuals Interviews and discussion with AWI staff and leadership. Survey results (e.g. Levy payer, AWI staff) Capability plans, organisational plans and other relevant documentation. Technology and infrastructure review.
Processes and activities	<ul style="list-style-type: none"> The actions the organisation undertakes to deliver value and outcomes. 	<ul style="list-style-type: none"> Strategies and plans. Business processes. Policies and procedures. Decision making frameworks. Risk management. Key initiatives/activities the organisation chooses to undertake. 	<ul style="list-style-type: none"> Wool 2030, three-year strategic plans, operational plans Documented business processes Documented policies and procedures Decision making frameworks Risk management frameworks Deep analysis of case studies of key initiatives Interviews with staff and stakeholders Survey of staff and stakeholders
Outcomes	<ul style="list-style-type: none"> The value delivered to the organisation's stakeholders Meeting organisational objectives or legislative requirements 	<ul style="list-style-type: none"> Company results Company resilience Company outcomes against performance principles 	<ul style="list-style-type: none"> 2018 Performance Review action reports and microsite Annual reports Reports and outcomes documentation Interviews with stakeholders Surveys Benchmarking/comparisons to comparable organisations and industries

Copyright © 2021 Accenture. All rights reserved. 60



Stakeholder Engagement – Metrics and data

Measures	Description	Needed metrics/evidence		Assessment
		Inputs (potential/source)	Outputs (potential/source)	
Organisational enablers/inputs	<ul style="list-style-type: none"> Organisational structures in place. Skills and capabilities of staff. Assets to support stakeholder engagement (e.g. funding, IT platforms). 	<ul style="list-style-type: none"> Organisational structure exists (organisational chart). Funding arrangement to support activities (funding). Team and staffing for stakeholder engagement (review of staff profiles, interviews with managers). Tools and platforms are used for stakeholder engagement (desktop and interviews). 	<ul style="list-style-type: none"> Effectiveness of organisational structure (staff interviews). Funding is sufficient to support activities (stakeholder interviews). Effective capabilities for stakeholder engagement (stakeholder interviews). Effectiveness of tools and platforms (usage statistics and interviews). 	●
Processes and activities	<ul style="list-style-type: none"> Stakeholder engagement strategy is well defined. What is the quality of processes for stakeholder engagement. Substance of engagement, meaningful engagement. Evidence of reciprocal and transparent communications. 	<ul style="list-style-type: none"> Stakeholder engagement strategy available and transparent (stakeholder strategy, stakeholder maps and interview/survey). Appropriate channels of engagement (review of processes). Significant information discussed and raised in engagements (minutes and notes from WCP and WCG meetings). 	<ul style="list-style-type: none"> Feedback from stakeholders on transparency of strategy (stakeholder interviews). Stakeholder satisfaction with the processes and channels of engagement (levy, stakeholder interviews). Stakeholder perceptions on content of engagement (interviews and survey). 	●
Outcomes	<ul style="list-style-type: none"> Stakeholder's engagement is significant. Stakeholder sentiment is good around transparency, and consultation. Australian public is aware of AWI's role and contribution. 		<ul style="list-style-type: none"> Stakeholder's contribution in relation to outcomes i.e. feedback incorporated into Decision making (case studies). Positive sentiment from stakeholders towards AWI (stakeholder interviews and sentiment survey). Public awareness of AWI (reports, traffic to website, comments from media reports). 	●

Sources: AWI documents, Accenture analysis

Copyright © 2021 Accenture. All rights reserved. 61



Stakeholder Engagement – AWI's objectives and activities

Strategy	Objectives	Goals	Key activities	Metrics / Targets
Woolgrower Engagement	<ul style="list-style-type: none"> To build trust and transparency across the supply chain 	<ul style="list-style-type: none"> 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. 	<ul style="list-style-type: none"> Extension networks: via unique state-based networks which act as a hub for delivering localised industry information and events. Events & forums: presence and contribution to woolgrower and industry events and forums across Australia. Market intelligence & communications: to help ensure Australian woolgrowers remain informed of activity across the global supply chain. 	<ul style="list-style-type: none"> 15,000 active participants in AWI extension initiatives. AWI workshops delivered to participants receives a net promoter score of 7.5/10. 800,000 views of AWI Network resources online. Support and engagement at more than 50 national events and forums annually. 70% of users of AWI's Market Intelligence find it 'high value' or above. Increase subscriber numbers by 20%. Market Intelligence on AWI website receives 15,000 views per month.
Industry Engagement	<ul style="list-style-type: none"> 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. 	<ul style="list-style-type: none"> 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. Provide opportunity for reducing knowledge gaps between supply chain partners by an enhanced market intelligence function, and by acting as a conduit between sectors. 	<ul style="list-style-type: none"> Woolgrower Representative Bodies: regularly consult with woolgrower representative bodies to seek feedback on their member priorities for research, development and marketing, and to support their knowledge of AWI activities and performance. 	<ul style="list-style-type: none"> WCP and WCG members report AWI consultation efforts have been maintained or improved at 8.9 (approval rating out of 10).

Copyright © 2021 Accenture. All rights reserved. 61

1 Breaking performance principles into performance dimension

2 Determining metrics to measure dimension

3 Gathering relevant evidence

There are a number of risks associated with this Independent review

Key aspects of this Review that were considered as we interpreted outcomes

First implementation of principles



This Review is the first time the Principles have been applied to any RDC. As a result, there was extensive discussions with the Department to understand the meaning purpose and objective of the Principles

Timing of performance principles



Performance principles were communicated after AWI's three-year strategic planning and the principles do not always align with AWI's current strategic plan. This means that AWI is being assessed against principles which it was not aware of. There is opportunity for alignment in the 2022/23 planning cycle is planned.

Potential levy payer survey bias



The levy payer survey may be skewed towards more engaged woolgrowers, as these woolgrowers have voluntarily shared their email addresses with AWI. Approximately 8,500 email addresses were available of a total of 66,000 to levy payers (13%)¹.

Stakeholder Interview bias



Bias is a significant feature of most interviews. Current AWI and Board staff may show positive bias (except those affected by COVID-19 and lay offs). Other stakeholders are affected by historical events.



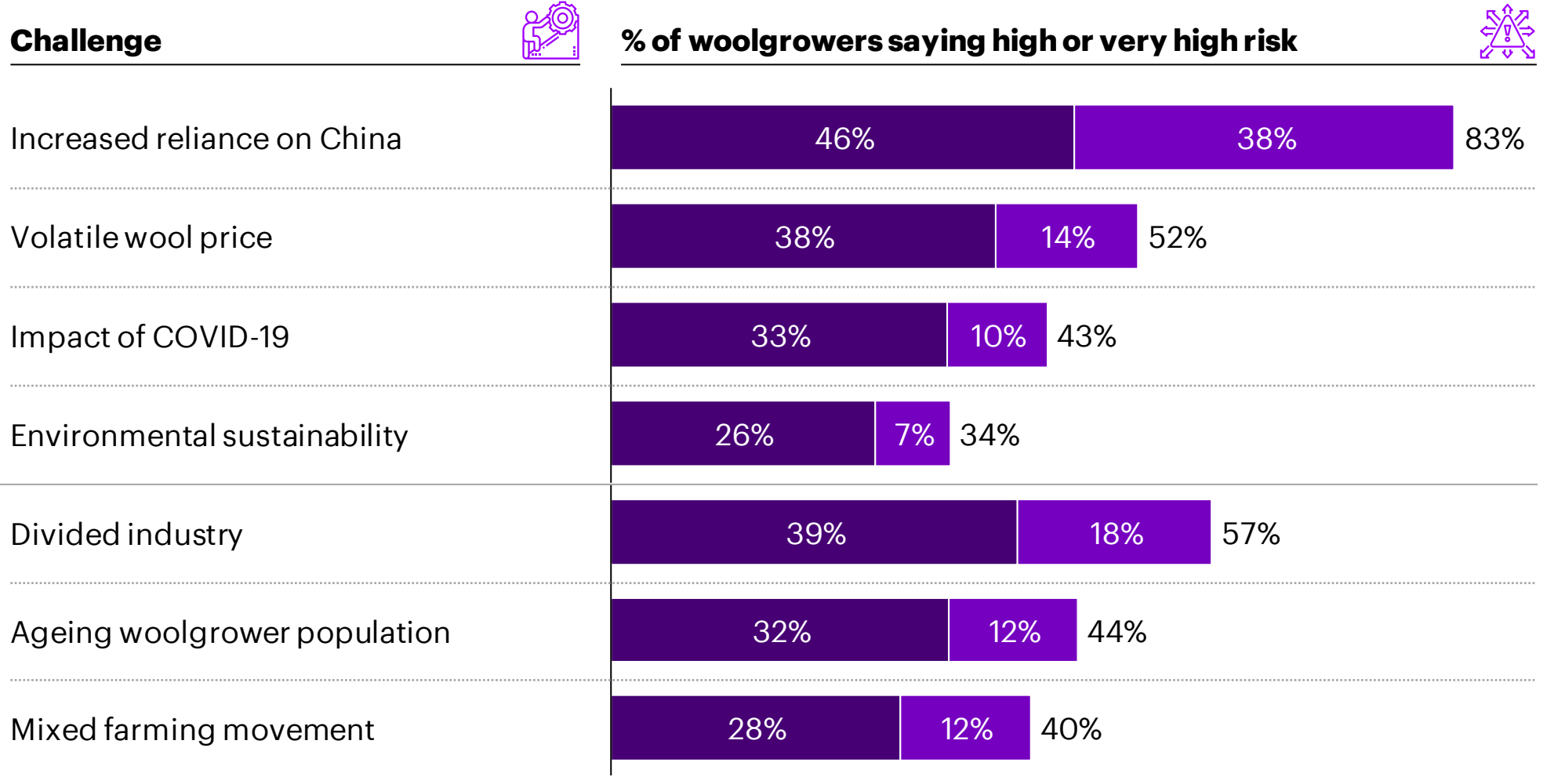
Industry context

The wool industry faces significant external and internal challenges



Over the last 3 years, the wool industry has continued to face serious external and internal challenges

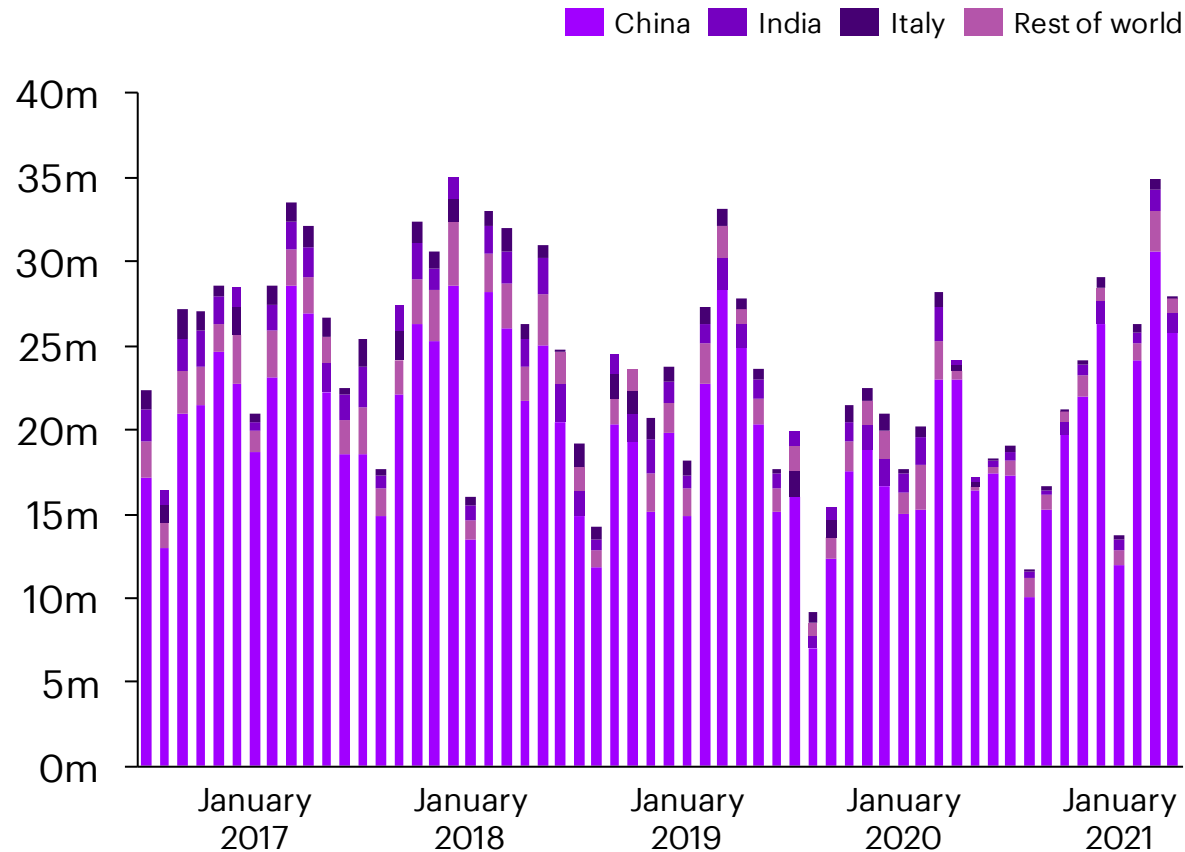
■ High ■ Very high



Externally, dependence on China as an end market continues to be high and wool prices have been volatile

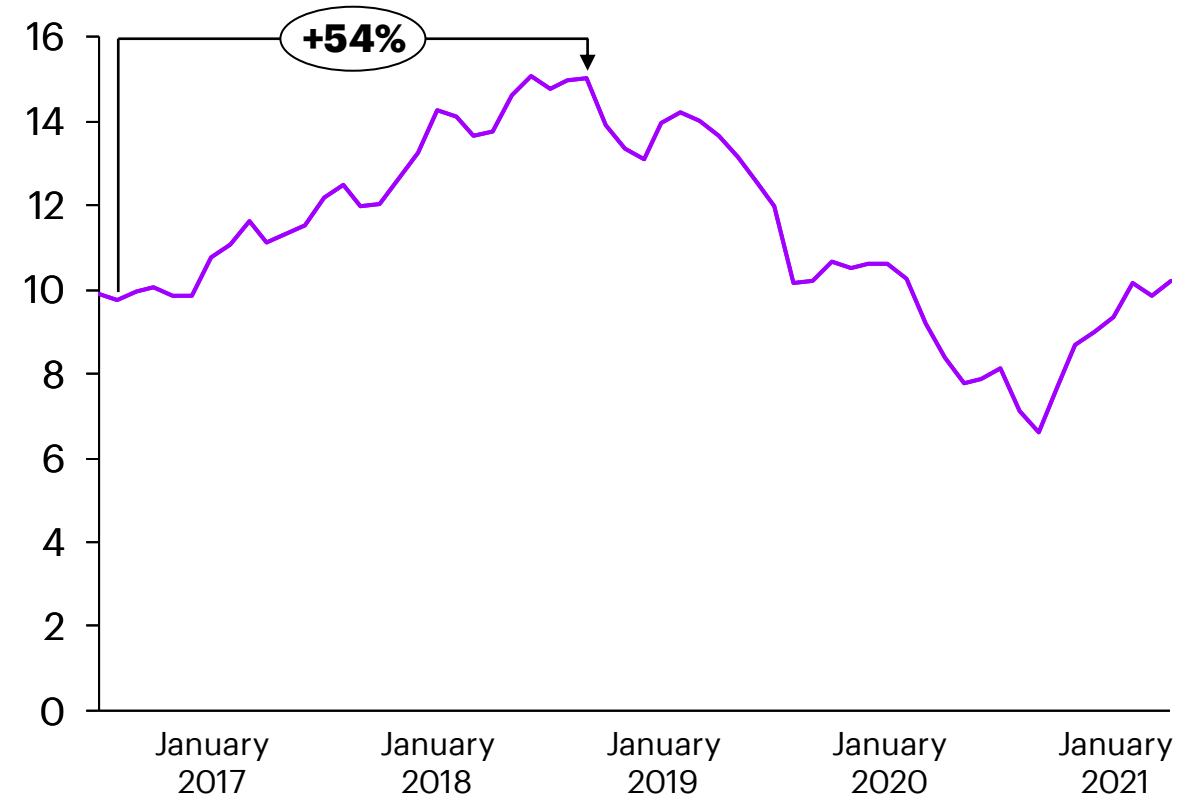
China dominates Australian wool exports

Kilograms; Australian wool exports 2016-2021



Wool prices have been volatile in export markets

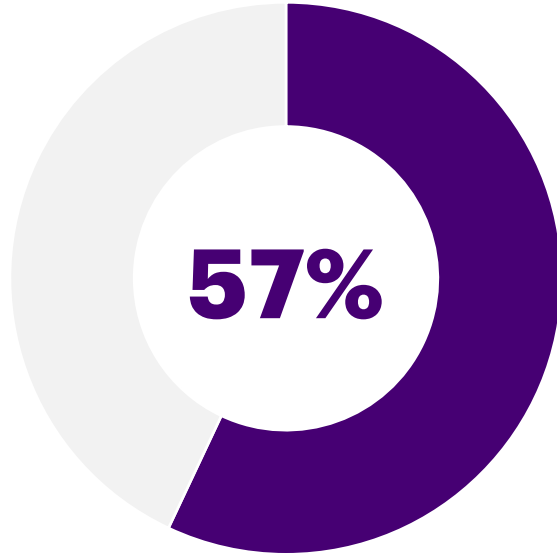
Price per kilogram in USD, Eastern Market Indicator (EMI); 2016-2021



Internally, there continues to be divisions within the industry and a challenge of passing leadership of the industry to the next generation

Agri-politics continues to divide the industry

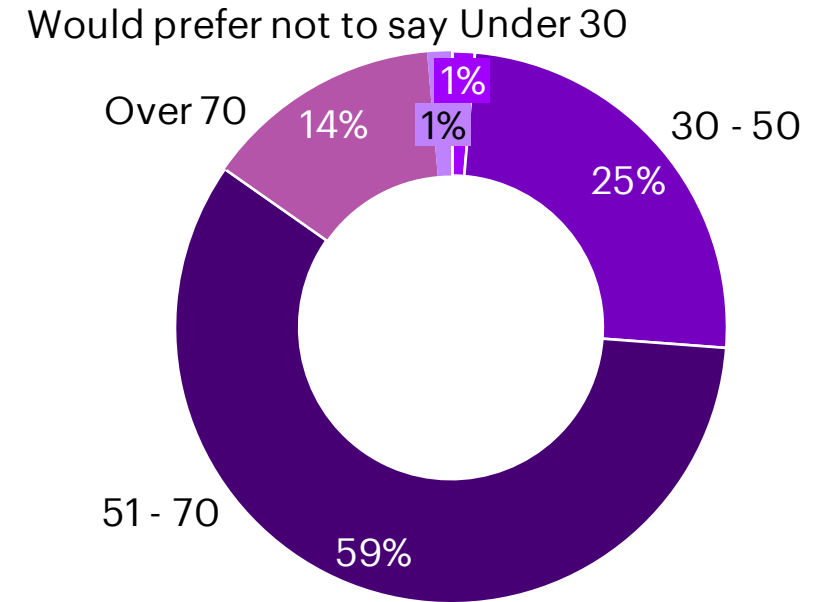
% believing that agri-politics presents a high or very high risk to industry



Divisions within the industry have a direct effect on AWI as it is accountable to its levy payers and the government.

Almost 75% of the wool growing population is over 50

% of woolgrowers by age group



Less than 2% of woolgrower respondents are younger than 30 years old.

Stakeholder Engagement

First performance principle







Stakeholder Engagement assessment – Part-meeting

Engage stakeholders to identify research, development and extension (RD&E) priorities and activities that provide benefits to portfolio industries

Dimensions	Finding ¹	Rationale	Overall assessment	Part-meeting
Organisational enablers	Meeting	<ul style="list-style-type: none"> ▪ Organisational structures: AWI has effective organisational structures in place for stakeholder engagement, it has a team of ten with appropriate skills and qualifications in agriculture and communication. ▪ Organisational culture: Most AWI staff interviewed demonstrated a genuine appreciation of levy payers' role in AWI and see communication as an important part of the role. It is noted that not all stakeholders engage with AWI constructively and staff are often managing complex interpersonal interactions. For AWI staff to maximise the effective engagement with the industry, ongoing support and training will help. ▪ Assets – Systems: AWI has sufficient tools and platforms for stakeholder engagement, including digital, paper and in-person. ▪ Assets – Financial allocation: AWI's funding for stakeholder engagement has reduced from \$2.9m in 2018-19 to \$2.7m in 2019-20, described in the annual reports. This is a reasonable percentage (4%) of overall revenue, compared to other RDCs. 		
Processes and activities	Part-meeting	<ul style="list-style-type: none"> ▪ Strategy and planning: Stakeholder engagement strategy is well defined, and consists of extension networks, event & forums, market intelligence and woolgrower representative bodies, described in the strategic plan and annual reports. However, the communications strategy is less clear, including which stakeholder groups are being targeted, why and how. ▪ Policies and Procedures: The set up of WICP and WCG and the addition of an independent chair has constituted real improvement to the industry consultation approach. However, these two groups are fairly new: it is not clear they are adequately representative of the wool industry, that they communicate well to their members or that the discussions are being taken into account in Board decision making. ▪ Activities: AWI has supported over 500 events through extension networks, AWI quickly adapted to remote and virtual meetings due to the COVID-19 pandemic. Approximately 25% of events are ewe/ram shows, which is representative for industry. 		
Outcomes	Part-meeting	<ul style="list-style-type: none"> ▪ Overall outcomes: A large amount of levy payers who were surveyed indicated that AWI's communication with them is average, and that grassroot woolgrowers are not appropriately consulted. 53% of woolgrowers in the survey do not know who their WICP representative is, and therefore do not feel represented in industry consultation. 43% of woolgrowers agree that mixed farming wool producers need a greater representation at the WICP. ▪ Program outcomes: AWI's stakeholder engagement programs appear on track to meet majority of targets. However, outcomes are not as obvious at a strategic level and mixed perceptions from levy payers needs further exploration. ▪ Woolgrower perceptions of outcomes: The levy payer survey revealed they believe AWI's role is to go beyond what is stipulated in the AWI charter. This misalignment is a potential cause of ongoing stakeholder disappointment in AWI activities. 		

Notes: 1. Part-meeting: There are sufficient organisational enablers, and/or, processes and capabilities for Principle with limited or inconsistent impact; Meeting: There are sufficient to exemplary organisational enablers, processes and capabilities for Principle with consistent impact; Sources: AWI documents, Stakeholder interviews, Levy payer survey, Accenture analysis

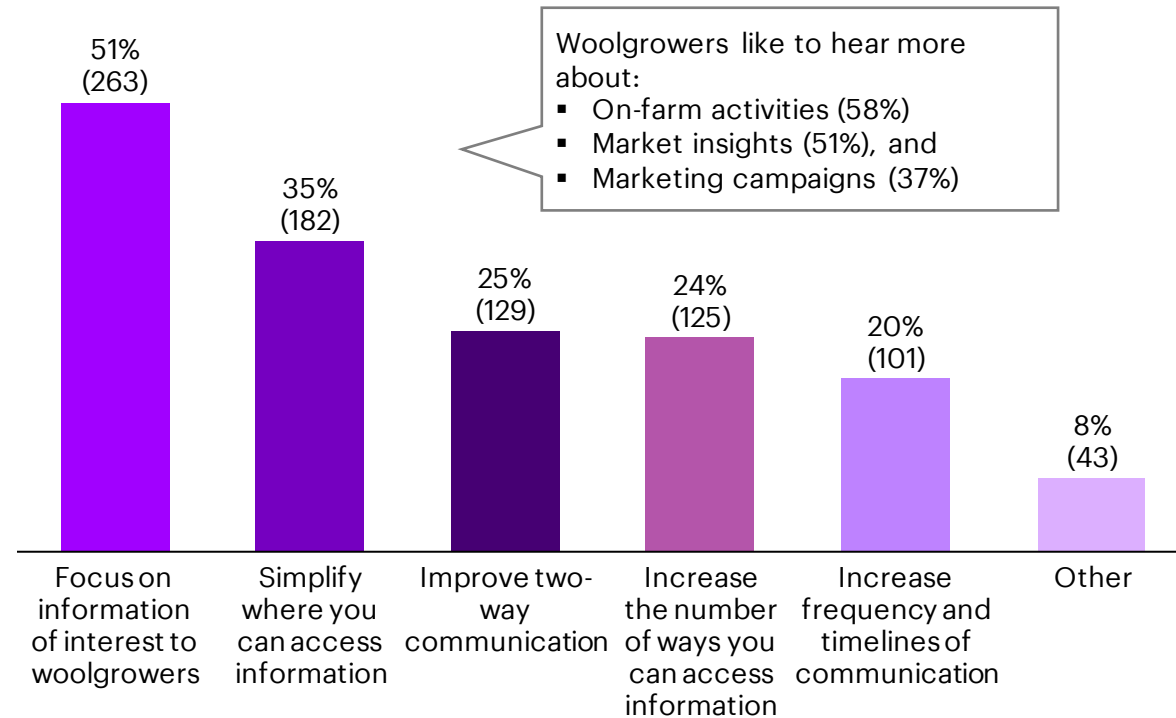
AWI does well on a number of Stakeholder Engagement fronts and has improved its industry consultation

Programs ¹	Overview	Independent assessment	On-track
Extension networks	<ul style="list-style-type: none"> AWI-supported extension networks provide opportunities for producers to get involved in practical programs that focus on on-farm production and management practices. Extension networks have attracted over 13,000 active participants in 2019-20 and AWI workshops are highly valued by participants meeting AWI's metrics. 	<ul style="list-style-type: none"> Extension networks are an invaluable asset to AWI and represent significant value to woolgrowers. These networks provide opportunities to engage with stakeholders at the grassroots level. While feedback is captured informally to aid AWI decision making, there is opportunity to enhance the use of extension networks for communication. 	
Events & Forums	<ul style="list-style-type: none"> AWI has a strong presence at, and contribution to, woolgrower and industry events and forums across Australia, providing AWI with opportunities to listen to and work with woolgrowers. Events include field days, sheep shows and tours, demonstration days, conferences, ewe competitions and more. 	<ul style="list-style-type: none"> An audit of AWI's events calendar for 2021 showed evidence of an appropriate balance between general events and specific ewe/ram shows, in line with current industry representation. However, as the industry moves away from primary wool production the engagement of AWI in sheep activities will need ongoing consideration. 	
Market intelligence & communications	<ul style="list-style-type: none"> AWI has a market intelligence service to woolgrowers and provides weekly price reports during sale weeks via email, SMS and website. AWI has various ways to communicate regularly to woolgrowers and has detailed metrics to measure engagement from woolgrowers. 	<ul style="list-style-type: none"> The majority of woolgrowers (58%) find it clear where to find information from AWI and prefer online as the first choice to get relevant information from AWI. However, AWI could serve woolgrowers needs better by providing more information about programs relevant to on-farm activities and market insights. AWI lacks a clear communication strategy to engage with woolgrowers and process for incorporating feedback into strategies and processes. 	
Woolgrower representative bodies	<ul style="list-style-type: none"> AWI has two main representative bodies, AWI Woolgrower Industry Consultation Panel (WICP) and AWI Woolgrower Consultation Group (WCG). WICP which has seven members from national woolgrower representative organisations and is led by an independent chair. WCG broader group comprising 28 representatives of state and regional production-based woolgrower groups and the WICP members. Wool 2030 strategy is an industry project that aimed to develop a 10-year strategic plan for Australian woolgrowers. 	<ul style="list-style-type: none"> Replacing AWI's Industry Consultative Committee (ICC) with the WICP is a significant improvement. Industry representation is better, and it has become a more open discussion forum. However, 53% of woolgrowers in the survey do not know who their WICP representative is, and therefore do not feel well represented in industry consultation. 43% of woolgrowers agree that mixed farming wool producers need greater representation at the WICP. 	

AWI invests heavily in levy payer communications, but the outcomes are mixed

Woolgrowers need more focused, simplified communications

How can AWI improve their communication to woolgrowers in the future? (N=517)



“Maybe they could **produce articles for the weekly rural press** that many farmers read on a regular basis. Unfortunately, we receive a lot of glossy literature in the mail that goes straight to recycling as we are fairly time poor when it comes to reading unsolicited mail” – *anonymous levy payer*

Woolgrowers prefer online media with critical information relevant to them

Interviews with levy payers identified the volume and complexity of communications from AWI to levy payers as a potential area for improvement. This was investigated through survey questions and a review of communication strategy and channels

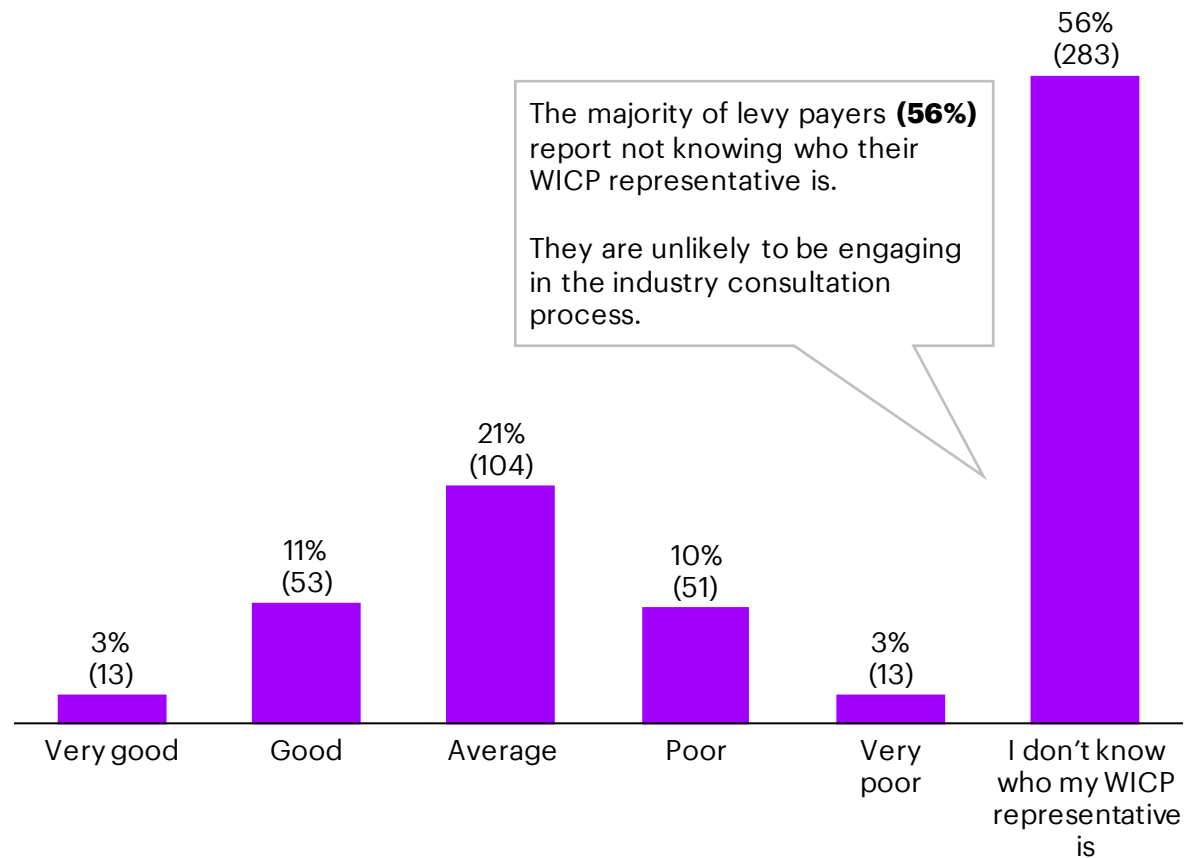
- AWI invests considerable effort engaging with levy payers through digital, print, audio and media channels with the largest proportion of funds targeted at in person events via extension networks.
- The survey results showed **70%** of levy payers prefer online communications while only **28%** prefer print media. In parallel, AWI’s Woolgrower Survey¹ occurred and showed that **69%** place considerable value on print media. While these results appear paradoxical, the different samples of levy payers included in the two surveys illustrates the breadth of the levy payer community and complexity for AWI to provide adequate approaches for all levy payers.
- This was echoed by the diversity in opinion towards the value of AWI flagship publication for levy payers ‘Beyond the Bale’. The AWI woolgrower survey found **74%** of levy payers go to AWI for information, while, specific feedback from interviews demonstrated mixed response.
- In addition, woolgrowers are interested in receiving information about programs relevant to on-farm activities and market insights for e.g. wool price and demand, market insights (wool price/demand), marketing campaigns and outcomes.
- A review of channels and the strategy identified significant opportunity to streamline efforts and communications placing stakeholders at the center of the strategy. This will assist AWI’s ability to engage stakeholders on a regular basis.

“Better **communications via the [mainstream] media**. AWI needs to be where the levy payers are, which is the ABC and local news” – *anonymous levy payer*

Many woolgrowers do not feel represented by industry groups and do not feel consulted by AWI

Most woolgrowers do not know who their WICP representative is, or do not have one

How would you rate the effectiveness of communication between yourself and your WICP representative? (N=517)



Industry consultation is a continuous process with opportunities for improvement

- While all interviewed industry representatives agreed the WICP and WCG forums are a significant improvement on the previous ICC, there are several key findings which demonstrate the need for continual review and improvement in industry engagement.
- Woolgrowers do not feel engaged and represented by the **WICP** representatives. Only **14%** of woolgrowers find the communication between the WICP representatives good or very good.
- The majority of woolgrowers (**56%**) do not know who their WICP representative is, and **43%** of woolgrowers find that mixed farming wool producers need greater representation at the WICP.
- There are opportunities to improve communication between AWI and woolgrowers. AWI could potentially leverage extension networks, to interact and consult with grassroots woolgrowers.
- The **WCG** has been an improvement from a stakeholder engagement perspective. Representatives enjoyed being part of the committee, however, female representation could be improved. Many representative are not sure what the current status of the WCG is, after delivering the Wool 2030 strategy.

“AWI needs to engage more with wool growers at all levels not just the ... peak bodies as they don't necessarily represent the bulk of wool growers. [Many perceive] ...these peak body organisations [to be dominated by] corporates and stud breeders.” – anonymous levy payer

“[AWI must] engage with the young wool growers who are going to take the industry into the future.” – anonymous levy payer

Recommendations – Stakeholder Engagement

Very high priority  Moderate priority

Recommendation	Description summary	Priority
<p>1.1 Develop and implement a stakeholder communication strategy</p>	<ul style="list-style-type: none"> ▪ Improve communication with stakeholders by developing a communication strategy. This will include: <ul style="list-style-type: none"> – An analysis of key stakeholder groups, their interests, needs and best channels of engagement. – Determination of a targeted communication plan for each key stakeholder group covering priority channel, content and timing. – Evaluation of current communication channels to determine if these can be improved (e.g. Beyond the Bale). ▪ Whilst implementing the strategy, supporting key staff who are engaging regularly with stakeholders with communication skills and training. 	<p>Very high</p>
<p>1.2 Continue to improve engagement with the wool industry</p>	<ul style="list-style-type: none"> ▪ Improve broader industry engagement by focusing on three critical areas: <ol style="list-style-type: none"> 1. WICP: Increase mixed farming and next generation representation on the WICP, increasing membership to ten including the independent chair. Nominations should be sought from existing WCG and next generation representatives with voting from these groups to determine the new members. See Recommendation 4.2 for additional recommendation in relation to the WICP. 2. WCG: Increase engagement with WCG by having a forward agenda of industry issues to work through, for example: engaging the next generation of woolgrowers. And, facilitating smaller groups more frequently to encourage discussion on key issues. 3. Extension networks and events: Formalise AWI staff reports highlighting feedback and issues raised by discussions at extension network meetings and events. These should be provided to both the WICP and the AWI Board for review and consideration to increase transparency. 	<p>Very high</p>

Research, Development and Extension (RD&E) activities

Second performance principle




Research, Development & Extension assessment – Meeting

Ensure RD&E and marketing priorities and activities are strategic, collaborative and targeted to improve profitability, productivity, competitiveness and preparedness for future opportunities and challenges through a balanced portfolio

Dimensions	Finding ¹	Rationale	Overall assessment	Meeting
Organisational enablers	Meeting	<ul style="list-style-type: none"> ▪ Organisational structures and capabilities: AWI has effective organisational structures in place for RD&E, it has a research team of 13 people who are skilled and qualified in agricultural/animal sciences and research. The processing innovation and education extension team of eight people have skills and qualifications in research and media. ▪ Organisational culture: AWI's RD&E team is committed to invest in research that benefits the entire wool industry which is identified by the sheep sustainability framework. ▪ Systems / technology: AWI's RD&E team systematically assesses project proposals to see if these fit in the strategic plan. iForms was used as a project management tool, but is transitioning to Salesforce, which will provide more automation. ▪ Assets – Financial allocation: AWI's funding for RD&E has reduced from \$18.2m in 2018-19 to \$11.3m in 2019-20, described in the annual reports. 		
Processes and activities	Part-Meeting	<ul style="list-style-type: none"> ▪ Strategy and planning: AWI has a strategic plan, with a focus on healthy productive sheep, agri-technology and training & technology uptake. However, the strategic plan focusses on a range of tactical measures with limited transparency on how this relates to AWI's broader objectives. RD&E plans and reports have opportunities for improvement, by using the Wool 2030 Strategy to guide the 3-year AWI strategic plan. ▪ Policies and procedures: Project initiation through to the completion process is robust and includes considerations for collaboration opportunities, key M&E metrics and alignment to broader strategic plans. ▪ Activities: The largest number of AWI's RD&E activities are focused on healthy productive sheep (on-farm activities), these include the development of a flystrike vaccine prototype and genetic tools for breeding decisions. 62% of surveyed woolgrowers think that AWI focuses somewhat on the right R&D priorities, and 45% of surveyed woolgrowers want AWI to focus on on-farm activities. Other programs include a robotic shearing system, and sheep and wool management skills and practical skills events. 		
Outcomes	Meeting	<ul style="list-style-type: none"> ▪ Overall outcomes: The division in the industry on critical issues that impact R&D investment including mulesing and genomics are increasing the breadth of 'on-farm' R&D initiatives and potentially reducing the ability of AWI to focus investment and progress in a few strategic R&D areas. ▪ Specific program outcomes: AWI has met or partially achieved/on-track research outcomes of novel pain relief options, parasite management, negative impacts of predation, implementing beneficial feedbase guidelines and Merino marking rates. Project targets could be set with industry consultation, as some targets could be more ambitious (e.g. negative impacts of predation, reproduction & nutrition) as these have been exceeded by a great margin. ▪ Woolgrower perceptions of outcomes: Specific RD&E activities are valued highly, such as flystrike and negative impacts of predation, and shearers' education and training according to stakeholders. 54% of surveyed woolgrowers are not sure if AWI's R&D activities have improved over the last three years. 		

Notes: 1. Part-meeting: There are sufficient organisational enablers, and/or, processes and capabilities for Principle with limited or inconsistent impact, Meeting: There are sufficient to exemplary organisational enablers, processes and capabilities for Principle with consistent impact; Sources: AWI documents, Stakeholder interviews, Levy payer survey, Accenture analysis

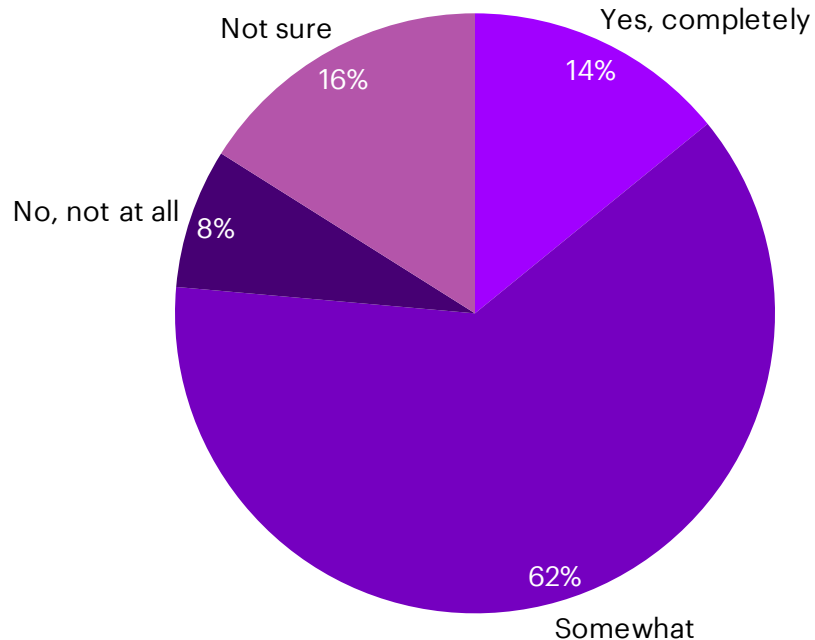
AWI has three portfolios in their RD&E, covering on-farm, off-farm research and extension which provides value to levy payers

Portfolio	Strategy	Programs	Independent assessment of programs	On-track
Sheep production science & technology	<ul style="list-style-type: none"> Healthy Productive Sheep Agri Technology Training & technology uptake 	<ul style="list-style-type: none"> Sheep health & welfare Vertebrate pest Reproduction & nutrition Genetics Hardware & software development Mechatronics Novel applications Sheep & wool management skills Wool harvesting & quality prep 	<ul style="list-style-type: none"> The sheep production science & technology portfolio covers AWI's on-farm research, with the aim to provide Australian woolgrowers with tools and information to improve the lifetime welfare of their sheep and reduce predation impacts. AWI's stakeholders are particularly satisfied with programs in this portfolio, such as flystrike vaccine research and vertebrate pest (wild-dog programs). All programs within this portfolio have met their target, or are partially met/on-track to be met by 2022. Research and development provides evidence for improved flystrike prevention, rabbit biocontrol, differential ewe management, improved feedbase practices, wool disinfection and genetic evaluation. 	
Processing innovation & education extension	<ul style="list-style-type: none"> Woolmark Education Extension Processing Innovation 	<ul style="list-style-type: none"> Quality control Licencing Retail education Trade extension Student education Textile retailing & technologies Partnered innovation 	<ul style="list-style-type: none"> Processing innovation & education extension portfolio mainly covers AWI's off-farm research, with the aim to develop improved manufacturing processes and product ranges. AWI stakeholders are particularly interested in improving efficiencies in wool processing, suggested by 53% of levy payers. AWI has met most targets in this portfolio, except for education extension. COVID-19 had a large impact on education extension, resulting in not achieving six targets. 	
Traceability	<ul style="list-style-type: none"> Supply chain initiatives Fibre science 	<ul style="list-style-type: none"> WoolQ Fibre identification & tracing Eco credentials Health and wellness 	<ul style="list-style-type: none"> The traceability portfolio aims to provide tools to woolgrowers which improve profitability through informed decision making. AWI's WoolQ program has not met its target and is criticised by some levy-payers. See slide 46 for additional context. Other programs within this portfolio have met their target, or are partially met/on-track to be meeting by 2022. 	

While woolgrowers are satisfied with on-farm programs, there is industry disagreement on what should be prioritised

Most woolgrowers are somewhat satisfied with AWI's RD&E efforts

In your view, does AWI focus on the right R&D priorities? (N=517)



“There has been much innovation in the past 10 to 12 years. Pregnancy testing for example, and therefore increasing production. Also scanning for multiples has been beneficial, so we can feed multiples more than singles.”
– anonymous levy payer

On-farm research is highly valued, but the focus of research investment is debated

Interviews with levy payers identified disagreement on the focus of research, particularly on increasing the focus of genetics research, less focus on Merino breeds and value of research in robotic shearing.

- Genomics:** AWI's spend on genomics as a proportion of total on-farm research budget is **22%**, this is comparable to the **33%** expenditure by Meat and Livestock Australia (MLA)¹. This result does not represent a significant difference in the value of genomics between the organisations, particularly in light of the additional off-farm priorities AWI must accommodate. However, how this spending compares to international and competitor markets is worth exploring and validating against the current RD&E priorities.
- Merino:** Merino wool has dominated the Australian wool industry historically. However, with more farmers moving to mixed farms or wool as a byproduct of meat production, the dominance of this breed amongst levy payers is likely to change. Many levy payers identified a desire to see greater on-farm research into other breeds including Downs and long woolled breeds. There is limited data on the proportion of wool types grown per levy payer which makes assessment of spend on Merino difficult, but it is an area for AWI to be increasingly aware.
- Robotic shearing:** Manual sheering is considered a large issue for woolgrowers. Investments in robotic sheering are currently small, only \$0.5m (**4%** of on-farm R&D) in 2019-20. With significant division on the viability of robotic sheering, further industry and woolgrower consultation can be commenced to feed into AWI's RD&E strategy.

Two specific industry issues were identified which might require consideration for AWI's RD&E strategy

Mulesing is an issue that divides an industry and AWI's R&D investments

The issues associated with mulesing are consistently identified as a significant risk to the industry. Many believe AWI should develop a strategy to solve the mulesing issue. However, AWI is not able to take an industry stance, rather providing options for woolgrowers whether they choose to mules or not. It is clear this issue is impacting industry wide progress.

- AWI via its sheep health & welfare and genetics program undertakes a wide variety of projects to cover aspects related to flystrike and mulesing including flystrike vaccine research, fly genomics, pain relief, genomics, extension and communication for non-invasive management practices. This accounts for less than **29%**¹ of total on-farm research spent.
- By diversifying the portfolio of research activities relating to flystrike, the relative progress in each area will be proportionally smaller. This is leading to all areas of the industry becoming frustrated or concerned at the perceived lack of progress.
- The continued slow progress around a mulesing solution is also at a critical juncture for the industry with buyers in Europe and the US starting to pay premiums for non-mulesed wool and refusing to purchase mulesed wool, with this likely to become increasingly important to wool price in the next 2-5 years².
- With these considerations, flystrike and mulesing must be seen as an industry priority. See recommendation 2.2.

"[AWI] must **resolve [and work] with industry** [to find a] viable alternative to mulesing. – *anonymous levy payer*

WoolQ has been a highly contentious program but was founded on industry value

The WoolQ program is part of AWI's traceability portfolio and has been a subject of contention. WoolQ is an online platform where woolgrowers, classers, brokers and buyers can access digital tools to support all stages of the wool-growing and selling cycle. While there was considerable initial support for the WoolQ concept at the end of the Wool Selling Systems Review in 2017, support for the project has wavered and meant key outcomes have not been met.

"The **potential of WoolQ is really exciting** ...But in its current form it is **hard for the industry to understand what it does** and how it will help." – *anonymous wool broker*

- WoolQ was consistently mentioned by woolgrowers as a project of concern. At the time of this report adoption of WoolQ from woolgrowers is below the target of 1,700 and the target of **2%** of all Australian wool traded has not been met.
- It is noted that projects that are highly innovative and involve significant engagement across industry parties carry a higher risk, and not meeting targets is not the only indicator to consider. It is important for the Program to re-engage with those that originally provided support to undertake key activities.
- A clear strategy with transparent go/no go criteria for each component of the platform and stage of delivery is needed to increase confidence. See Recommendation 2.3.




"[WoolQ] has **wasted [levy payers funds]** and given the industry no benefits! – *anonymous levy payer*

Marketing Activities assessment – Meeting

Ensure Marketing priorities and activities are strategic, collaborative and targeted to improve profitability, productivity, competitiveness and preparedness for future opportunities and challenges through a balanced portfolio

Dimensions	Finding ¹	Rationale	Overall assessment	Meeting
Organisational enablers	Meeting	<ul style="list-style-type: none"> ▪ Organisational structure: AWI has a marketing communications team of 12 people which are skilled in marketing and communication as found in the organisational chart and staff profiles and confirmed by staff interviews. There are 13 satellite offices, which were restructured during the COVID-19 pandemic. ▪ Systems / technology: AWI's marketing team uses a data-based strategy and had commissioned the external data and market measurement firm Nielsen to perform market research on AWI's behalf. ▪ Assets – Financial allocation: AWI's funding for marketing activities has reduced from \$28.9m in 2018-19 to \$19.2m in 2019-20, described in the annual reports. 		
Processes and activities	Meeting	<ul style="list-style-type: none"> ▪ Strategy and planning: AWI's strategic plan is very thorough and wide-ranging, and focuses on brand partnerships, fibre advocacy and traceability as described in the strategic plan and annual reports. While the focus is on the Woolmark Brand there may be a missed opportunity in focusing on 'wool' as a brand and using this to underpin marketing activities. ▪ Policies and procedures: Satellite offices are mainly managed from Australia, including a global budgeted allocation. ▪ Activities: 89 projects have been completed in 2019-20; 55 projects have been brand partnerships, such as Luna Rossa Prada, TMALL, and Karl Lagerfeld. There is also a strong focus on fibre advocacy with 32 programs, such as eco marketing and wool as performance wear. 		
Outcomes	Meeting	<ul style="list-style-type: none"> ▪ Overall outcomes: AWI has achieved or partially achieved/on-track all targets of its largest brand partnership programs. It has also achieved or partially achieved/on-track all targets of its second largest fibre advocacy program for consumers. These two programs constitute 78% of the entire marketing budget. ▪ Program outcomes: AWI has strong marketing activities, such as Luna Rossa Prada Pirelli, and TMALL in China. AWI does not specifically focus on the brand of wool outside of Woolmark and its specific marketing campaigns. AWI could add a long-term branding program to increase the financial value of the brand over a period longer than 5 years. ▪ Woolgrower perception of outcomes: 74% of surveyed woolgrowers think that AWI's marketing activities, via the Woolmark Company, are valuable to the Australian wool industry. However, 53% are not sure if AWI focuses on the right marketing activities. AWI could communicate more clearly to woolgrowers as suggested by 35% of surveyed woolgrowers. 		

AWI has three strategies in their marketing portfolio, covering trade, business & talent development and consumer

Portfolio	Strategy	Programs	Content of the programs	On-track
Marketing	Trade	<ul style="list-style-type: none"> Fibre advocacy 	<ul style="list-style-type: none"> The Fibre advocacy program has the aim to ensure consistent messaging and brand image are essential to continuing to reinforce the position of Merino wool in the global market and ensuring the Woolmark Company continues to solidify its position as the global authority for wool. AWI has met all targets in this program. Trade leads have increased by more than 2.5%, and active engagements are over 5%. Over 86% of woolgrowers finds the strategy to increasing awareness of wool and its benefits important. 	
	Business & talent development	<ul style="list-style-type: none"> International Woolmark Prize Woolmark Performance Challenge 	<ul style="list-style-type: none"> The International Woolmark Prize is designed to generate long term incremental demand by connecting the world's most promising emerging designers with the wool supply chain. The Woolmark Performance Challenge inspires science, technology, and design academics to develop innovative product solutions for performance-led apparel, by harnessing the unique natural properties of Australian Merino wool. AWI has met all targets of this strategy, except for one. Woolmark's marketing activities are considered valuable to the Australian wool industry, according to 74% of woolgrowers. 	
	Consumer	<ul style="list-style-type: none"> Fibre advocacy Brand partnerships 	<ul style="list-style-type: none"> Fibre advocacy builds on the direct-to-consumer global strategy initiated in 2018, by highlighting the technical and environmental benefits of Australian wool. Brand partnerships will develop and implement owned and co-marketing campaigns with transformational partners to build demand in key consumer markets for Australian wool. AWI has met all targets of this strategy. Brand partnerships (such as the three-year partnership with Luna Rossa Prada) are considered highlights of AWI's marketing program. 	

AWI has strong campaign performances, with a focus on digital partnerships and metrics

Business and talent development: International Woolmark Prize

The International Woolmark Prize has been a significant marketing event and generates long-term demand for Australian Merino wool.

Outcomes for the 2020 Prize include:

- **Sustainable event** held during London Fashion Week.
- **374 new leads** generated including designers, media, retailers and trade partners.
- Finalists' and winners' collections commercialised with Woolmark certification branding.
- **3.65b total media reach, \$11.26 million media value.**
- 122% year-on-year increase in reach of Woolmark-owned social media to **12.9m**.
- Broadcast coverage on Channels 7, 9 and 10 in Australia.
- 71% year-on-year increase in wholesale value to more than **\$1m across 111 stores**.

Brand partnership: Three-year partnership with Luna Rossa Prada Pirelli

AWI (via The Woolmark Company) is the technical partner of the Luna Rossa Prada Pirelli America's team. The Woolmark Company developed a Merino-wool rich uniform and the Woolmark logo was displayed on the sail of the yacht.

- **Media announcement** of The Woolmark Company generated an earned **media reach of 13.6b**, and an earned **media value of \$1.9m**.
- At the time of this report, an independent review of project outcomes is still in progress, however initial results have shown that an additional 12 partners for wool product innovation have been identified through this project.

"We can say that the **collaboration with The Woolmark Company**, the Technical Partner of Luna Rossa Prada Pirelli Team, **performed well with great result in terms of technical collaboration** and media result." – Luna Rossa Prada Pirelli team collaborator



Fibre advocacy: Zalando campaign outcomes were clearly captured

AWI has made great improvement in capturing the insights and proving the perceived value of marketing campaigns. Project completion reports are used to evaluate the marketing programs and measure if the objectives are achieved.

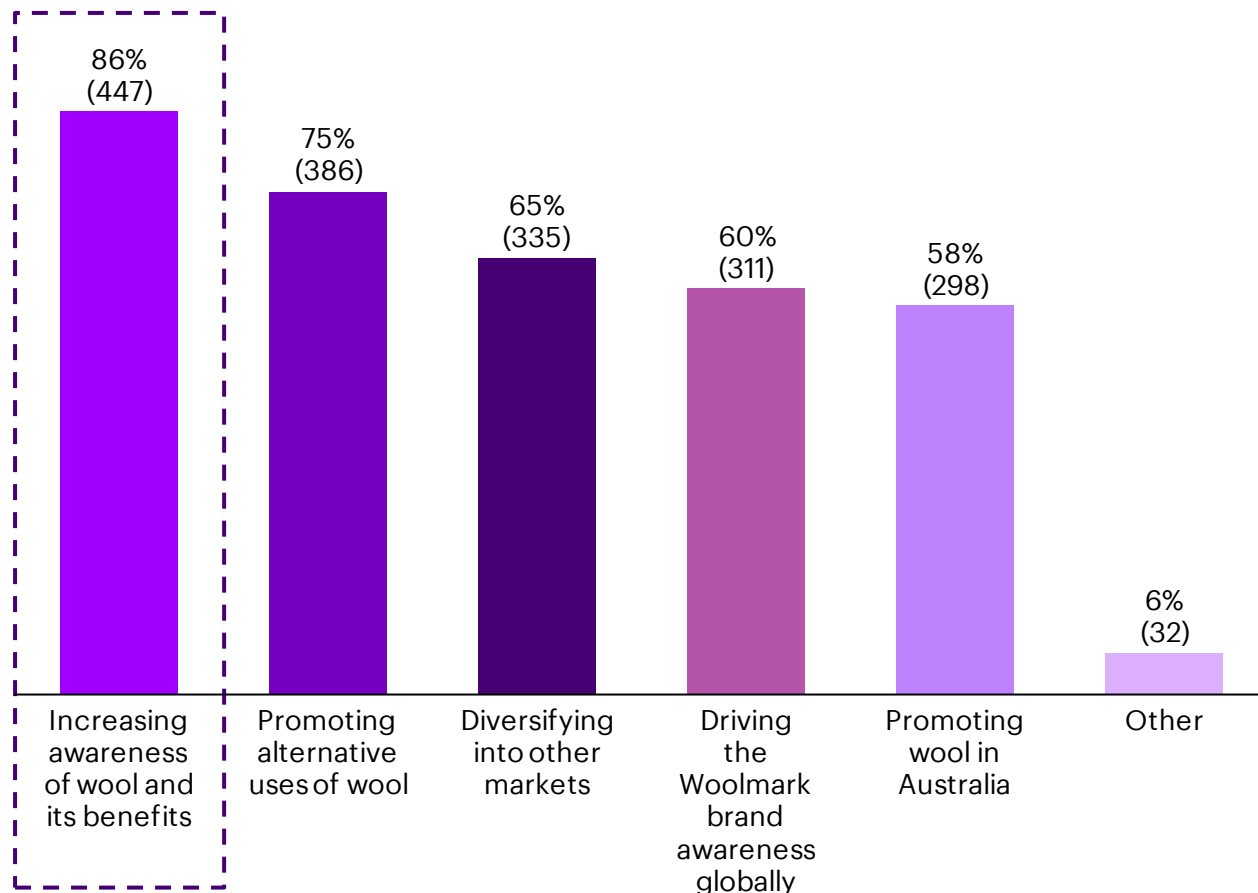
- Objectives were increasing awareness of Merino wool benefits and increase the sales of Merino wool products.
- Outcomes of the campaign were tracked, such as number of products sold, value of products, change in demand for Merino products and engagement of influencer posts.
- Metrics were determined:
 - The **return on influencer investment** was 167.9%.
 - **Return of advertising spend** was 8.07 EUR.
- These metrics provided evidence that the campaign was successful and exceeded its expectations.

AWI could have a greater focus on wool as a brand as well as the overall perception of wool in Australia and globally



AWI should focus on increasing awareness of wool and its benefits according to woolgrowers

In your view, what should drive AWI's investment in marketing activities? (N=517)



Wool as a brand provides a great opportunity to strengthen AWI's marketing program

- AWI has strong marketing programs, via the Woolmark Company. The Woolmark logo is a worldwide brand, and represents commitment between woolgrowers, mills, brands and consumers.
- AWI's marketing strategy was assessed by the creative agency The Monkeys (part of Accenture). This assessment showed that AWI's strategic marketing plan is thorough and wide-ranging but focused more on specific marketing campaigns.
- The Monkeys further identified that AWI could have a greater focus on 'wool' as a brand, predicting that wool consumption will advance as consumers further identify emotionally with it as a product, in complement to the quality identified through the strong Woolmark brand. A long-term wool brand-building program could increase the financial value of wool over a longer period (more than five years) and drive demand. See recommendation 2.4.
- Ongoing measurement of the impact of this approach can and should occur, with a focus on consumer sentiment. While it is acknowledged that AWI uses Neilson to undertake consumer sentiment surveys (annually from 2012-2018 and one is planned for 2021), moving towards an ongoing monitoring process, targeted at specific consumer segments or geographies will be important to drive strategic direction and demonstrate ROI to levy payers.
- This is consistent with the view of woolgrowers, with **86%** of woolgrowers agreeing that AWI should increase awareness of wool and its associated benefits in their marketing strategy.

Recommendations – RD&E and marketing

Very high priority  Moderate priority

Recommendation	Description	Priority
<p>2.1 RD&E: Strengthen RD&E investment by developing strategic priorities with input from woolgrowers</p>	<ul style="list-style-type: none"> ▪ Improving the strength of AWI’s investment in RD&E activities could be achieved by undertaking the below key actions: <ul style="list-style-type: none"> – Leverage the Wool 2030 Strategy to align RD&E focus to industry strategic priorities; this includes determining outcomes and targets that align with the aspiration of the industry. – Reflect on and improve target setting for the RD&E programs. This could be achieved by regularly reviewing project and program targets and refining, developing some targets with consultation with industry (WICP, WCG) and woolgrowers, or can be benchmarked using historical data. 	High
<p>2.2 RD&E: Commission an independent report to determine the impact of international sentiment towards mulesed wool</p>	<ul style="list-style-type: none"> ▪ The AWI Board should commission an independent report to measure current, and predict future trends, in international sentiment towards mulesed wool. This report will cover: <ul style="list-style-type: none"> – An understanding of the current sentiment of consumers towards mulesed wool in Australia’s current and predicted major wool markets and model future movements in trends. – Modelling on the financial and economic impact of these trends on wool price and wool production. – Use of report to inform AWI RD&E expenditure and assist in communications with both woolgrowers and the supply chain. Report should be published in whole or in part on Wool.com for all levy payers to access (where appropriate). 	High
<p>2.3 RD&E: WoolQ Stakeholder engagement plan and go/no go analysis</p>	<ul style="list-style-type: none"> ▪ To re-set the intent and direction of the Wool Q program, an internal review should occur which includes: <ul style="list-style-type: none"> – The creation of an ongoing stakeholder engagement strategy for the program including re-engagement with the groups involved in the initial WSSR (2017) – A set of go/no go criteria for each component of WoolQ including timing these should be implemented. 	High
<p>2.4 Marketing: Investigate the opportunity of a brand strategy for ‘wool’</p>	<ul style="list-style-type: none"> ▪ Investigate the viability and feasibility of developing and implementing a broader brand strategy for ‘wool’ as a fibre to complement the power of the existing ‘Woolmark’ brand. ▪ Develop an approach targeting critical consumer segments and geographies to regularly monitor their sentiment towards wool and wool products across all fibre types. 	High

Collaboration

Third performance principle



Collaboration assessment – Meeting

Undertake strategic and sustained cross-industry and cross-sectoral collaboration that addresses shared challenges and draws on experience from other sectors

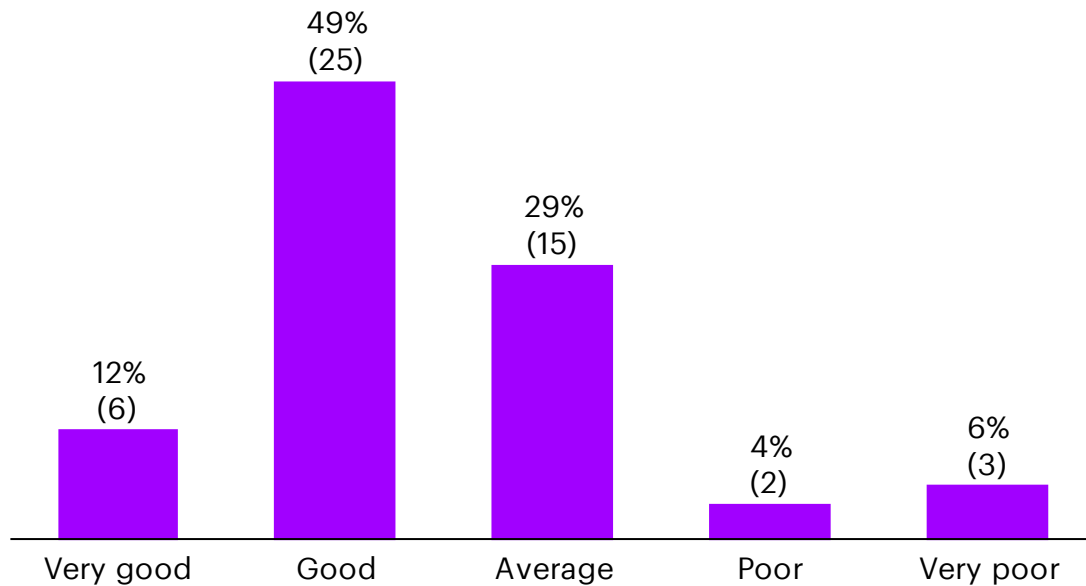
Dimensions	Finding ¹	Rationale	Overall assessment	Meeting
Organisational enablers	Meeting	<ul style="list-style-type: none"> ▪ Organisational structures: Collaboration occurs across many AWI teams such as R&D, marketing, and PIEE – as there is no dedicated collaboration team, it is important to make sure that each business unit has someone who is driving collaboration. ▪ Organisational culture: Collaboration occurs across many teams indicating a widespread culture of collaboration. This is supported through survey results with 80% of AWI staff believing that AWI is doing well or very well on their collaboration projects, and 82% of staff stating that it is easy to collaborate across AWI internally. ▪ Assets – Financial allocation: Funding and efforts on collaborative projects are sufficient as AWI has collaborated with 200 partners in 2019/2020 across multiple business units such as R&D, marketing, and PIEE. 		
Processes and activities	Meeting	<ul style="list-style-type: none"> ▪ Strategy and planning: Collaboration features in both the annual report, and strategic plan, and there is a specific collaboration strategy called the ‘Project Initiation Guidelines for Collaboration’. There is opportunity to better articulate how projects are selected, and how these cross-sectoral projects link to strategic planning. This is supported by only 16% of levy payers surveyed saying that AWI’s collaboration strategy is clear or very clear. ▪ Policy and procedures: AWI’s chosen collaboration projects align to DAWE guidelines building rapport with retailers/brands, RDCs, research organisations, State government departments, and universities. In addition, AWI’s project proposal process is thorough, ensuring that there must be a link between the project and creation of value for levy payers. ▪ Activities: While nearly 60% of woolgrowers surveyed want to see more collaboration with RDCs such as MLA, a review of collaborations in the assessment period identified that current projects and overlap between the organisations was sufficient. 		
Outcomes	Meeting	<ul style="list-style-type: none"> ▪ Overall outcomes: AWI is meeting collaboration outcomes with a good range of collaborative projects with organisations from industry, research, and other sectors. ▪ Program outcomes: Many outcomes have been good, with some collaborative projects being successful at addressing cross-sectoral challenges such as the Phosphorus efficient pastures project. Other successful collaborations include the European Union Product Environmental Footprinting (EU PEF), various partnered innovation projects, and the Karl Lagerfeld partnership. ▪ Woolgrower perception of outcomes: Levy payers are pleased with AWI’s collaboration, with 61% of AWI levy payers who have experience collaborating with AWI rating the experience as good to very good. Improved communications with levy payers on the types of collaborations particularly with MLA will help align perceptions of AWI’s collaboration (see recommendations on stakeholder engagement). 		

Notes: 1. Meeting: There are sufficient to exemplary organisational enablers, processes and capabilities for Principle with consistent impact; Source: AWI documents, Stakeholder interviews, Levy payer survey, AWI staff survey, Accenture analysis

Collaborators are largely happy with the quality and type of collaboration

Those that collaborate with AWI have a good experience and deliver outcomes

How would you rate the quality of collaboration during your work with AWI? (N=51)



"AWI are **very good value and demanding when they spend money** with us, they are also very supportive which is excellent" – *anonymous collaborator*

"AWI is **one of the best RDCs to work with**" – *anonymous collaborator*

The variety and types of collaboration AWI undertake are clearly driving the interests of Australian agriculture

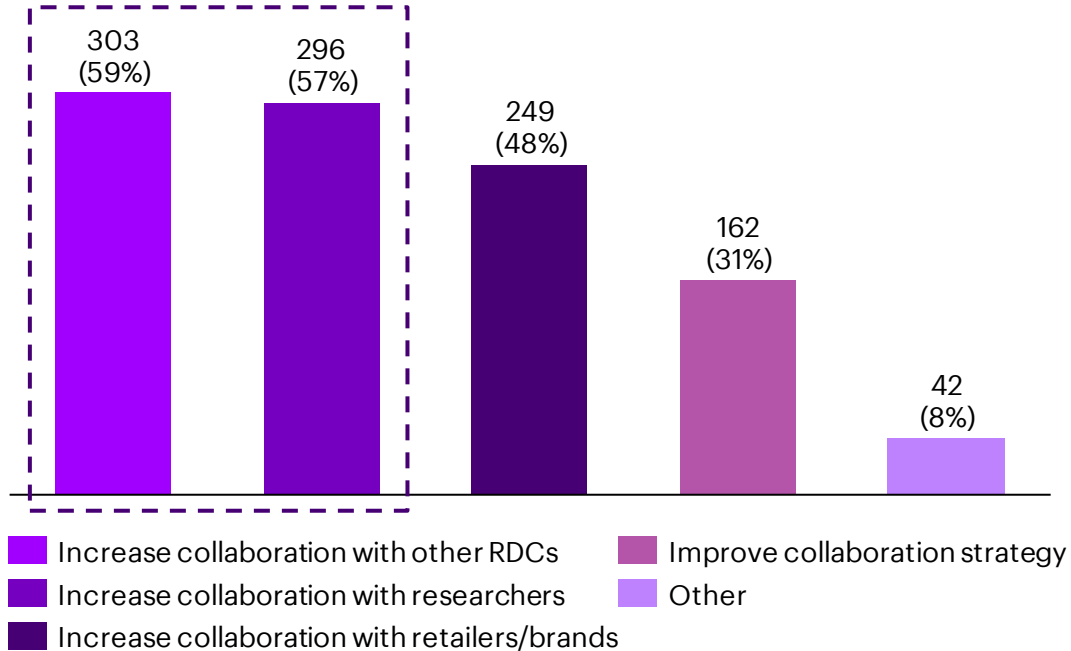
Interviews with a selection of ecosystem partners revealed the level of cross industry and cross sector collaboration AWI undertakes. An independent review of a random selection of 25 collaboration projects demonstrated each were delivering value to the agricultural industry.

- **Types of collaborations pursued:** AWI's engaged in a number of differing collaborations across all areas of the RD&E and marketing portfolios. Key highlights that demonstrate driving Australian agriculture forward included:
 - Partnering with Department of Agriculture (DAWE), Meat and Livestock Australia (MLA), Dairy Australia, CSIRO, NSW Department of Primary Industries (DPI), University of Western Australia (UWA), Murdoch University, eight grower groups to undertake a *phosphorus efficient pastures project* aimed at reducing the phosphorus fertiliser dependence of Australian pastures.
 - Partnering with five other RDCs to engage with the European Union (EU) on their EU Product Environmental Footprint (PEF) project advocating for natural fibres as part of the technical framework for assessing a product's environmental credentials.
- **Approach to collaboration:** AWI has developed a robust framework at the project initiation phase to evaluate which organisations it would be beneficial to collaborate with to achieve outcomes for the project. This is also reported on throughout the project. Interviews with collaborators highlight the clarity of agreements and arrangements between AWI and who they collaborate with, demonstrating a mature approach to collaboration across the organisation.

AWI collaborates with MLA on multiple programs, but could communicate this more clearly to levy payers

Levy payers want more collaborations, particularly with other RDCs and researchers

In what ways could AWI improve its collaboration? N=517



“[Collaboration can be improved by] **ensuring the strategies line up, ensuring the timings line up with other organisations**, i.e with MLA who have a 5 year programme as opposed to AWI who have a 3 year programme” – *anonymous levy payer*

There is evidence of regular collaboration with MLA and other RDCs but the transparency of this to levy payers can be enhanced

Interviews with levy payer representatives identified a perception that more collaboration with other RDCs, particularly MLA is critical (as an increasing number of people are paying levy's to both organisations). This was investigated through a review of all collaborations with MLA and other RDCs in the 2019 – 2021 period.

- **Formal collaborations:** In the 2019–21 period, AWI has successfully collaborated with MLA on many projects such as flystrike research, South Australia’s wild-dog program and the dryland legume pasture systems. Analysis found that no other projects were of relevance to both organisations in this period.
- **Ad-hoc communications:** Interviews with AWI staff and collaborators from RDCs found that there is ongoing informal communication between staff. An example of this is in international regional offices where RDC organisations are informally discussing Australian agricultural issues as they impact the region regularly.
- **Collaboration Strategy:** While collaboration is mentioned consistently in the annual report, and strategic plan, AWI can make it clearer to woolgrowers how these collaborations link to strategic planning. Only **16%** of woolgrowers surveyed were clear or very clear on AWI’s collaboration strategy, compared to **34%** who were unclear or extremely unclear.
- By having a clear and transparent collaboration strategy, including criteria of how collaborative projects are selected, AWI will give confidence to levy payers that they are collaborating on projects that are creating the greatest benefit for the wool industry, including with MLA.
- The independent review showed that AWI sufficiently collaborated with other RDCs, and specifically MLA, but could communicate this more clearly to woolgrowers.

Recommendations – Collaboration

Very high priority  Moderate priority

Recommendation	Description	Criticality
<p>3.1 Including collaboration as a key pillar in strategic planning</p>	<ul style="list-style-type: none"> ▪ Expand the scope of the ‘Project Initiation Guidelines for Collaboration’ to marketing activities and agricultural promotion activities. This should include: <ul style="list-style-type: none"> – Defined corporate objectives of collaboration for AWI. – Criteria detailing how collaborative projects are prioritised and selected. – Criteria for prioritising potential collaborative organisation partners. – Publication of the framework online on Wool.com, and, continue to use in project initiation assessment of collaboration opportunities. 	<p>Moderate</p>

Governance including additional terms of reference

Fourth performance principle



Governance assessment – Meeting

Governance arrangements and practices to fulfil legislative requirements and align with contemporary Australian best practice for open, transparent, and proper use and management of Funds. Board specific terms of references are considered on page 50

Dimensions	Finding ¹	Rationale	Overall assessment	Meeting
Organisational enablers	Meeting	<ul style="list-style-type: none"> ▪ Organisational governance structure: AWI is uniquely established as an industry governed, democratic organisation with government interest. This is unique for agricultural levy payer organisations in Australia, the United Kingdom, Canada, New Zealand. ▪ Skills and capabilities: For Board see page 50. AWI leadership has deep industry experience with the majority of general managers and senior executives spending the majority of their careers in wool and agriculture. Capabilities of AWI leadership are on par with organisations of similar sizes. ▪ Assets – Financial allocation: Remuneration of Board and AWI leadership is appropriate for industry and has been externally reviewed. Delegations are appropriate and in line with industry practice. 		
Processes and activities	Part-Meeting	<ul style="list-style-type: none"> ▪ Strategy and planning: The strategic framework of AWI does not follow industry best practice. The development of the industry owned Wool 2030 Strategy is a clear enhancement to the ability of AWI to undertake strategic planning in line with industry priorities. See Governance terms of reference section for additional review of organisational strategy. ▪ Policies and procedures: Board policies and procedures are well documented and follow industry guidelines including an annual review of Board independence and performance. AWI/The Woolmark Company have clear policies and procedures around organisational leadership and governance on par with similar sized organisations. ▪ Activities: Key activities around corporate governance including financial, risk management and executive performance management are administered well with enhancements always possible. Board papers, minutes and actions follow best practice for ASX, and non-governmental organisations. 		
Outcomes	Meeting	<ul style="list-style-type: none"> ▪ Overall outcomes: The majority of AWI staff and levy payer representations interviewed believe AWI governance and leadership has improved in the last three years. 51% of levy payers surveyed agree that there has been improvements, while 44% believe there has been no improvement and less than 5% believe that there has been change for the worse. ▪ Governance transparency: Increased reporting on corporate governance in the annual report as well as the implementation of 2018 review recommendations has improved transparency. While, levy payers are concerned about the transparency of investment activities, the independent review found no evidence of mismanagement or the need for additional controls. 		

Notes: 1. Part-meeting: There are sufficient organisational enablers, and/or, processes and capabilities for Principle with limited or inconsistent impact,

Meeting: There are sufficient to exemplary organisational enablers, processes and capabilities for Principle with consistent impact; Sources: Narayan & Rutherford (2012) An Evaluation of Compulsory Levy Frameworks for the Provision of Industry good Goods and Services: A New Zealand Case Study, AWI documents, Stakeholder interviews, Levy Payer survey, Accenture analysis

AWI demonstrates appropriate financial governance, and Board independence practices

Board Independence assessed by external parties

The AWI Board follows ASX best practice with an annual external independent Board review of performance and independence and well as standards and processes to maximise independence of the Board.

- **Conflict of interest management:** Board minutes show evidence of declarations of interest where applicable, and appropriate actions to excuse directors in these circumstances. AWI policy follows standard industry best practice.
- **Independent review:** An annual independent review of Board performance including independence occurs in line with ASX principles. In the 2019-2021 period a different independent reviewer has been engaged each year which follows best practice and provides varied insights by rotating different reviewers.
- **No evidence of collusion with AWI executive:** There is evidence through interviews and review of Board minutes and decisions that robust conversation occurs between the Board and AWI executive. There is not always alignment on all issues which indicates good independence between the two parties.
- **No evidence of agri-political activity:** While there is acknowledgement of the agri-political nature of the industry there was no clear evidence of Board or AWI executive members bringing this into Board decisions. Additional coaching on impartiality and risk management by an independent coach has improved the culture of the Board since 2018.

Finance and Audit Management practices are clear

Some levy payers identified concerns in financial management which was investigated. Independent review demonstrated clear and accountable guidelines for the use of levy payers and government co-payments at all levels of the organisation.

- **Internal financial reporting and processes:** Operating budgets are managed well with clear definitions of what constitutes RD&E and marketing and careful monitoring of expenditure against these buckets occurs. This includes the transparent management of government co-payments.
- **Independent external audit:** Occurs annually and outcomes of the report are included in the annual report and accessible for shareholders and levy payers.
- **Annual report:** Financial statements contained within the annual report are comprehensive and align to industry standard. Opportunities to enhance formatting for ease of interpretation is possible but does not undermine the legitimacy of the report.
- **Finance and audit committee of the Board:** Meets eight times a year. A review of papers, minutes and actions in the 2019-2021 period demonstrated a well functioning and informed committee.
- **Transparency of finances to levy payers:** As per the current rights of AWI shareholders outlined in the AWI constitution, financial reporting through annual reports is appropriate and in line with AWI obligations. While some levy paying representatives desired for more transparency of finances there is no obligation for AWI to increase reporting.

AWI is meeting legislative requirements, but opportunities to enhance industry consultation remain ongoing

AWI is meeting its legislative requirements

A critical role of AWI governance is to ensure legislative requirements are met. After a review of practices and relevant legislative instruments there is no evidence AWI is not fulfilling legislative requirements

- **Key legislations:** Statutory Funding Agreement 2020-2030 and, Corporations Act 2001 are adhered to.
- **Guidelines:** Levy principles and guidelines including NGO and ASX principles are used to guide activities.
- **AWI specific instruments:** AWI constitution, AWI Board charter are well understood by Board and AWI executive and are utilised in critical decision making evidenced through Board papers and minutes.

AWI is meeting its responsibility to shareholders

Rights of shareholders and levy payers are outlined in the AWI constitution section 5 and Wool Services Privatisation Act including (Wool Levy Poll) Amendment respectively. Evidence of AWI meeting these requirements was found with opportunities to enhance industry consultation.

- **Annual Reports:** AWI's annual reports are diligently produced and cover the scope of activities performed by the organisation appropriately. Anecdotal evidence from stakeholder interviews found the annual report formatting and writing to be hard to consume for some levy payers and worth noting for future publications.
- **WoolPoll:** WoolPoll proceedings are carried out in-line with legislative requirements.
- **Industry consultation:** Shareholders interests are represented by the elected Board. There is additional commitment in the Constitution to "consult regularly with ... industry and wider stakeholders..." This is partly addressed by the WICP/WCG constructs. Please refer to the Stakeholder Engagement principle for further comment on industry engagement particular through the WICP/WCG.



Terms of Reference: Board independence and contribution assessment – Part-meeting

- Evaluation of AWI Board's contribution to organisational performance AND
- An objective assessment of the effects of the implementation of the recommendations in the 2018 review of performance with regard to Board independence

Dimensions	Finding ¹	Rationale	Overall assessment	Part-meeting
Organisational enablers	Part-Meeting	<ul style="list-style-type: none"> Board Structure: Aligned with industry best practice. Board skills and capabilities: Current Board has a mix of capabilities across the wool value chain and seek external advice where there are potential capability gaps. Inclusion of Board skills matrix in annual report has improved transparency. However, 70% of levy payers believe the whole value chain is not represented and 6% of levy payers believe the right capabilities are present in the current Board to lead. Diversity of the Board in terms of age, experience and geography as well as an assessment of Board skills against future industry has opportunity to be re-assessed. 		
Processes and activities	Part-Meeting	<ul style="list-style-type: none"> Strategy and planning: The Board are highly engaged in the strategic direction of the organisation. They demonstrate clear support for the Wool 2030 Strategy and its inclusion in AWI's strategic planning. However, only 26% of levy payers believe the Board is setting the right strategic direction for woolgrowers while 20% believe they have not. Analysis of current AWI strategy documents show they are not in line with best practice for corporate strategy and planning. Policies and procedures: Recommendations 1.9.6 in relation to enhancements to the code of conduct 1.9.7 documentation of executive performance review have been enacted. However, CEO performance assessment is not currently in line with industry best practice and has opportunities for improvement. Board decision making: An in-depth review using WoolQ as a case study demonstrated appropriate approaches to Board decision making are in place. There may be an opportunity for Board members to become more engaged in strategic decision making particularly when program risks are identified. 		
Outcomes	Part-Meeting	<ul style="list-style-type: none"> Woolgrower perceptions of outcomes: AWI prioritises strategic and operational planning with a clear planning cycle. While at a program level (tactical planning) there are clear objectives and targets, there is less focus on overall strategic goals and value delivered. The impact of this is that levy payers are not always able to see the value delivered to stakeholders particularly through annual reports. This is supported with 56% of levy payers not sure on whether the right strategic direction has been set by the Board. Analysis of key changes to the effects of the implementation of recommendations in the 2018 Review is not possible as Critical Recommendation 1.9.1 Board Tenure has not been officially agreed to (is going to AGM for Shareholder vote) and 1.12.3 enhanced Board Nomination Committee has not been tested through a Board nomination cycle. The amendment to the AWI Constitution to mandate a 10-year maximum board term requires a 75% of shareholder vote at the 2021 AGM to be enacted. 		



Notes: 1. Part-meeting: There are sufficient organisational enablers, and/or, processes and capabilities for Principle with limited or inconsistent impact, Sources: AWI documents, Stakeholder interviews, Levy payer survey, Accenture analysis

Copyright © 2021 Accenture. All rights reserved.

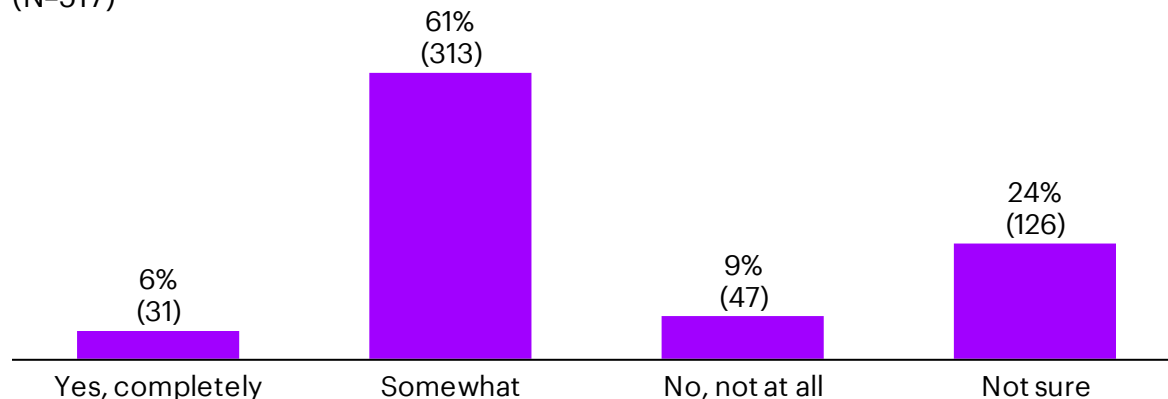
The Board has many key capabilities required for governing AWI, but capabilities need to be assessed in light of wool industry future

Independent assessment shows the Board has, or has access to, many key capabilities

- From 2019, annual independent Board reviews include a skills assessment published in the AWI annual report. The assessment is completed via self evaluation and reviewed by the independent assessor following AICD guidance on the creation of the Board skills matrix.
- Where skills gaps are identified, the Board engages subject matter experts (SMEs) demonstrating a mature awareness of the limitations of the Board. Independent review of the SMEs selected in 2019 – 2021 period have shown appropriate SME skills sets and experience for the advice they are being hired to provide.

Majority of levy payers believe the Board has some of the right capabilities to lead the organisation across the next 10 years

Does the AWI Board represent the woolgrower community and entire value chain? (N=517)



But our analysis suggests potential need for additional capabilities such as corporate strategy, information technology and change management

Interviews with key stakeholders across levy paying representatives and AWI staff identified Board skills and diversity as an area of concern, **6%** of levy payers believe the Board has the right capabilities to lead across the next ten years.

- A key use of a Board skill assessment is for an organisation to undertake real time assessment against current and projected skills needed for industry leadership. It is not clear such future focused industry analysis has been completed or that the skill levels determined through independent review are validated against external industry benchmarks.
- In an industry that is undergoing significant transformation and modernisation, key Board skills and capabilities needed include:
 - Strategic thinking and capability,
 - Digital modernisation, information technology (IT) and data management,
 - Experience in change, communications and transformation management,
 - Soft skills including empathy and value of diversity and inclusion.

These are not currently analysed and reported on in detail. In addition, given WoolQ is an IT platform, industry experience in platform and IT infrastructure management would be beneficial.





Board composition is a democratic process, in the hands of AWI shareholders to vote for skills that are needed to lead the industry.

Where skills can't be sourced from within industry the role of the new Board Nomination Committee is paramount to identifying candidates.

Strategic planning is complex and would benefit from simplification; executive performance assessment can also be improved

AWI strategic planning can be optimised to improve organisational focus and aid communication to stakeholders

Our independent analysis of AWI's corporate strategic planning found an overcomplication of levels of planning and lack of clarity of the organisation's purpose and objectives. This has made it hard for AWI to communicate progress and value delivered to shareholders and adds to the confusion of levy payers.

Level of planning ¹	AWI strategic plan	Observations
Vision 	Vision is clearly defined.	Vision may not align to the vision identified by levy payers.
Mission, values, purpose and principles 	AWI has a defined mission and established values as well as 'what we do' and 'who we are'.	A simple and well-defined purpose statement is important for good strategy and to help align staff and stakeholders. This should be more conceptual than the 'what we do statements'. Likewise, a clear set of guiding principles are important for strategic decision making.
Objectives 	Objectives are identified at 'portfolio', 'strategy' and 'program' levels.	While AWI has a corporate level 'goal' there are no specific corporate objectives to track and manage towards. Objectives need to be at the corporate level with outcomes documented against more targeted portfolios and programs.
Strategy 	AWI use the term 'portfolio' to identify the key areas of focus for the organisation.	Strategies need to be aligned to specific corporate outcomes. Without corporate level objectives there is no traceability to the strategies AWI has defined to reach these objectives.

Opportunities to align with executive performance assessment

While the current process for CEO performance management meets the ASX corporate governance principle, it is not in line with current best practices as advised by the Australian Institute of Company Directors and supported by current Corporate Governance Research².

- **Evaluation framework:** The current AWI executive evaluation framework is clear, but is tied to key principles rather than key strategic outcomes. This means not all key performance indicators are objectively measurable or tangible.
- **Alignment to AWI strategy:** Best practice recommends CEO performance outcomes to be tied to the objectives and metrics associated with the corporate strategy. While there is evidence of alignment at a principle level, the framework is not currently tied to strategic outcomes of AWI.
- **Method for assessment:** The current assessment method, where the CEO and Board fill out questionnaires on performance outcomes, is appropriate to meet the ASX guidelines. However, best practice recommendations from the AICD indicate that a 360-degree feedback process that is informed by both questionnaires and interviews provide the best results. *(It is noted at the time of this report that an update to the AWI executive performance review process by including a 360-degree evaluation with three senior executives is underway for the 2021 performance assessment).*

Notes: 1. Level of planning follows industry best practice, Accenture methodology; 2. AICD (current as of 2021) Performance review and appraisal of the CEO [https://aicd.companydirectors.com.au/-/media/cd2/resources/director-resources/director-tools/pdf/05446-3-8-mem-director-gr-review-appraisal-ceo_a4-web.ashx]; Sources: AWI staff and Board interviews, Levy payer survey, AWI Staff survey, AWI Documents; Best practice documentation from AICD, ASX and NGO governance, Accenture analysis.

The Board leverages independent advice and undertakes industry consultation with robust discussion

The Board does deal with strategic issues and has constructive debate

Interviews with levy payers highlighted a perception that AWI Board conversations were not focused on strategy, instead intervening in operations and tactical aspects. This was investigated using a case study of WoolQ from 2019 – 2021. Board papers, minutes and actions documentation was provided for independent review.

- **The role of the Board in decision making:** The Board Charter and Committees of the Board Charter are clear on the authority and responsibilities of each structure. This is supported with a transparent delegation framework including thresholds for AWI projects that need to come to the Board for review and approval. Interviews with AWI leadership and the Board supported an appropriate separation between strategy and operations.
- **Processes for Board decision making:** Across a sample of 15 Board papers focused on WoolQ covering the 2019 – 2021 period, two papers were for decision both in 2019, while the remaining were for note or information. The two decision papers were focused on budget and commercialisation decisions. This is appropriate and in line with the role of the Board. Of the remaining papers, key risks to the project and outcomes were presented for information to the Board.
- **The quality of information going to Board for decisions:** Board papers, minutes and actions were in line with best practice governance advice from the AICD and aligned to NGO and ASX principles. There is good evidence of Board discussion and constructive debate as documented in the minutes. There were a number of updates highlighting significant program risks in which the strategic direction of WoolQ was altered. These updates were not presented for decision to the Board. Given the political nature of this program and clear program risks highlighted through independent reports, there may have been an opportunity for the Board to take on a more engaged role in strategic decision making, especially where significant program risks are raised.

There is always potential to better leverage industry and independent advice

Interviews with levy payers highlighted a perception that industry consultation was not adequate in strategic decision making of the Board. This was investigated using a case study of WoolQ from 2019 – 2021.

- **Use of independent advisors:** In general, there is good evidence of independent advisors being utilised to aid Board decision making. This is supported by the initial Wool Selling Systems Review (WSSR) commissioned by AWI in 2017. In the 2019 – 2021 period, the ongoing use of independent advisors from the original WSSR panel was maintained, particularly in the IT and systems implementation field. However, no additional independent guidance from IT or data professionals was sought in the 2019 – 2021 period when reasonable data integration and sharing risks were raised that may have benefitted from SME guidance outside of the wool industry.
- **Industry consultation:** In a review of WICP and WCG minutes covering the 2019 – 2021 period, there were a number of concerns and issues raised regarding WoolQ. There is evidence that this feedback was tabled for information to the AWI Board as part of Board papers and that these were adequately considered by the Board. However, there are opportunities to improve transparency of industry consultation in the decision-making process – see recommendation 4.2.



Terms of Reference: Organisational culture assessment – Part-meeting

a) An objective assessment of the effects of the implementation of the recommendations in the 2018 review of performance regarding organisational culture

Dimensions	Finding	Rationale
Organisational enablers	Meeting	<ul style="list-style-type: none"> ▪ Organisational structure: Organisational culture is a shared responsibility between AWI leaders, managers and the HR team. Responsibilities are clearly articulated regarding performance management but not for driving organisational values and behaviours. Best practice for a small to medium organisation is a ratio of one human resources (HR) practitioner to 50 staff supported by modern HR systems. The current people and culture team consists of two full-time equivalent staff. ▪ Skills and capabilities: The majority of staff demonstrate the right level of experience and capability to perform their role. ▪ Assets – Technology/systems: Most business areas appear to have adequate technology to complete their work. However, HR work is largely completed manually with an outdated HR system (Chris21). This will be impacting the capacity of the HR team.
Processes and activities	Part-Meeting	<ul style="list-style-type: none"> ▪ Strategy and planning: All AWI staff interviewed identified the importance of organisational culture. At the strategic planning level, there are no key organisational level outcomes, initiatives/activities or targets identified for organisational culture in either the strategic or operational plans. There are opportunities to elevate culture to a strategic level across the organisation. ▪ Policies and Procedures: Key corporate policies that impact organisational culture are documented including equal opportunity and performance management. The changes made to the performance management procedure after feedback from staff is positive. However, there is opportunity for alignment to modern best practice. ▪ Activities: Two out of three key activities that contribute to organisational culture are present at AWI: onboarding practices and performance management programs. Rewards and recognition activities are an opportunity for AWI to explore. To assess the effectiveness of these activities HR best practice recommends regular engagement or pulse checks particularly during times of disruption. AWI current approach to engagement surveys appears to be ad-hoc.
Outcomes	Part-Meeting	<ul style="list-style-type: none"> ▪ At Board level: The majority of stakeholders interviewed believe Board culture has improved in the 2019 – 2021 period and all Board Members feel able to perform their duties in a supportive board environment. However, approximately 40% of levy payers perceive Board culture as being an inhibitor to potential candidates. And approximately 43% believe a Board role involves agri-politics. ▪ At Leadership level: The majority of staff identified AWI culture as positive and leadership as positive role models. However, small groups within the organisation report items of concern. ▪ At staff level: Staff interviewed appeared to be engaged and driven to AWI's mission with regular internal collaboration and constructive conversations.

Overall assessment

Part-meeting

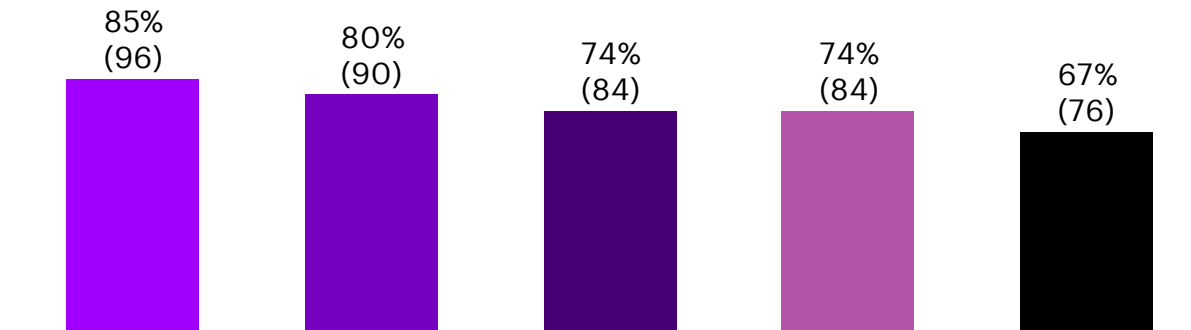
Notes: 1. Part-meeting: There are sufficient organisational enablers, and/or, processes and capabilities for Principle with limited or inconsistent impact, Meeting: There are sufficient to exemplary organisational enablers, processes and capabilities for Principle with consistent impact; Sources: Society for Human Resource Management (2015) Workforce Analytics paper, Gallup (2021), AWI staff interviews, AWI documents, Stakeholder interviews, Levy payer survey, Accenture analysis;

Organisation and Board culture has improved and is generally open and constructive

Staff members have an overall positive sentiment about working at AWI

Per cent of staff members who agree with statements (N=113)¹

- There is a clear link between my work and the strategic objectives
- I have opportunity to learn and grow
- I feel valued at work
- I feel comfortable to report bullying or harassment
- Diverse perspectives are valued and encouraged



- Across key engagement indicators AWI staff have an overall positive view on the culture of AWI¹.
- Over **70%** of staff consistently recognise the leadership of AWI as supportive and directional, and act as positive role models for their employees. Several leaders were specifically praised for the quality of their leadership and ability to navigate the team through the difficult times.
- It is important AWI continues to monitor the sentiment of their staff following best practice guidelines on engagement surveys, particularly in times of disruption.

Board Culture has significantly Improved in the 2019 – 2021 period

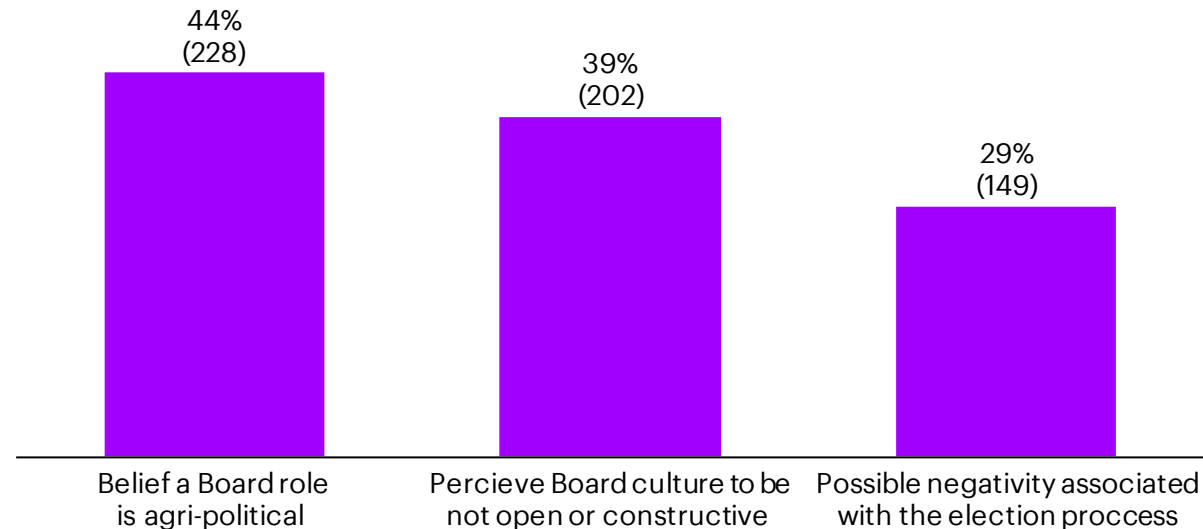
- Each member of the Board was interviewed and asked specifically about markers of culture including:
 - Open discussion,
 - Value of individual's contribution, and,
 - Ability of Chair to facilitate outcomes.
- Unanimously Board members felt that the above markers of good culture were met consistently.
- In general, staff view of Board culture has improved since the 2018 Review process with reports of:
 - **~60%** of AWI staff feeling the Board made decisions with AWI staff in mind,
 - **54%** feeling that the Board directors were positive role models for AWI employees, and;
 - **~60%** feeling Board Governance has changed for the better since 2018.

“There is definitely **more focus on staff by the Board** in the last 3 years” - *anonymous staff member*

External perception of AWI Board roles is still negative and some elements of organisational culture can improve

Levy payer perception of Board culture is still quite negative

Primary reasons for potential candidates not wanting to run for the AWI Board (N=517)



- There is a **52%** to **49%** divide in levy payers' views of whether the Board and leadership have improved or not over the last three years. This finding is likely to be associated to a lag in perception change from AWI to the broader levy payer group.
- This is reinforced by the fact that the perception of Board culture is preventing potential candidates from Board nomination. This should be of concern to the Board Nomination Committee and be addressed to provide more opportunities for a diversity of nominees.

AWI culture has pockets of concern

- While a majority of staff reported positive sentiment, small groups of staff report outcomes that need to be addressed:
 - **14%** don't feel comfortable that reporting bullying or harassment would not have any impact on the reporter.
 - Just over **19%** say diverse perspectives are not valued or encouraged.
 - Just over **12%** feel they can't voice opinions freely including to management.¹
- It is hard to benchmark these numbers. However, in a random sample estimating the prevalence of bullying rates in workplaces globally, including Australia, the average was **10.8%** based on similar indicators to those identified above. It is important for AWI to take these minority results seriously as they can represent areas of real concern. AWI have an opportunity to modernise effective organisational enablers and procedures to ensure workplace safety for all workers (see Recommendation 4.6).
- There was identification through interviews and survey results of significantly reduced connection for international offices. This is also where COVID-19 hit the hardest and impacts of staff redundancies was felt. Visibility of the Board and AWI leadership at times of hardship for employees, even virtually, is extremely important to staff morale in the regions.

Recommendations – Governance and additional terms of reference (I/II)

Very high priority  Moderate priority

Recommendation	Description	Criticality
4.1 Enhance leadership capabilities and diversity Board skills and diversity analysis	<ul style="list-style-type: none"> ▪ A leadership skills, experience and diversity analysis against future need for the industry should occur. This analysis should leverage the Wool 2030 Strategy and identify the skills needed for industry modernisation. Furthermore: <ul style="list-style-type: none"> – The analysis should be used as a benchmark for Board and AWI leadership skills assessment in addition to the current process. – The analysis should be repeated in line with updates to Industry ‘Future Wool’ strategy. – The results should be used by the Board Nomination Committee to aid the identification of appropriate Board candidates. – Outcomes of the analysis, along with assessment of the existing Board against this analysis, should be made available to AWI shareholders in advance of Board elections. 	Very high
4.2 Inclusion of industry consultation in strategic decision making	<ul style="list-style-type: none"> ▪ The Board has an opportunity to leverage the skills and experience of the WICP and WCG to litmus test key decisions and options whilst maintaining independence and ultimate accountability. Board representation as observers in the WICP/WCG meetings should remain with a more formalised process of inclusion of the discussions and findings. Ways to improve this include: <ul style="list-style-type: none"> – Attendance of WICP chair at Board meetings to present minutes and outcomes of WICP meetings and stimulate discussion with the Board. This is captured in minutes and actions. – The Board to identify items of industry significance to be put to the WICP formally with a paper for discussion and recommendations to the Board. This should be provided with enough time for the WICP to undertake consultation with their respective industry members before attendance at WICP meetings. The Board remains independent and are not bound by the recommendations but must include these as part of their sovereign decision-making process. – Program achievement reports to be provided to the WICP and made available by the AWI website for all shareholders to have access. 	High
4.3 2022/23 Strategic planning to be simplified and aligned to best practice	<ul style="list-style-type: none"> ▪ The AWI Board should oversee the strategic planning for the 2022/23 period and beyond by ensuring: <ul style="list-style-type: none"> – Alignment to the industry owned Wool 2030 Strategy and its future iterations – Alignment of AWI’s vision and purpose with shareholders and levy payers – Creation of organisational principles and objectives, and, ensuring they are considered at all levels of the organisation in relation to decision making – Outcomes of strategies are tangible and measurable and feed into the organisation's M&E framework 	Very high

Recommendations – Governance and additional terms of reference (II/II)

Very high priority  Moderate priority

Recommendation	Description	Priority
<p>4.4 Enhance executive performance management</p>	<ul style="list-style-type: none"> ▪ The AWI Board has an opportunity to enhance how the AWI executive performance management is conducted in line with best practice as outlined by the AICD. Key aspects that will deliver value are: <ul style="list-style-type: none"> – Update the CEO measurement criteria to be inline with the AWI corporate strategy including corporate objectives and strategy level outcomes. – Incorporate a 360-degree review including the direct reports of the CEO¹. – Utilise a combination of questionnaires and interviews when required. – Formalise regular and ongoing feedback between the Board Chair and the CEO aligned to the performance measurement criteria. 	<p>Very high</p>
<p>4.5 Review of additional TOR around governance to be included in next independent review</p>	<ul style="list-style-type: none"> ▪ Given the timing of the implementation of two critical recommendations from the 2018 independent performance review, namely; 1.9.1 Board tenure and 1.12.3 enhanced board nomination committee, the impact of these changes will not materialise in the timeline of this review. While we are supportive of the changes, it is recommended that these are included in the TOR for future Independent review². 	<p>Very high</p>
<p>4.6 Modernise how AWI manages its people and culture</p>	<ul style="list-style-type: none"> ▪ AWI leadership can continue to enhance organisational culture by: <ul style="list-style-type: none"> – Implementing current best practice HR programs, specifically; Recognition programs (outside of pay and benefits), and, Inclusion programs to build unity and diversity in staffing. – Ensuring AWI’s internal complaints and resolution management policies and processes are easily accessible by all staff, and, implement regular training for all managers in handling bullying and harassment complaints to meet globally accepted ‘best practice’ standards. – Instituting 360 degree performance feedback as an ongoing process across the organisation by providing training in giving and receiving feedback to all staff. – Prioritising regular staff engagement surveys and pulse checks to understand the status of staff better and be able to respond in real time to issues. – Increasing visibility of the regional and international offices to Sydney staff and leadership, face-to-face when travel is appropriate but through virtual meetings/briefings and digital communications. – Modernising HR technology platform(s) to reduce manual handling of day-to-day HR processes allowing the team to focus on the development of high value activities and programs. 	<p>High</p>

> Note: 1. At the time of this recommendation 360 degree feedback is planned for the 2021 CEO review; 2. It is also noted that the change to Board tenure is dependent on Shareholder voting at the 2021 AGM. Sources: AWI documents, Stakeholder interviews, Levy payer survey, Accenture analysis

Monitoring and Evaluation (M&E)

Fifth performance principle

Monitoring and Evaluation– Part-meeting

Demonstrate positive outcomes and delivery of RD&E and marketing benefits to levy payers and the Australian community in general, and continuous improvement in governance and administrative efficiency.

Dimensions	Finding	Rationale	Overall assessment	Part-meeting
Organisational enablers	Meeting	<ul style="list-style-type: none"> ▪ Organisational structures: A dedicated M&E team work as internal consultants, partnering with business units across the organisation, working closely with program managers to advise on best practice of program and project metrics. ▪ Organisational culture: Over the last three years, through increased investment and updated processes, AWI has emphasised the value of quantifying the returns of woolgrowers and Government co-investments. In addition, communication between M&E and other teams is getting stronger, ensuring that program teams know how M&E can help them improve their performance, and encouraging them to think longer-term. ▪ Skills and capabilities: Creation of a dedicated M&E team with two FTE who specialise in data analytics. ▪ Assets – Technology/systems: The M&E team are capable of capturing reliable data sources in a newly introduced data management system – DOMO with integration with Salesforce and Google Analytics. 		
Processes and activities	Part-Meeting	<ul style="list-style-type: none"> ▪ Strategy and planning: AWI has developed the enhanced <i>2019 Measurement and Evaluation Framework (MEF)</i> – with a commitment to review and update the MEF triennially. There are opportunities to enhance the MEF to align with Strategic Planning further. ▪ Policies and procedures: There are clear policies that outline when reporting is to occur, including the CRRDC Evaluation (biennially), program achievement reports (biannually), and project completion reports (at project completion). ▪ Activities: M&E reporting is done at both the program and project levels through program achievement reports which identify annual targets, progress updates, and delivery risks. However, there are opportunities to better utilise this in Executive performance reviews and strategic decision making. Additionally, AWI does not conduct operational monitoring with internal metrics which is a potential area of improvement as their M&E capacity matures. 		
Outcomes	Part-Meeting	<ul style="list-style-type: none"> ▪ Overall outcomes: AWI has improved their M&E capability over the last three years. However, there is still room for improvement such as expanding their M&E to internal metrics (e.g. HR or digital performance); there is also a general question of how AWI assesses its overall performance against corporate wide objectives. ▪ Program outcomes: There is a lack of evidence as to whether AWI's updated M&E processes are leading to improved program outcomes – this is expected because of the limited time since building their M&E capacity, and the impact of COVID-19. ▪ Woolgrower perceptions: Woolgrowers believe that AWI's M&E processes are effective with 42% of respondents identifying them as very effective or somewhat effective, compared to just 13% who rated them as somewhat ineffective or very ineffective. 		

Notes: 1. Part-meeting: There are sufficient organisational enablers, and/or, processes and capabilities for Principle with limited or inconsistent impact, Meeting: There are sufficient to exemplary organisational enablers, processes and capabilities for Principle with consistent impact; Sources: AWI documents, Stakeholder interviews, Levy payer survey, Accenture analysis

AWI's M&E approach has made significant improvements in the 2019 – 2021 period

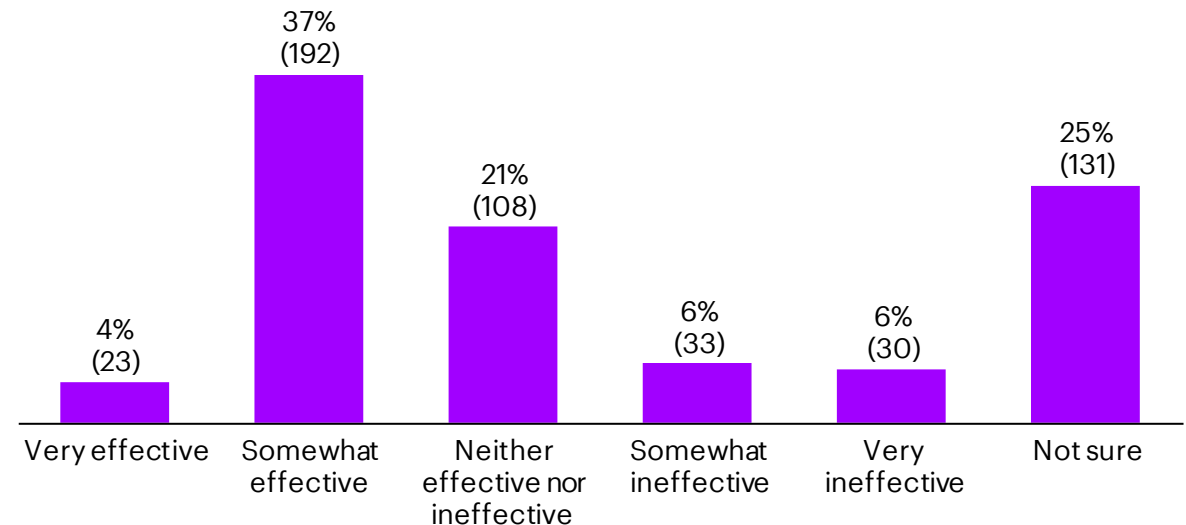
AWI has focused on building internal capabilities

Since the 2018 review, AWI has made a concerted effort to build internal M&E capabilities. There are now two full-time M&E analysts who report to the CFO and work as internal consultants across the organisation to educate staff on M&E practice.

- **Introduction of standardisation:** the AWI Measurement & Evaluation Framework (MEF) has introduced a standard way for programs and projects to set and report on targets. This is enabling the reporting of consistent facts.
- **Improved reporting:** In addition to standard annual reports, additional layers of reporting used for operational guidance are now produced. These include:
 - Program achievement reports (PARs): captures the progress of the projects within the broader program suite.
 - Project completion and final reports: captures project performance, lessons learnt and financial performance.
- **Introduction of automation/reduced administration:** introduction of data management tool DOMO with integration to Salesforce and Google Analytics has reduced the administrative overhead of capturing project data and results. This is increasing the engagement of staff with M&E practices.
- **Introduction of RoFAM metric:** the updated MEF introduced the metric of Return on Farm Assets Managed (RoFAM) to be used across all programs/projects to demonstrate ROI for levy payers (*Note at the time of this report the RoFAM is under assessment by external consultants and will be rolled out across M&E once that review is complete*).

Levy payers and AWI staff largely perceive AWI's M&E as effective

In your view, how effective is AWI's monitoring and evaluation at improving AWI's overall performance? (N=517)



- Staff survey results indicate **79%** of staff believe the organisation's M&E to be good to excellent. While some staff do identify the opportunity for improvements.

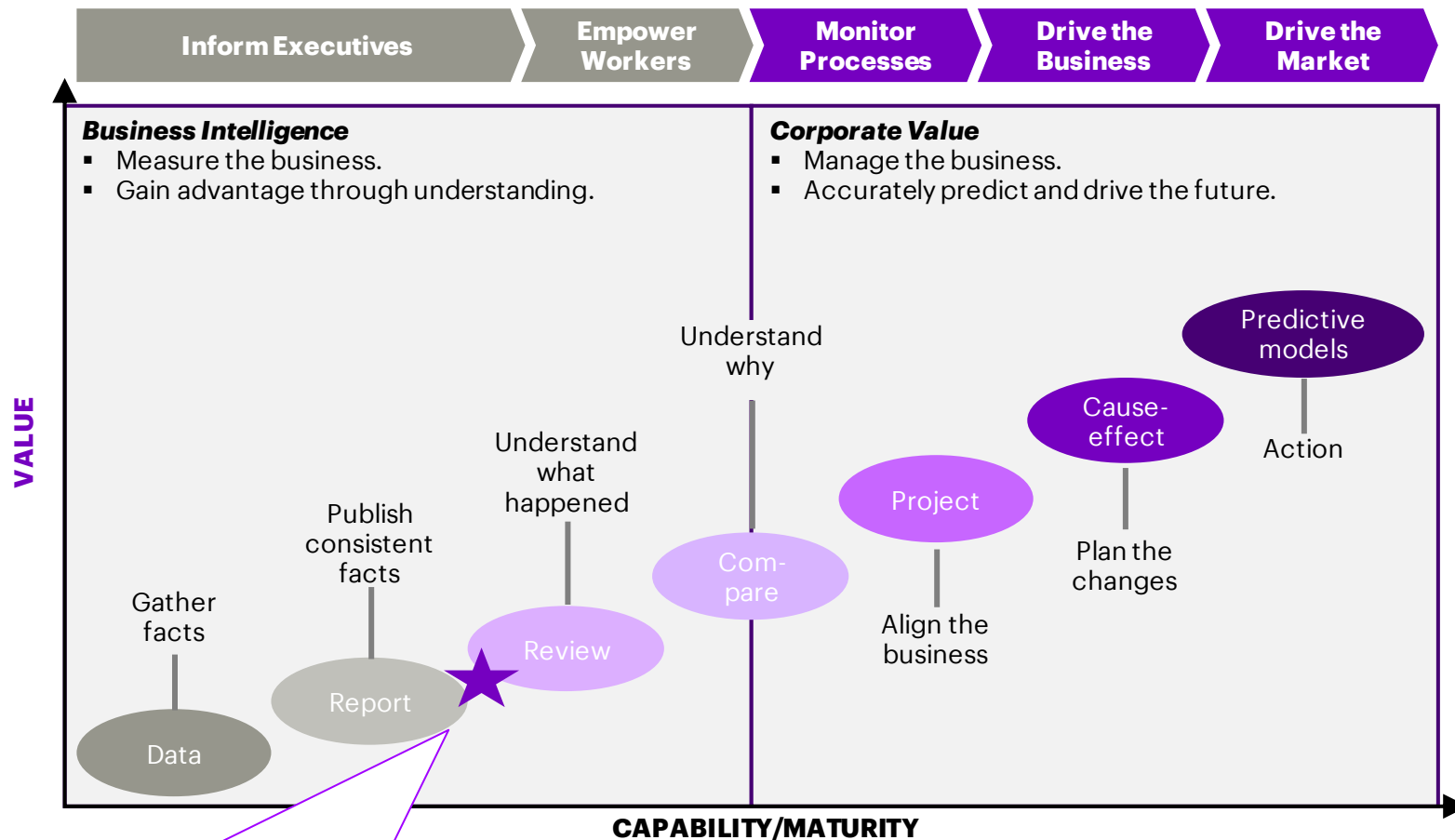
"[M&E] has significantly improved but still needs work so [that] projects are recognised on genuine ROI rather than [gut feeling]"
- anonymous staff member



Continuing to build data and capability will help AWI achieve corporate value

AWI is currently in an early maturity and therefore low value phase of M&E

The value of M&E practice with maturity¹



AWI has commenced its **M&E maturity** by building **internal capabilities** and starting **regular and consistent reporting**.

Opportunities remain to increase value

AWI can continue to build and mature their M&E practices to build value for the organisation and levy payers.

- **Strategic alignment:** the M&E framework has a cascading framework for aligning to AWI strategies. As the 2022/23 strategic plan is developed, close alignment with the M&E framework should occur.
- **Internal monitoring:** an area for future consideration is monitoring AWI internal processes, procedures and outcomes including those related to organisation culture. These are just as important to drive business decisions as program outcomes.
- **Outcome and target setting:** the process of determining appropriate outcomes and targets against corporate strategies requires continual refinement. Outcomes and specific targets that are a balance between aspiration to drive the organisation forward but realistic to not set the organisation up for failure requires a formalised reflection process. Ensuring adequate reflection and replanning occurs will be key to driving M&E maturity.
- **Demonstrating M&E is improving outcomes:** once key data across outcomes are determined and reported on, the ability for the organisation to draw insights that inform decision making becomes clearer.

Recommendations – Monitoring and Evaluation

Very high priority  Moderate priority

Recommendation	Description	Priority
5.1 Build M&E maturity	<ul style="list-style-type: none"> ▪ Continue to develop the maturity of M&E practices: <ul style="list-style-type: none"> – Align M&E framework to corporate objectives and outcomes. – Create a proactive evaluation process to regularly review and iterate targets for programs. – Use reporting to derive business insights and inform business decisions. – Increase the scope of the M&E framework to monitor critical internal processes. 	High

Appendix

Each performance principle was assessed by three critical performance dimensions



Dimensions	Description	Examples (non-exhaustive)	Example evidence sources (non-exhaustive)
Organisational enablers	<ul style="list-style-type: none"> Critical people, structures and assets the organisation has which allows it to undertake processes and activities. 	<ul style="list-style-type: none"> Organisational structure. Workplace culture and values. Skills and capabilities of key individuals supporting activities. Financial allocation and support available. Assets used to undertake activities such as IT platforms, infrastructure, transport. 	<ul style="list-style-type: none"> Organisational charts. CVs and profiles of key individuals. Interviews and discussion with AWI staff and leadership. Survey results (e.g. Levy payer, AWI staff). Capability plans, organisational plans and other relevant documentation. Technology and infrastructure review.
Processes and activities	<ul style="list-style-type: none"> The actions the organisation undertakes to deliver value and outcomes. 	<ul style="list-style-type: none"> Strategies and plans. Business processes. Policies and procedures. Decision making frameworks. Risk management. Key initiatives/activities the organisation chooses to undertake. 	<ul style="list-style-type: none"> Wool 2030 Strategy, AWI three-year strategic plans, AWI operational plans. Documented business processes. Documented policies and procedures. Decision making frameworks. Risk management frameworks. Deep analysis of case studies of key initiatives. Interviews with staff and stakeholders. Survey of staff and stakeholders.
Outcomes	<ul style="list-style-type: none"> The value delivered to the organisation's stakeholders. Meeting organisational objectives or legislative requirements. 	<ul style="list-style-type: none"> Organisational results. Organisational resilience. Organisational outcomes against performance principles. 	<ul style="list-style-type: none"> 2018 Performance review action reports and microsite. Annual reports. Reports and outcomes documentation. Interviews with stakeholders. Survey results (e.g. Levy payer, AWI staff). Benchmarking/comparisons to comparable organisations and industries.

Builds upon



Relevant inputs and outputs were used for each performance dimension



Dimension	Description	Needed metrics/evidence (non-exhaustive)		Assessment
		Inputs (potential source)	Outputs (potential source)	
Organisational enablers	<ul style="list-style-type: none"> Critical people, structures and assets the organisation has which allows it to undertake processes and activities. 	<ul style="list-style-type: none"> Organisational structure exists (organisational chart). Team and staffing (review of staff profiles, interviews with managers). Funding arrangement to support activities (funding). Tools and platforms used (desktop and interviews). 	<ul style="list-style-type: none"> Effectiveness of organisational structure (staff interviews, analysis). Funding is sufficient to support activities (stakeholder interviews, staff interviews). Effective capabilities (stakeholder interviews, expert interviews). Effectiveness of tools and platforms (usage statistics, staff and stakeholder interviews). 	●
Processes and activities	<ul style="list-style-type: none"> The actions the organisation undertakes to deliver value and outcomes. 	<ul style="list-style-type: none"> Strategy available and transparent (strategic plans and interviews/levy payer and staff survey). Processes in place to support principle (review of processes, documentation). Appropriate channels of engagement with stakeholders (review of processes). Right information discussed and raised (minutes and notes from meetings). 	<ul style="list-style-type: none"> Feedback from stakeholders on transparency of strategy (stakeholder interviews). Effectiveness of processes (staff interviews) Stakeholder satisfaction with the processes and channels of engagement (survey, stakeholder interviews). Stakeholder perceptions on content (interviews and levy payer survey). 	●
Outcomes	<ul style="list-style-type: none"> The value delivered to the organisation's stakeholders. Meeting organisational objectives or legislative requirements. 	N/A	<ul style="list-style-type: none"> Research/marketing outcomes (AWI annual reports, scientific publications, reports) Stakeholder's contribution in relation to outcomes (minutes and notes, case studies). Perception of stakeholders and levy payers towards AWI (stakeholder interviews and sentiment survey). 	●

Accenture is a global professional services firm. Combining unmatched experience and specialised skills across more than 40 industries, we offer Strategy and Consulting, Interactive, Technology and Operations services—all powered by the world’s largest network of Advanced Technology and Intelligent Operations centers.

Our 569,000 people **deliver on the promise of technology and human ingenuity every day**, serving clients in more than 120 countries.

We serve more than **6,000 clients** including 75% of the global Fortune 500.

Our strong IP portfolio is a key driver of our innovation with **7,900 patents or patents pending**.

Contact for this Report

Shaun Chau

Managing Director
Accenture Strategy

Accenture [Strategy & Consulting](#)

33 Sussex St, Sydney, Australia
Shaun.chau@accenture.com

[accenture.com](https://www.accenture.com)



About Accenture

Accenture is a global professional services company with leading capabilities in digital, cloud and security. Combining unmatched experience and specialized skills across more than 40 industries, we offer Strategy and Consulting, Interactive, Technology and Operations services — all powered by the world's largest network of Advanced Technology and Intelligent Operations centers. Our 569,000 people deliver on the promise of technology and human ingenuity every day, serving clients in more than 120 countries. We embrace the power of change to create value and shared success for our clients, people, shareholders, partners and communities.

Visit us at www.accenture.com

Disclaimer

This document is intended for general informational purposes only. The analysis in this report was commissioned by Australian Wool Innovation Limited and prepared by Accenture on behalf of Australian Wool Innovation Limited.

Views and opinions expressed in this document are based on Accenture's knowledge and understanding of its area of business, markets and technology. Accenture does not provide medical, legal, regulatory, audit, or tax advice, and this document does not constitute advice of any nature. While the information in this document has been prepared in good faith, Accenture disclaims, to the fullest extent permitted by applicable law, any and all liability for the accuracy and completeness of the information in this document and for any acts or omissions made based on such information. Opinions expressed herein are subject to change without notice.

No part of this document may be reproduced in any manner without the written permission of Accenture. This document may make references to third party names, trademarks or copyrights that may be owned by others. Any third-party names, trademarks or copyrights contained in this document are the property of their respective owners.

Copyright© 2021 Accenture. All rights reserved.

Accenture and its logo are trademarks of Accenture

