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# AWI BUSINESS UNIT UPDATE

NOVEMBER 2023



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4. Sustainability	15	Internationally we are better known as the Woolmark Company with offices globally in key wool markets. The Woolmark Company focuses on fostering talent, developing new innovations, and helping businesses realise the benefits of Australian Merino wool. It is one of the world's most recognised brands.
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AWI directly communicates regularly with growers. This ranges from wool market reports posted online and sent out via text message, to our quarterly magazine Beyond the Bale (hardcopy & online). In addition we provide a monthly e-newsletter and have a strong presence across social media including Facebook, Twitter, Instagram and YouTube. AWI has recently launched a Woolgrower App and regularly conducts Webinars.

This quarterly business unit update is designed to provide key stakeholders with a snapshot of AWI business units and insights into key projects.

# MARKET ANALYTICS

## PRODUCTION

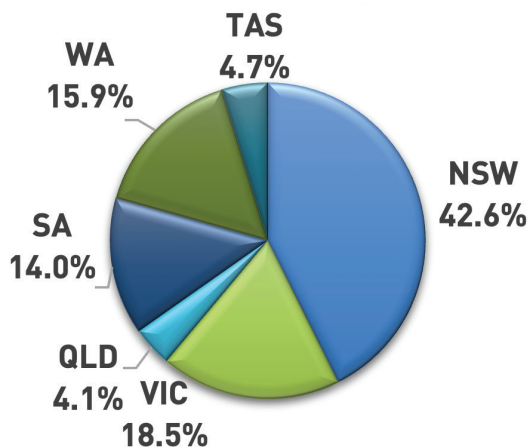
The conclusion of the first three months of testing for the new season has seen the continuation of the initial seasonal trend of declining production, although a sharp rebound in September saw the AWTA key test data as at the end of September 2023, improving to a deficit of 2.1% in weight tested compared to September 2022 after being 7.37% lower in August. AWTA Ltd have tested 72.8 mkg (million kilograms) the season thus far, compared to the 74.4mkg at the same point in time of last year.

	2023/24	2022/23	kgs diff.	% diff.
<b>NSW</b>	31,042	31,632	-590	-1.87%
<b>VIC</b>	13,483	14,832	-1,349	-9.10%
<b>QLD</b>	3,007	3,112	-105	-3.37%
<b>SA</b>	10,229	9,653	576	5.97%
<b>WA</b>	11,610	11,640	-30	-0.26%
<b>TAS</b>	3,444	3,524	-80	-2.27%
<b>TOTAL</b>	<b>72,815</b>	<b>74,393</b>	<b>-1,578</b>	<b>-2.12%</b>

The Australian Wool Production Forecasting Committee's (AWPFC) second forecast of Australian shorn wool production for 2023/24 is 324 million kilograms (Mkg) greasy, a 1.1% decrease on the 2022/23 estimated shorn wool production of 328 Mkg greasy.

Reduced sheep meat prices and continued limitations on processing capacity are expected to fuel a modest increase in the number of sheep shorn during 2023/24 (72.1 million, up 0.8%) as producers retain some of the sheep that would normally be turned off.

## 2022/23 PRODUCTION BY STATE BY AWTA WSA SEPT '23



Average cut per head is expected to reduce to 4.50 kg greasy (down 2.2%) due to retained lambs in most states and the hotter and drier seasonal outlook. Producers in most states are wary of carrying excess stock if the season deteriorates. The timing of any hotter and drier weather will impact sheep producers' decisions to sell or retain stock going into Summer. The BOM outlook for August to October 2023 is for below median rainfall across most of the country with average to above average minimum and maximum temperatures.

The most significant declines are in Australia's two largest producing states NSW (-10%) and Victoria (-14.7%) but 62% of tested wool so far this season have originated from these two states.

## AUCTION VOLUMES

At auction the first 9 weeks of the 2023/24 selling season has: -

- **Offered** 375,606 bales (approx. 67.2mkg greasy) at auction compared to the 380,132 bales (approx. 68.0mkg) offered at the same point of the selling season last year. That is 4,526 bales (approx. 0.8mkg) less or 1.2% less wool offered or an average of 503 bales less wool offered per sale week.
- **Sold** 341,377 bales (approx. 61.1mkg greasy) at auction this season compared to the 326,930 bales (approx. 58.5mkg) sold at the same point of last year. That is 14,447 bales (approx. 2.6mkg) more or 4.4% more wool sold or an average of 1,605 extra bales sold per sale week.
- **Clearance** at auction rates of 90.9% nationally of all wool offered compared to the 86.0% cleared over the same period of the 2022/23 season. Whilst offerings are slightly down, sentiment to sell by growers is far greater and at an improvement rate of 5.7%
- **Raw wool value** of wool sold this season is A\$463 million which is A\$55million less than the A\$518 million sold by the end of the same week last year. This is a 10.6% year on year reduction of raw wool value sold so far and an average of A\$6.1million less value of wool sold each sale week thus

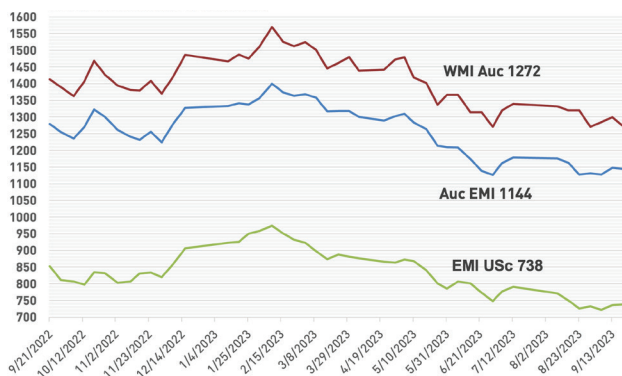
# MARKET ANALYTICS

Auction Buyer	Week 12							Season to Date									%	
	AU MFLC	AU XBFS	AU MSKT	AU ODDS	AU ALL	NZ	ALL	AU MFLC	AU XBFS	AU MSKT	AU ODDS	AU NORTH	AU SOUTH	AU WEST	AU ALL	NZ		ALL
1 Techwool Trading	3,797	1,028	1,393	419	6,637	533	7,170	29,482	8,122	12,697	4,417	17,942	27,459	9,317	54,718	2,301	57,019	16.3%
2 Endeavour Wool Exports	2,590	493	1,211	336	4,630	3	4,633	22,271	4,665	11,480	3,974	17,190	18,189	7,011	42,390	122	42,512	12.2%
3 Tianyu Wool	1,820	91	631	8	2,550	54	2,604	26,607	1,598	6,225	146	13,556	11,979	9,041	34,576	820	35,396	10.1%
4 PJ Morris Wools	2,799		36	1	2,836		2,836	24,057	2	930	128	2,112	11,455	11,550	25,117		25,117	7.2%
5 Australian Merino Exports	793	398	528	474	2,193	45	2,238	10,844	2,935	6,268	2,612	8,292	13,560	807	22,659	361	23,020	6.6%
6 Fox & Lillie	1,844	264	179	346	2,633		2,633	13,439	2,356	2,050	3,629	6,133	15,302	39	21,474	240	21,714	6.2%
7 Pelican Australia	792	1,040		31	1,863		1,863	6,800	12,419	326	253	3,219	16,579		19,798		19,798	5.7%
8 Sequoia Materials	1,586		372	71	2,029	149	2,178	12,877		3,165	502	7,793	6,000	2,751	16,544	355	16,899	4.8%
9 United Wool Company	485	356	428	451	1,720	9	1,729	3,593	4,397	3,241	5,278	1,543	13,225	1,741	16,509	41	16,550	4.7%
10 Meliwa	929				929		929	14,309	58		11	4,170	7,985	2,223	14,378		14,378	4.1%

## WOOL PRICE

- The 2023/24 season has seen the **Eastern Market Indicator (EMI)** in AUD appreciate from 1126ac/clean kg to conclude week 12 (20th September 2023) at **1144ac/clean kg**. This is an intra seasonal gain of 18ac/clean kg or 1.60% in Australian dollar terms.
- Year to year movement in the **AUD EMI** has seen a fall of 166ac from 1279ac to 1144ac, an **12.4%** reduction in AUD value.
- The **USD EMI** has fallen 10usc/clean kg from 748usc/clean kg at the start of the season in July to close week 12 (20th September 2023) at **738usc/clean kg**. This is a seasonal loss in USD of 1.34% underperforming the Australian dollar values.
- The **USD EMI** has had a year to year reduction of 115usc from 853usc to 738usc, an 13.5% fall in the USD value.

## MARKET INDICATORS 12 MONTHS



- The 2023/24 season has seen the **Western market indicator (WMI)** in AUD gain a single cent to **1272ac/clean kg** by the end of week12 (20th September 2023) after opening the new selling

year at 1271ac/clean kg. This is an intra seasonal gain of 0.08% in Australian dollar terms.

- The **AUD WMI** has moved down from 1413ac to 1272ac on a year to year comparison. This is 141ac or 10% lower in the WMI in AUD value.

## NANJING WOOL MARKET CONFERENCE

China Australia Joint Working Group Meeting

Very frank and open discussions.

Updates from Australia to China included e-bale progress and quality report from AWEX, Australian general industry by Josh Lamb and the progress of the Topmark program from AWTA which is the expected wool top performance based on the greasy tested data. This program now has over 18 years of accumulated data.



Chinese side presented a litany of complaints regarding quality of wool preparation from Australia and delivery complaints.

The complaints from China include

- o Underweight bales being delivered.
- o Wet wool

# MARKET ANALYTICS

- Old wool in old wool packs stamped as far back as 2008. This results in wool being excessively cotted.
- Dags, stains and un-scourable colour in skirting lines.
- Superfine wools containing medullated fibre with indicative CVD quite often well above 20%
- Length variation getting larger.
- Nylon pack contamination by nylon threads – coring and pack waste
- Wool top micron continues to be coarser than expected. Many results are now 0.5mic broader whereas 0.1 or 0.2mic is the normal.

Australian exporter representative revealed that quality claims being received are upward of 500% greater than normal, with most regarded as ambit claims, but Chinese users are amid tightening of specifications. Additionally, the opening of letters of credit (l/c's) is increasingly slow.

General discussion centred around amendments to the Green Book (general contract terms and conditions agreed to by both sides) regarding setting a firm definition for the trading term "INDENT" following some serious issues resulting from Australian indent operator(s) massively and systematically overpricing the indent basis.

## CHINA UPDATE

### Trading

The mood of the conference was a little subdued, but confidence grew each day. Larger volumes and further new business began to emerge. Plenty of new contracts were exchanged by attendees at the conference, which should see the market hold and rise the next few weeks. A few of the mid volume traders revealed that it was their best-selling conferences, but the larger players were pretty tip lipped which may mean they may have oversold at low levels into a strengthening market.

Of note was the re-emergence of crossbred demand, but this maybe a big play by two very large buyers of this wool type, Both strangely indicated high levels [very high] of greasy stocks being held. Despite the

rises of up to 30% the past 2 months, the Chinese predict further strong gains with demand the real driver, not low price.

Much of the talk regarding the Chinese import was around the method of that import. Traditionally forward contracts with exporters that provide terms under l/c payment and credit terms is dominant, but many are eyeing indent buying.

Tianyu as a direct buyer in sale rooms has a perceived very high overhead in Australia by employment of many staff and running offices etc so those style of buying set ups are not likely to be copied any time soon.

Many see a strong trend towards indent buying to help eliminate the risk of holding wool at higher prices before delivery if 2 and 3 month forwards are negotiated.

### General China business conditions

Two imbalances have developed past few years. The effects of both remain undetermined to be a positive or negative yet.

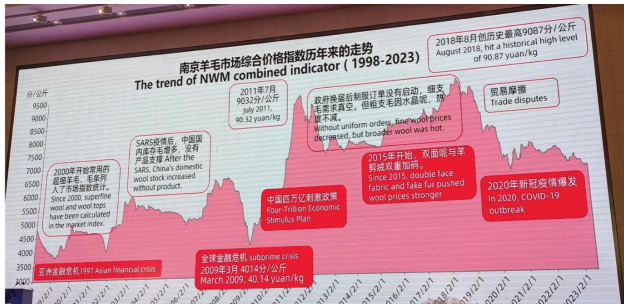
- Enterprises imbalance. The gap between the large and smaller players have made any development uneven.
- Market imbalance. The sales to domestic market, whilst soft now, are larger than and better than export.



### General China business conditions

The scarring effect that Covid19 left behind in China – which was substantially worse than nearly all other nations – has thrown a curve ball at the Chinese textile industry. The country has well and truly moved from a labour surplus era pre Covid to now being entrenched in an era of labour shortage. Much of this

# MARKET ANALYTICS



An interesting assessment from Mr Yang of Redsun was made. In his opinion, the wool sector of the Chinese textile industry is looked down upon compared to the other textiles. We are TOO SMALL an industry and not taken seriously. The big chemical and synthetic companies seem to get the ear of government, better press and more exposure throughout the social and mainstream media platforms.

Mr Yang also expressed his thorough disappointment with Australia by not adopting the latest technologies in a timely manner. He cited the industry abandonment of the entire WoolQ model as his best example of Australia shooting the industry in the foot, and the length of time for bale RFID to be initiated.

The state of health of China's textile manufacturers remains fragile but working. Throughout the conference, some long and short term concerns were raised.

- The increasing uncertainty of the international trade environment is inhibiting confidence, particularly with supply chains in Europe and USA looking to nearshore and shorten the chain.
- High logistics cost.
- Interest rates
- Forex rates against the USD
- Global industry transformation.
- The rising costs of raw materials and production.

## General China business conditions

- Typhoon influence and costs/damage and repatriation.
- Industrial upgrading.

- Soft overseas demand.
- Increasing local industry competition reducing profits.
- The domestic consumer market downturn needs to be reversed.
- The weakening of China's comparative advantage in resources.
- Existing pressure of environmental issues such as control of energy consumption and carbon emission.

Some very positive signs though were also spotlighted.

- Online selling is growing speedily and exponentially making garments cheaper to expose more domestic consumers to the perceived luxury wool, but now affordable, clothing items.
- The push to nature will help wool.
- Positive messaging from retailers that bigger orders for new products are being readied.
- Interest rates in China are being reduced.
- Government support is likely forthcoming by adding stimulus to the manufacturing sector.
- Next 10 years are going to be driven higher by better technology, innovation, and consumption.

## The NWM/SDIC strategy pillars for this/next year



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# ON-FARM RESEARCH

## HEALTHY PRODUCTIVE SHEEP

**AWI AOP 2023/2024 Investment Focus: Train growers and advisors in moving to a non-mulesed enterprise and flystrike management covering tactical responses, strategic risk management and breeding for flystrike resistance to reduce risk.**

ClassiFly train the trainer workshops have been completed and the resources are currently being finalised in preparation for the launching of woolgrower workshops by the AWI state extension network.

StrateFly's first pilot consultation workshop was held in September. StrateFly is a one-day workshop focused on building awareness of what is required if moving to a non-mulesed enterprise, including consideration of the implications of rebalancing the other tools in the flystrike management toolbox.

StrateFly resources are being updated based on the feedback received and the first woolgrower pilot is planned for February 2024.

**AWI AOP 2023/2024 Investment Focus: Commission projects in flystrike management tools targeting the viability of the fly.**

Contracting of Sterile Insect Technique (SIT) is close to finalisation. This project aims to demonstrate SIT efficiency through eradication of the sheep blowfly from Kangaroo Island by 2026

University of Melbourne researchers are making some positive, yet slow, progress on the project to determine infection frequencies of Wolbachia in *Lucilia cuprina*. These bacteria cause negative fitness effects on their hosts, offering a potential tool for blowfly population control. The final report is due for completion in April 2024.

A contract with Deakin University for a project to provide unique insights in the mechanisms underpinning Australian blowfly attraction to sheep is currently being negotiated. The project, with funding also by an Australian Research Council (ARC) Linkage Grant, aims to develop a highly targeted semiochemical approach to fly population suppression by utilising a holistic chemical and microbial understanding of flystrike and blowfly attraction to develop targeted, complex lures. An

intended outcome from this project is a substantial advance over the simplistic LuciTrap trap that can tackle historic limitations, including non-specificity in blowfly species targeted and negligible suppression of female numbers.

**AWI AOP 2023/2024 Investment Focus: Support for co-ordination of a national wild dog program.**

The Vertebrate Pests (VP) program for 2023/2024 focuses on providing support and developmental guidance for the coordination of Wild Dog (WD) control and adoption of best management practices in accordance with the relevant state regulations, for their implementation. AWI Ltd investment occurs at both state – northeast NSW and SA – and national – National Wild Dog Management Coordinator (NWDMC) – levels.

State and regional programs focus on maintaining and improving the efficiency and effectiveness of WD control primarily by assisting individuals and groups to overcome predominantly "local" obstacles to effective WD control. This level concentrates strongly on facilitating strong on-ground outcomes.

The NWDMC program focuses on providing leadership and technical direction on national issues such as challenges to producer capacity to conduct WD control where this capacity is affected by legislation and/or regulation, availability of control tools e.g. Toxin 1080; and can also act as an "independent" circuit-breaker in technical or methodological disagreements. The NWDMC also provides support to state and regional coordinators, WD groups where there is no coordination support available locally, and guidance in the development and implementation of training programs to meet needs identified by industry participants.

**AWI AOP 2023/2024 Investment Focus: Increase knowledge and tools available to growers to assist them in choosing feedbase options suited to their region and production system.**

An updated version of the Pasture Picker website will be designed in house and hosted on AWI's server. The new site will be designed in consultation with MLA and Pastures Australia. GRDC and AgriFutures will also be invited to be involved.

Resources from the recently closed 'No more gaps

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# ON-FARM RESEARCH

with superior shrub systems' project are being developed. These resources will include a producer fact sheet on the benefits of saltbush shrubs, such as Anameka™, in a sheep production system and a 'how to' guide on the establishment and management of these shrubs.

**AWI AOP 2023/2024 Investment Focus: Increase grower understanding and adoption of best practice management for reproduction efficiency.**

The 'Prioritising lamb survival interventions' project with Murdoch University is due for completion at the end of this calendar year. Outputs from the project will include a prioritised list of management interventions for lamb survival, ordered by increase in lamb survival and profit per unit of management change. The analysis delivered through this project will provide a foundation for a future decision support tool. Key messages will be integrated into existing extension programs and resources.

AWI and MLA are due to launch a suite of resources to promote the adoption of pregnancy scanning this financial year. These include a producer guide on pregnancy scanning, a pre-scanning preparation checklist, a resource catalogue, grower and scanner testimonials, and a cost-benefit report, in addition to the publication of the project's final report.

**AWI AOP 2023/2024 Investment Focus: Support woolgrowers to increase their overall wool-growing productivity through access to genetics and genomics tools and information.**

The MLP and Sire Evaluation projects continue to provide important data to support the continued research and development of MERINOSELECT. All 5,700 MLP ewes have been genotyped and play an important role in the Merino Genomic Reference Flock. Around 40% of 2022 "current drop" Merinos have been genotyped.

On an annual basis the MERINOSELECT and DOHNE genetic trends are published in Beyond the Bale along with the key highlights of those trends.

Sire Evaluation occurs at 12 sites across Australia and the annual publication Merino Superior Sires (Number 29) has just been released. The top 50 sires of the last 5 years are listed for each index and around 50% of the sires in the top 50 are new this

year, showing solid genetic gain in sires being entered.

R&D projects into feed efficiency, methane, resilience, feet health and predictors of AI success are ongoing as is research to obtain a breakthrough in non-invasive cervical insemination of frozen thawed semen.

**AWI AOP 2023/2024 Investment Focus: Support woolgrowers to breed for increasing flystrike resistance.**

ClassiFly and StrateFly are in the process of being developed and will be rolled out to growers in the near future. Both workshops focus on breeding Merinos with increased resistance to flystrike.

The link sires used in Sire Evaluation are selected on the criteria of being productive, flystrike resistant sires with good tops to cull ratios.

A flystrike genomic research breeding value is under development. As more data is collected, new ASBVs of Urine Stain and Faecal Consistency will be combined with the already existing Wrinkle, Dag, Cover and Colour ASBV's to produce a multi trait Breech Strike ASBV.

## ENVIRONMENTAL SUSTAINABILITY

**AWI AOP 2023/2024 Investment Focus: Assist woolgrowers to monitor, measure and improve on-farm natural capital, increase drought resilience and enable new income streams such as carbon and biodiversity markets.**

The Environmental Sustainability program addresses both the industry's Wool 2030 plan and the Sheep Sustainability Framework, with a focus on environmental management and climate change adaptation. Priority investment areas for this new program of investment are in assisting woolgrowers to monitor, measure, and improve on-farm natural capital, projects to address increased drought resilience and supporting woolgrower understanding and access to new income streams, such as carbon and biodiversity markets.

The collaborative Farming for the Future project is designed to generate evidence that quantifies the relationship between on-farm natural capital and



# ON-FARM RESEARCH

business outcomes, including profitability and productivity. The project has recently completed phase 1, which involved research and natural capital benchmarking of approximately 130 farms in focus regions in NSW, Victoria, Tasmania and WA. Subsequent phases intend to extend the research to between 400-1500 farms, representative of farms across the full extent of Australia wheat-sheep belt. The project will generate a publication on the management of biodiversity on livestock farms with a focus on woolgrowers.

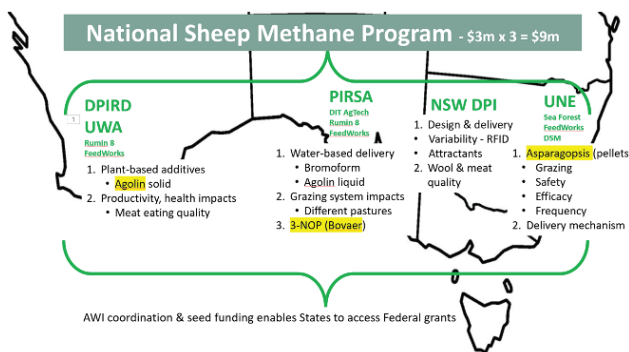
Methane mitigating feed additives for grazing sheep (MERiL)

\$3M of woolgrower funding is leveraging an additional \$6M Federal Government and research partner funding to explore GHG emission reductions in grazing sheep through dietary additives.

AWI initiated the National Sheep Methane Program (NSMP), which is a collaborative approach to RD&A to implement practical and safe ways for producers to reduce methane emissions in grazing sheep. The NSMP is coordinated across sheep producing states, involving the University of New England, NSW Department of Primary Industries, the Department of Primary Industries and Regions South Australia, Department of Regional Development and Industries Western Australia and the University of Western Australia.

weakened zone of wool is progressing well. Researchers have identified the mechanism that hardens wool fibres and several promising candidates for disrupting this mechanism. Assays have been developed for measuring these compounds in sheep to inform dose, efficacy, and residues.

AWI has issued a Request for Proposals (RFP) world-wide for the purpose of obtaining responses from engineering companies, universities, entrepreneurs, start-ups and other organisations for the development of wool bioharvesting technology to separate the weakened wool from the body of the sheep. Applications close on 22 December.



## Agri Technology

**AWI AOP 2023/2024 Investment Focus: Invest in innovative solutions targeting wool harvesting alternatives to improve shearer and or animal welfare and increase shearing efficiency.**

The project to develop a biological agent to create a

# PROCESS INNOVATION & EDUCATION EXTENSION

## TRADE SHOW OVERVIEW

TRADE SHOW	LOCATION	DATE	PARTICIPATION
ITMA Milan	Milan, Italy	8-14 June	EXHIBITED
Pitti Filati	Florence, Italy	28-30 June	EXHIBITED
Premiere Vision	Paris, France	4-7 July	EXHIBITED
Milano Unica	Milan, Italy	11-13 July	EXHIBITED
<b>ATTENDED ONLY</b>			
Pitti Uomo	Florence, Italy	13-16 June	ATTENDED
Yarnex	Delhi, India	6-8 July	ATTENDED
Cobalt Yarn Show	Hong Kong, China	18 July	ATTENDED
Spin Expo	Hong Kong, China	19-20 July	ATTENDED
Apparel Sourcing Week	Bengaluru, India	20-21 July	ATTENDED

The Woolmark Company connected with the global supply chain across the below core areas for the Autumn/Winter 24/25 buying season.

### ITMA 2023 TOTAL SHOW RESULTS:

- 1,709 exhibitors from 47 countries
- 111,000 visitors from 143 countries
- Top visiting countries; Italy (29%), Turkey, India and Germany (6% each), France (4%) and Brazil (3%).
- ITMA official report [HERE](#)

### THE WOOLMARK COMPANY STAND

Theme: WOOL.THE FIBRE THAT NEVER STOPS.

The Woolmark stand featured the latest wool innovations in:

- Technical Performance
- Accessories
- Interiors
- Technical Fabrics
- Wool Fibre
- The Wool Lab AW 24/25



### PITTI FILATI, FLORENCE, ITALY

28 – 30 June 2023

#### About:

Pitti Filati is an international yarns fair specialising in textile fibres, held biannually in Florence during the months of January and June.

#### Total show results:

- 3,500 buyers (an increase of 18% compared to 3,000 in 2022)
- Italian buyers have grown by 18%

# PROCESS INNOVATION & EDUCATION EXTENSION

- International buyers have increased by 17%
- It was reported that all European markets have grown, and the United States is doing very well (+13%).
- Important markets being Asia; Japan, China, China/Hong Kong, and South Korea, in particular - have returned to significant growth.
- There are slightly fewer buyers from Russia and Turkey.
- The ranking of the top 15 markets most present at Pitti Filati June 2023 were France in the lead, followed by the United Kingdom, United States, Germany, China, Spain, Switzerland, Japan, the Netherlands, Turkey, China-Hong Kong, Denmark, South Korea, and Portugal.

## THE WOOLMARK COMPANY STAND



## PREMIERE VISION, PARIS

4 - 7 July 2023

### About:

Première Vision Paris is a bi-annual trade show (February & July) for the fabric and apparel / textile industry and its related sectors; Yarns, Fabrics, Designs, Accessories, Leather and Manufacturing. In 2020, Première Vision altered its bi-annual schedule from February & September to February & July to better align with the seasonal buying timeline.

This season, however, saw a reduction in visitor numbers with exhibitors questioning ongoing participation. For AWI/TWC we will continue to

monitor relevance on opportunities.

PV's decision to no longer charge an entry fee not only is a loss of income for PV but also takes away visitor commitment. PV has always been 'the' global trade show however they appear to be struggling to hold their prestige. Low visitor numbers reported by exhibitors across all halls. Key reasons voiced:



- Scheduling/timing 4-6 July: US Independence Day holiday a major stopper for US travel.
- Recent Paris riots a week prior to PV caused cancellations.
- Timing of show means many EU / UK undergrad teams have finished for the Summer Vacation, and would not be bringing students to PV
- Visitors disgruntled with confusion of overall exhibitor stand layout.

## MILANO UNICA, MILAN, ITALY

11 - 13 July 2023

### About:

Trade show for **high-end fabrics and accessories for women's and men's clothing**. Held biannually in Milan during the months of February and July.

### Total show results:

- 4,701 companies visited the Italian textile and accessories show, up 16% on the July 2022

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# PROCESS INNOVATION & EDUCATION EXTENSION

edition.

- 1,583 International companies (+26%) and 3,118 Italian (+11%)
- 562 exhibiting companies which presented the Fall-Winter 2024/2025 collections of high-end fabrics and accessories for women,



## OUTDOOR EXPERTS FORUM

**Date:** 12th September 2023 (1 day conference)

Conference, round table and targeted workshops to collectively target solutions for the major challenges facing the sports & outdoor sector.

### Forum results:

- 300 attendees
- (sports industry professionals, nature tourism and local authorities)
- 8 sponsors (including The Woolmark Company)

### Woolmark Visibility as a sponsor:

- Conference talk
- Full page advertorial in August issue of Outdoor Experts publication
- 3 page article in September issue of Outdoor Experts publication
- Logo placement during conference and online
- Woolmark table and display at conference

### Conference topics:

- Diversity in the outdoors
- Supply Chain
- Retain Sustainability
- What it takes to lead regeneratively

### Talk on The Real Performance of Natural Fibres & Sports:

- 130 attendees (most engaged talk at the conference)
- Attendees: Sports brands, students, journalists
- Mostly French & Swiss attendees

### Panel:

Damien POMMERET, The Woolmark Company

Nicolas ROCHAT, Mover Sportswear (brandà

Charlotte HALGRAIN, UYN (brand)

Marie DEMAEGDT, Federation of Hemp and Line

### Key Meetings and Connections:

- Salomon
- Decathlon
- The North Face
- Mover
- Alliance of European Flax-Linen & Hemp
- Outdoor Experts Valley
- Picture

# PROCESS INNOVATION & EDUCATION EXTENSION



## Education and Extension

Retail training programs performed well during the 2022-2023 Operating Plan. An updated Wool Appreciation Course has been completed and was Delivered to the global Education Teams in July 2023.

Breakdown of retail training programs by country:



## STUDENT EDUCATION

### Learn about wool

**Target:** Increase participation in the Learn About Wool primary and secondary education program by 5%.

**Result:** 218 kit orders dispatched (target 140)

There was an 56% increase in participation by students in the program.

Strong results can be attributed to increased awareness of the materials via the following events:

1. National Association of Agricultural Educators (NAAE) Conference - January 2023
3. PIEFA Conference - May 2023
4. AgVision - June 2023

Additionally, new Lesson plans were added to the program to support the School Whether Challenge which has generated a great deal of interest in the program.

These positive results show that the AWI education materials are of a high quality and remain a relevant and a sought-after resource for schools in Australia.

For the 2023 Academic year, we have returned results that exceed pre-pandemic levels.

## WOOL4SCHOOL

### Learn about wool

**Target:** Increase global participation in the Wool4School secondary design competition by 5% across Australia, Italy and UK

**Result:** 1,669 student registrations (1,614 target)

**Comment:** Target Exceeded!

Teachers registrations (which include class sizes) = 12,939 students to indicate overall reach of the competition.

Student numbers are down across all regions, teachers are reporting that they are still recovering from the disruption caused by Covid-19. Further changes to the competition will be made next year across all regions, results will be monitored closely to determine its viability moving forward.

## TERTIARY STUDENTS (FASHION)

**Target:** Increase participation in tertiary education programs by 5%

**Result:** 5,345 participating students (4,583 target)

**Comment:** Target Exceeded!

# PROCESS INNOVATION & EDUCATION EXTENSION

The main driver for tertiary fashion student engagement was the Woolmark Performance Challenge (WPC) competition which launched in February 2023. A special mention needs to be made to the Italian team who delivered over 20 WPC workshops.

## WOOLMARK LEARNING CENTRE

**Target:** Increase Woolmark Learning Centre course completions by 10% Woolmark Learning Centre had a total of 3,064 new user registrations.

Top 5 countries engaged with the Woolmark Learning Centre platform are:

1. Australia
2. Italy
3. United Kingdom
4. USA
5. India



With the release of 4 courses translated into 8 different language variants, we hope to see user engagement increase in countries such as China, Germany, France and Italy.

## WLC REGISTRATIONS BY EDUCATION LEVEL

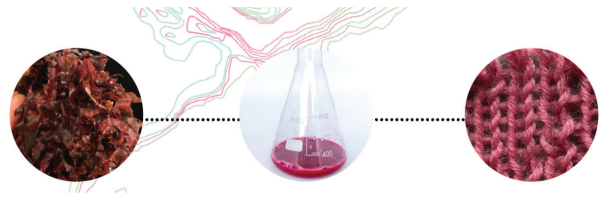
Other	804
Secondary	776
Employed	669
Studying	334
Tertiary	308
Facilitator	155



## INDUSTRY DEVELOPMENT

Vollebak has sampled quality OPTIM050/1 and intends to launch the product in January 2024. They have created a jacket and pant style that aims to work within an 'ever ready' sit. the customer can wear in the office and then go hiking. The UK team will meet with the Vollebak team in the coming weeks to discuss marketing opportunities to support Merino's messaging.

Sea Dyes is at the cutting edge of biotechnology, marine science and textiles; they have developed a water-soluble dyestuff from a species of red algae that grows prolifically in the North Atlantic and Pacific oceans. Woolmark will be working with them this year to further develop the technology around natural dyes adhering to a natural fibre.



The primary objective of the Santoni Seamless Innovation project is to leverage cutting-edge seamless and circular technologies to create a unique range of products that capitalize on market opportunities. This project is a culmination of AWI discussions at ITMA 2023 and subsequent calls with Julie Davies and Jennifer Tille in 2023, which have led to the refinement of the Studio Eva x Carola Studio.

In 2023/24 Studio Eva X Carola will be working with AWI to develop three concepts. Blue space, Serene Ecstasy and sensorial.



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# SUSTAINABILITY

## MAKE THE LABEL COUNT

### Campaign aims:

- The aim of the Make the Label Count (MTLC) campaign is to work with the European Commission to improve EU's Product Environmental Footprint (PEF) methodology before it is introduced in the EU market for apparel and footwear so that natural fibres, including wool, do not receive a bad rating based on incomplete information.

### Wins:

- The success of the campaign has been evident – originally intended for the legislation to be introduced in 2021, the Commission repeatedly delayed this. In March this year, it finally published the legislative proposal, which ultimately did not recommend the PEF be used. This is a great outcome and reflects our advocacy objectives. Had we not started raising awareness around the issues early on, PEF would've been introduced and wool products on the market in the EU would have had a red environmental label.
- While this was an important first win for Make the Label Count, it was only the start of the legislative process. We will continue advocating to ensure the PEF is not inserted back into the final law by Parliamentarians during parliamentary debate, unless it is improved to address the bias against natural fibres.

### Progress:

- The Green Claims legislative proposal is expected to be voted on in the European Parliament in March 2023.
- We're having ongoing meetings with MEPs, their advisors and advisors to Commissioners. To date we've held 57 meetings with representatives from EU institutions (European Commission, Members of European Parliament (MEPs), Member State Permanent Representatives (PermReps), etc.)
- We're working with MTLC Coalition member, European Industrial Hemp Association, to organise a MTLC visit to a Belgium hemp farm for MEPs and their staff. This follows a highly

successful visit to a small Merino and mohair operation in the Netherlands in 2022.

- There are currently 29 MTLC coalition members (and counting) from wool, cotton, silk, hemp, alpaca, mohair, manufacturers, environmental NGOs and more.

## SUSTAINABILITY STRATEGY

- Following the presentation of the Sustainability Strategy Framework to the WICP in July 2023, the AWI Board has approved the framework and work on the strategy has commenced. AWI will provide a copy of the strategy to the WICP once drafting is complete.

## TRACEABILITY UPDATE

With regards to industry traceability, AWI's efforts are focused on our involvement in the Australian Wool Traceability Hub project. The intention of the hub is to:

Be managed by AWTA (whose Test Certificates already carry much of this data from sellers to buyers);

- Use some software code originally written by AWI for WoolQ along with further functionality to enhance traceability.
- Respect the confidentiality and commercial interests in the current supply chain, just as AWTA currently does with its wool testing certification;
- Be interoperable with AWEX's WoolClip;
- Utilise the new RFID enabled packs that AWEX is introducing to provide enhanced tracking of the movement of wool bales. This, along with capturing PIC data, is critical to being able to respond quickly to any outbreak of EAD to restore market access as soon as possible;
- Allow the input of on farm practices by the wool grower;
- Develop methods for accepting input of verified data from various sustainability schemes;
- Provide exporters with the ability to pass this

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# SUSTAINABILITY

information to their processor customers;

- Become an input for other traceability schemes that track wool after it is removed from the wool pack for scouring.

Progress has been encouraging to date, with AWI, AWTA and AWEX involved in a working group reporting progress to WPA, AWTA, AWEX, ACWEP, NCWSBA and AASMB. It is planned Wool Industries Australia will take on the role as steering group.



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# EXTENSION NETWORKS

The season remains patchy across many wool-growing regions, with notable exceptions in Southern NSW, Victoria and select regions of WA. A lot of growers have recorded much less rain than average and are feeding breeding stock, and many are selling lambs a lot earlier than they normally would (e.g. very soon after weaning as opposed to finishing the lambs).

Feedback from the AWI Grower Extension Networks' Producer Advisory Panels (PAP) shows growers continue to be concerned about commodity prices (mostly in the red meat and crossbred wool prices, less concern recorded in Merino wool prices) and high input costs.

Multiple reports of growers dropping key animal health inputs from their lamb marking operations to save costs (e.g. Gudair® vaccine to minimise effect of Johnes disease) but which will likely add a great deal of undue pressure in years to come, so work is underway to alert growers to some of the likely risks and reiterate that health is the cornerstone of productivity.

Harvest has commenced in a lot of regions so many growers are focused on this rather than sheep at present.

Producer Advisory Panel (PAP) meetings in NSW, Victoria, SA and Tasmania will take place before the end of the year.

## AWI CORE EXTENSION PROGRAMS – OVERVIEW

### Lifetime Ewe Management™ (LTEM)

The Lifetime Ewe Management (LTEM) course is delivered in small groups of five to seven growers that meet six times per year with a professional trainer. During these hands-on sessions, the group visits each participating farm and learns skills in condition scoring, pasture assessment and best practice ewe and lamb management to increase reproduction efficiency and wool production, mainly through better meeting the nutritional needs of different classes of stock and reducing ewe and lamb mortality.

- The course focuses on practice change in key areas:

- Weaning and preparing ewes for next year's joining.
- When and what to feed ewes to optimise ewe condition at joining.
- Linking ewe condition at joining with lambing potential.
- Managing nutrition for improved lamb survival.
- Managing nutrition during late pregnancy to optimise lamb survival and future wool production of progeny.
- The economics of different feeding strategies.

LTEM is owned by AWI and Rural Industries Skill Training (RIST) and delivered nationally by RIST. For more information or to register your interest, contact RIST on 1800 883 343 or check out their website.

[www.wool.com/ltem](http://www.wool.com/ltem)

### Winning With Weaners™ (WWW)

Winning With Weaners (WWW) is aimed at lifting the lifetime performance from Merino ewes through improved management of weaners. WWW assists participants in understanding the key issues affecting weaner survival and performance and guides them through developing targets for growth for this key cohort of sheep. The one-day workshops discuss factors that contribute to weaner mortality and illthrift and provide practical pathways for improving lifetime performance. Participants will gain an understanding of the impact of weaning weight on the survival of weaners to first joining; weaner nutrition – both energy and protein; the importance of weaner management on lifetime performance of breeding ewes; and strategies for success – mapping out growth targets and monitoring plan.

[www.wool.com/www](http://www.wool.com/www)

### Picking Performer Ewes™ (PPE)

The Picking Performer Ewes (PPE) one-day workshop is aimed at lifting lifetime performance from Merino ewes by recognising and placing importance on the total lifetime productivity potential and value of Merino ewes (fleece, meat and surplus stock).

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# EXTENSION NETWORKS

Participants will step through sessions relating to the whole reproductive cycle and focus on: understanding ewe lifetime performance and the concept of 'passengers vs. performers'; the importance of undertaking the three key performance practices of scanning, condition scoring and wet & drying at marking; turning potential into profit by lambing and weaning well; and strategies for success – mapping it all out in a management calendar.

[www.wool.com/ppe](http://www.wool.com/ppe)

## **RAMping Up Repro™ (RUR)**

RAMping Up Repro (RUR) is a one-day, hands-on workshop focussed on improving ram performance and working longevity in commercial sheep enterprises, increasing the skill of producers across the key components of ram performance and impacts on overall breeding enterprise performance.

Each participant is guided through a thorough pre-joining ram inspection by an accredited deliverer and given the opportunity to increase their practical skills to undertake this in their own operation. The workshop is designed to give attendees the confidence to incorporate these skills into their own routine management, thus improving the performance of their rams.

RAMping Up Repro is a collaboration between AWI and Zoetis.

[www.wool.com/rur](http://www.wool.com/rur)

## **It's Fly Time!™**

Practical, just-in-time information in the lead up to, and during, high-risk flystrike periods.

Prevention, monitoring and treatment all play key roles in integrated flystrike management in the lead up to, and during, high-risk flystrike periods. It's Fly Time!™ provides a succinct introduction for woolgrowers on managing flystrike during high-risk periods; including tips for preventing flystrike, information on prioritising sheep for monitoring and treatment, and options for treating sheep when flystrike does occur.

[www.wool.com/itsflytime](http://www.wool.com/itsflytime)

## **DemystiFly™**

Practical information about managing chemical resistance in blowflies.

AWI has made available a range of resources for woolgrowers and their advisors about blowfly chemical resistance to 'demystify' this complex, yet important, issue.

There are only a small number of chemical groups registered for flystrike control, so it is important to prolong the usefulness of these chemicals for as long as possible. By implementing resistance management strategies, woolgrowers can slow the development of resistance, which will help maintain the effectiveness of the currently registered chemical products.

[www.wool.com/demystify](http://www.wool.com/demystify)

## **SimpliFly™**

A one-day workshop to develop a property-specific strategic flystrike management plan.

SimpliFly™ is a one-day workshop, delivered by AWI accredited advisors in partnership with the AWI state grower extension networks, to help woolgrowers reduce the incidence and impact of flystrike on their flocks and profits.

During the interactive workshop woolgrowers explore the range of short- and long-term management tools and strategies available in their flystrike management toolbox. Woolgrowers work through practical activities that enable them to combine these strategies and tools for their own property, building a customised annual flystrike management plan and calendar relevant to their environment, sheep type and farm operations.

During the workshop woolgrowers will learn about the range of tools available in their flystrike management toolbox and how to use them in combination. Throughout the day, attendees work through developing a strategic flystrike management plan and annual calendar that incorporates both short- and long-term tools specific to their property.

[www.wool.com/simplify](http://www.wool.com/simplify)

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# EXTENSION NETWORKS

## **ClassiFly™**

A one-day workshop to increase understanding and skills in breeding for flystrike resistance.

ClassiFly™ is for any woolgrower that is looking to improve their understanding of what is involved in breeding sheep that are resistant to flystrike, regardless of their climate, and operating and husbandry environments.

The one-day workshop is designed to increase woolgrower knowledge and skills in classing, and selection strategies for improved flystrike resistance. Improving a sheep's natural resistance to flystrike through breeding reduces the risk of flystrike in both mulesed and non-mulesed sheep, reducing labour and reliance on chemical use, mulesing and crutching. These activities are generally the most labour intensive and costly tools so reducing reliance on these can improve productivity and profitability, along with improving the lifetime welfare of sheep.

Woolgrowers work through practical activities that enable them to leave with a written breeding objective, specific to their property, that helps further focus their breeding and selection decisions on traits that improve overall animal welfare, profitability and productivity.

[www.wool.com/flystrikeresources](http://www.wool.com/flystrikeresources)

## **StrateFly™**

A one-day workshop to develop a property-specific whole-of-farm strategy for moving to a non-mulesed enterprise.

Moving to a non-mulesed enterprise is not a decision that should be taken lightly by woolgrowers, in some situations it can involve significant changes to current practices. It requires commitment and flexibility, and for it to be effective woolgrowers need to have a robust, long-term plan in place to manage the transition.

Woolgrowers that attend the interactive, one-day workshop will better understand the tools available to them to choose from if they wish to develop a strategy to go non mulesed. In removing the 'mulesing tool' from the flystrike management toolbox, woolgrowers must rebalance the use and timing of the other tools available to them (such as crutching, shearing and chemical use, classing and selection) to make the

transition. Also discussed will be ensuring woolgrowers have 'buy-in' from both people within their business and those that provide services to their business (for example, livestock agents and contractors).

During the workshop woolgrowers will work through practical activities that leave them with a moving to non-mulesed plan, specific to their property, that helps further focus their whole-of-farm decisions to improve overall animal welfare, productivity and profitability.

ClassiFly™ will be available in 2024.

[www.wool.com/flystrikeresources](http://www.wool.com/flystrikeresources)

## **AmpliFly™**

One-on-one coaching and support for a trained and accredited advisor to assist you over time to implement your whole-of-farm plan for preventing and controlling flystrike.

Through AmpliFly™, woolgrowers can engage AWI-trained and -accredited advisors under a fee-for-service consultancy arrangement to assist them to implement, monitor and improve their whole-of-farm plan for preventing and controlling flystrike. The AWI accreditation of trained advisors ensures woolgrowers will receive expert, nationally consistent, hands-on coaching and support that is tailored to their specific enterprise by their trusted advisor.

AmpliFly™ builds on woolgrower learnings from SimpliFly™, ClassiFly™ and StrateFly™ although these are not prerequisites to participation. The advisor support package is designed to be easily embedded into the suite of services that advisors offer to their clients, enhancing advisor capacity and broadening the reach of woolgrower funded research and development into reducing the impact of flystrike on Australia's sheep flock.

The practicalities of effectively preventing and controlling flystrike are different for every woolgrower, so it's important for the grower to be able to engage the advice they need to tailor a plan specific to their individual circumstances and needs.

AmpliFly™ will be available in 2024.

[www.wool.com/flystrikeresources](http://www.wool.com/flystrikeresources)

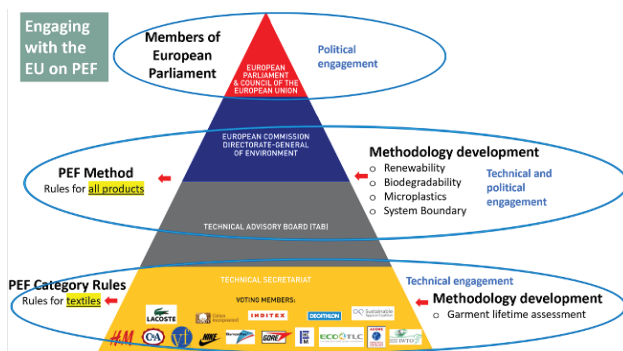
# FIBRE SCIENCE

**AWI AOP 2023/2024 Investment Focus: Contribute to the development of textile environmental rating schemes to level the playing field across fibre types and enable accounting for wool’s environmental credentials.**

## EU PEF (Product Environmental Footprint)

Over the last three years we have been engaging with the EU to influence and improve PEF methodology to help create a level playing field for wool products in this proposed textile rating scheme.

The EU is a large organisation and we have found it necessary to engage at each level in their decision-making structure.



## Yellow level – PEF Technical Secretariat (TS)

The TS’s life has extended from the planned 2.5 years to 4.5 years and further funding of 50,000 EUR is now sought from voting members. With IWTO being the wool industry’s representative body at this forum, funding is currently being sought from IWTO members.

We have been one of the most active contributors to the TS - proposing methodology improvements to create a more level playing field for wool and other natural fibres, including:

- Recognition by the EU that PEF as a methodology is imperfect and incomplete and that other credible schemes can also be used to substantiate green claims.
- Acceptance of the need to account for microplastics in PEF.
- Acceptance of the need to broaden PEF from simply the physical durability of clothing, to

reflect the ‘real-life’ reasons for clothing disposal – called “holistic durability”.

- Recognition of the poor quality dataset for wool collected by the EU and acceptance of IWTO’s offer to provide a higher quality dataset

IWTO is just one of the 16 voting members and, whilst final voting is yet to be undertaken, it seems likely that adoption of other IWTO-proposed methodology improvements will be modest – in other words, a lot of work remains before we have a level playing field for wool.

Our focus at the TS is now moving towards requiring the Commission to undertake the necessary research to ensure the next Technical Secretariat has a more robust evidence base to develop methodology and build a credible textile rating scheme.

## Blue level – Director General of the Environment (DG ENV)

With the EU’s recognition that PEF is incomplete and that other credible rating systems can operate alongside it, we are considering capitalising on this opportunity. First steps include the drafting of a position paper outlining the intent and scope of the proposal and then using it to assess market interest – it would be a major project requiring broad support from other natural fibre industries and brand-representative bodies.

## Red level – Ministers of the European Parliament (MEPs)

Recent meetings include:

- Ludovica Serafini, the parliamentary assistant of Polish liberal MEP Roza Thun, who is in charge of negotiations on the Waste Framework Directive.
- Spanish centre-left MEP Laura Ballarín, shadow rapporteur on the Green Claims Directive.

**AWI AOP 2023/2024 Investment Focus: Generate evidence to support industry’s eco-credential claims.**

## Highlighting wool’s circularity – Extended Producer Responsibility (EPR)

EPR legislation is coming in Europe and other

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# FIBRE SCIENCE

domains to tax brands for the end-of-life costs of the clothing they sell. Capitalising on wool's long history of reuse and recycling, a video is in production highlighting the advantages of wool to brands and the broader market, such as reduced EPR tax.

## Stewarding the landscape

Evidencing the wool industry as proactive, forward-looking and carefully stewarding the environment is important to maximising market interest in wool. Case study investigations of the environmental and economic performance of woolgrowers undertaking a broad range of farming practices is underway, including property mapping, ecological assessments, natural capital and financial reports.

Farming for the Future – 5 case studies arising from the collaborative Farming for the Future project were recently published on wool.com. These case studies provide evidence of woolgrowers that are managing investment in their property's natural capital in a way that maximises business prosperity and environmental returns, including biodiversity. The case studies have been shared through several mediums, including AWI's September edition of the Beyond the Bale magazine, and the Farming for the Future LinkedIn page.

Carbon Storage Partnership – this collaborative project is using multiple years of satellite imagery and farming systems models to identify the most effective adaptations to reduce net farm greenhouse gas emissions and increase biodiversity, depending on agro-ecological region, prevailing climate type and across different sheep enterprise mixes.

## **AWI AOP 2023/2024 Investment Focus: Generate knowledge of wool's carbon account to inform delivery of Australia's climate goals as well as the Sheep Sustainability Framework.**

A briefing paper was prepared and presented to inform peak livestock industry bodies on delivery of Australian climate goals as well as potential adoption of a 'split-gas' approach. The short-lived nature of methane in the atmosphere (with a lifespan of roughly a decade) is recognised by the UN's Food and Agriculture Organisation. Unlike long-lived greenhouse gases such as CO<sub>2</sub>, methane does not need to reach 'net zero' to achieve the Paris Agreement targets.

A paper detailing sheep industry GHG emissions for the 2005-2023 period is in draft and will be finalised in the next few months. It will inform the Sheep Sustainability Framework metrics.

A paper on potential future carbon reductions in the Australian sheep industry has been commenced and will be completed early in the new year.

## **AWI AOP 2023/2024 Investment Focus: Develop a robust evidence base of wool's health and wellbeing attributes to enable ongoing promotion to the growing wellness and sustainability market.**

### Evidencing next to skin Merino garments as therapeutic to eczema

This study is building on the existing evidence-base demonstrating superfine wool baselayer garments to be therapeutic to eczema, targeting the 0-5 year age group, which is most prone to eczema. The study at Northwestern Hospital in Chicago is progressing with half of the targeted 50 participants now recruited.

### Generating a test protocol to measure wool's breathability in dynamic conditions

The challenge of developing a fabric-based test method to objectively demonstrate wool's ability to keep wearers more comfortable in stop-go sports such as cycling and rock climbing has been successfully overcome. A variant to the methodology used in test DIN SPEC 60015 demonstrates that wool significantly reduces the after-chill experienced by athletes during the stop phase.

We are awaiting publication of the papers arising from this research prior to liaising with major brands to gain their help to encourage Standards organisations to incorporate this protocol variant in the test method.

### Assessing fibre type effect on the cognitive performance of the wearer in stressful situations

The paper arising from this study, which showed that people wearing wool got to the right answer faster during cognitively stressful tasks, has been submitted for publication in the journal Frontiers in Psychology.

# WOOL HARVESTING

## TRAINING DAYS / CATEGORIES

This current 23/24 financial year AWI has trained & upskilled 1448 participants. With a total of 445 training days to deliver this training.

Widespread demand for industry training across all wool growing states, a big focus on in shed wool handler training with 201 participants trained. In shed shearer training remains the largest category of training offered by AWI. Follow up training is often required to improve retention. A full range of other training categories being delivered offering a balanced approach for industry demand.

In Shed shearer training	589
In Shed wool handler training	201
Industry workshop	96
Improver shearing	62
Novice schools	121
Wool Handling workshops	5
<b>TOTAL</b>	<b>1073</b>

High school workshops	326
Expo career days	49
<b>TOTAL</b>	<b>375</b>

**In Shed Shearing** - On the job training in the workplace whilst shearing in a working team

**In Shed Wool Handling** - On the job training in the workplace whilst working as a wool handler

**Industry Workshops** - Existing workers trained on a work free day for all wool harvesting staff.

**Improver Shearing** - Full time learner shearers that require more than in shed on the job training.

**Wool Handling Work** - New entrant workers in a 2-3-day workshop in a working shed as extra staff.

**Novice Courses** - New entrant participants in a 5-day structured and consistent novice course.

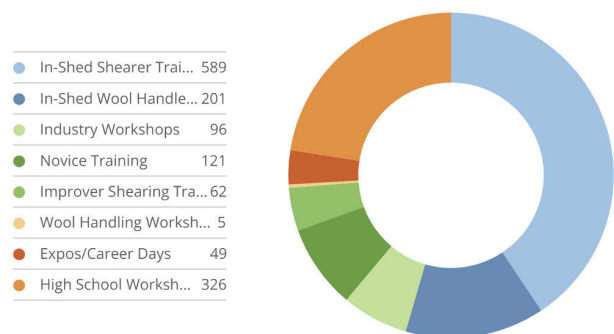
**High School Work** - Training school students the skills to work as a wool handler, providing a pathway for these students, in school holidays and post school to enter the industry.

**Expo / Career Days** - Exposure to the wool harvesting roles and opportunities in industry for students to provide a pathway and highlight the wool harvesting industry.

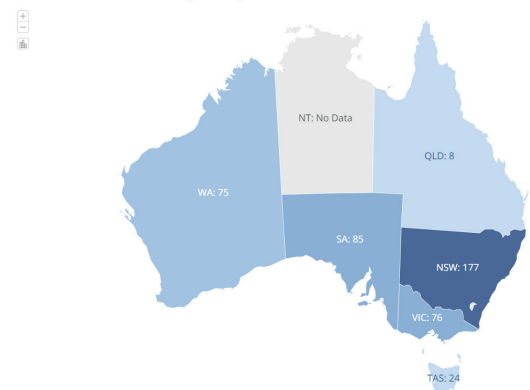
## PARTICIPANTS TRAINED 23/24 FINANCIAL YEAR (YEAR-TO-DATE)

- **Total trained** with **1448** working in industry & upskilled year-to-date.
- **Existing workers trained** with **827** existing workers trained in the workplace, either with an AWI in shed training day or at an AWI industry workshop and/or an AWI improver course.
- **New entrants trained** with **246** participants trained at either an AWI novice school, or at an AWI wool handling workshop or trained as a learner new entrant with an AWI in shed training day in wool handling with on-the-job training.
- **High School Exposure** with **375** participants trained are school students, with AWI offering one day high school practical workshops & attending expos/career days.

## 1448 Total Participants Trained



## 445 Total Training Days



# WOOL HARVESTING

## WOOL HARVESTING AMBASSADOR PROGRAM

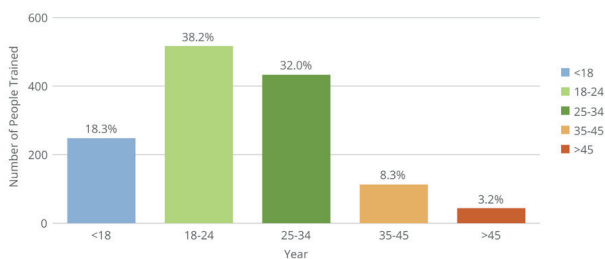
The wool harvesting ambassador program is an initiative of SCAA training, where we as an industry are selecting ambassadors for each state, to be young role models and must be an outstanding talent in their field. NSW adopted the program last year, with WA & TAS coming on board for the 2023/24 ambassador program. We are working with QLD to have them a part of this important and successful program.

Three ambassadors, two shearers and one wool handler are nominated by AWI trainers in each state, so for example the ambassadors are then selected by myself in NSW, Glenn Haynes in SA & VIC, Glenn Haynes & Lachlan West in TAS & the wool tag subcommittee in WA select the nominees.

Part of the ambassador program is to improve the culture of the industry, highlight the young talent that each state has, utilise these good people to assist in attracting the next generation of workers to the industry. Part of their role includes attending novice courses, high schools, some sports shear events and a trip funded by AWI to attend a pre-shears course in New Zealand and compete in the Golden Shears. Other sponsors for this program, on a state by state basis, include Heniger, WASIA, AWI, IO Merino, SCAA Training, West Coast Wools.

STATE	Trained	Retained	Retention Rate
NSW	465	414	89%
SA	187	176	94%
VIC	165	160	97%
WA	185	148	80%
TAS	59	54	93%
QLD	12	8	66%

## AGE OF PARTICIPANTS TRAINED



## RETENTION RATES (1073 Trained – does not include high school students)

The following is a breakdown of current retention rates (those participants working full time in sheds) by state, covering those trained by AWI funded training as current year to date 2023/24 Financial year period to-date.

# FINANCE

The figures below are as at the 30th September.

## Revenue

Source	FY2023/24 YTD '000's	FY2022/23 YTD '000's	Full Year Budget 2023/24 '000's
Wool Levy	7,736	9,553	39,000
Government Contributions	12,266	11,145	14,300
Woolmark Licensing	1,455	1,276	5,001
Other Income	893	730	2,270
<b>Total Income</b>	<b>22,350</b>	<b>22,704</b>	<b>60,571</b>

The year on year revenue is highlighting the reduction in wool levy received, slightly offset by the Government contribution which will not be finalised before June 2024.

## Expenditure

Source	FY2023/24 YTD '000's	FY2022/23 YTD '000's	Full Year Budget 2023/24 '000's
Marketing	11,974	11,053	31,021
Sheep Production	1,776	1,857	13,352
Industry Development	1,201	1,548	6,200
Market Analytics	957	851	5,001
Consultation	581	618	4,725
Support & Admin	3,327	3,340	11,291*
<b>Total Income</b>	<b>19,816</b>	<b>19,267</b>	<b>71,590</b>

\*Includes A\$1.5 of project related costs.

Expenditure is tracking within budget and expectations for the first quarter of the fiscal year.



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# MARKETING

The marketing department have developed a campaign to drive preference for wool as an environmental alternative to synthetic fibres. The campaign strategy takes a 3-pillar approach, this paper will provide a detailed update on pillars 1&2.

- **Pillar 1:** Driving awareness for wool's environmental benefits amongst millennials.
- **Pillar 2:** Encouraging action by helping consumers filter by fabric and choose wool at point of purchase.
- **Pillar 3:** Dialling up desirability by rebranding wool as an environmental solution

## Pillar 1 – Drive Awareness

For the upcoming campaign, we actively promote wool's environmental attributes—natural, renewable, biodegradable, and recyclable via an emotive 60-second film under the 'Wear Wool Not Waste' tagline. The campaign capitalizes on existing consumer concerns about waste and the unsustainable nature of fast, synthetic fashion. Our strategy strengthens wool's standing as an environmentally responsible and high-quality choice for consumers. To maximise the campaign's impact and message retention, we will focus on high-engagement platforms such as digital OOH, YouTube, connected TV, and digital TV. Our key target markets for this initiative include the United States, the United Kingdom, and France, we are prioritizing depth and quality of engagement over sheer reach.

## Pillar 2 – Encourage Action

The campaign's call to action 'Filter by Fabric' empowers consumers to proactively choose wool garments and heighten their awareness of different fibres while shopping. As online shopping gains momentum, the tactile experience and informative labels in physical stores diminish, contributing to customer confusion. This problem worsens due to the lack of clear product naming regulations, where vague terms like "fleece," "knitted," and "silky" further obfuscate fibre identification.

To address this, we commissioned a YouGov survey, which reveals that 60% of respondents would more readily make sustainable choices if retailers clearly labelled fabric types or provided fabric filters. Our

campaign pledge spotlights this issue, urging retailers, brands, media, and content creators to transparently label fabric types for all products and introduce fabric filters.

We publicly unveiled this initiative on October 4th through an open letter to the industry, followed by a press conference in Brussels on 12 October. This event will feature eco-ambassadors, brands, Members of the European Parliament (MEPs), and media representatives. To further amplify the campaign, we will engage in extensive social media activities and direct outreach to brands, media outlets, ambassadors, and MEPs. The campaign will be amplified across social and direct brand and media outreach.

## What are the expected benefits of Filter by Fabric?

- Benefits for wool: Garments like suiting, knitwear and fleece which are easily mistaken for wool will be clearly identified as synthetic, helping shoppers to make more sustainable and discerning purchases.
- Opportunity to demonstrate commercial value of using natural fibres such as wool to brands. We know from our research a wool labelled sweater converts to a sale +100xfaster than the same item not labelled wool.
- Benefits for consumers: Improved transparency on products so consumers can make more sustainable choices.

## What outcomes are expected in response to the pledge?

Greater fabric consciousness amongst consumers.

Increased awareness of fabric commercial and environmental impact amongst fashion industry.

## Is any regulatory initiative planned next?

- The concept will be tabled at the UN Climate Week NYC, a closed door briefing to MEPs in Brussels on 9th Oct and at COP28 in December by Eco Age.
- Pledge signatures will be used to demonstrate to policy makers the importance of transparent product names and a level playing field for all fibres.

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# MARKETING

To mitigate any greenwashing accusations, all claims have been scientifically verified and legal advice sought on campaign messaging. The campaign's messaging aligns with the recently released Sustainable Fashion Communications Playbook from the UNEP and UN Climate Change which means messaging is anchored in science, encourages positive behaviour change and limits consumption promotion.

Publicly available factsheets have been developed to validate wool's claims including:

wool's biodegradability, wool & carbon, wool & greenhouse gases, animal welfare. See Annexure 2 for detailed crisis communications response sheet.



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