

## **OCTOBER 2021 OUT OF SESSION MEETING OF THE WOOL INDUSTRY CONSULTATIVE Panel (WICP)**

**Date:** 28 October 2021

**Venue:** Microsoft Teams

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

### **MARKET UPDATE**

The AWI CEO reported that recent production figures are encouraging; however, these numbers have been skewed by the impact of COVID. Since August, production numbers have increased 38.5% on the back of favourable seasonal conditions. Key regions reported an increase in their average wool cut per head of 2.3%. The Australian wool forecasting committee confirmed their expectation that, with a total of 69 million sheep, 310 million kilos of wool should be shorn. There was a dip in the market due to China's issues regarding credit and power however Tianyu continued to buy during this period. Meanwhile, India has been buying consistently. Container and freight rates continue to increase and are still being seen as a key area of concern, as all exports are impacted.

### **EU's PEF**

AWI launched the "Make The Label Count" campaign on 13 October to combat the EU's proposed Product Environmental Footprinting (PEF) methodology. The MTLC brings together an international coalition of organisations who want to ensure clothing sustainability claims in the EU are credible. The campaign has already had traction with NGOs wanting to participate. AWI's CEO thanked WICP members who provided their written support during this period.

### **RWS CERTIFICATION**

A panel Member raised concerns regarding RWS certified wool. Namely that some mills are advising members that customers do not want to pay full RWS price and as a result are mixing RWS certified wool with non-certified wool and this has resulted in supply chain credibility issues.

### **ON FARM ISSUES**

Greater investment into genomic work, fly management and chemical resistance is a priority for the AWI Board accelerated by the issue of shearer shortages. AWI is also working with the shearing industry on a catch and drag prototype; six prototypes have been built and the industry is looking to showcase these, patent the design and commercialise. Panel members commended AWI on the new programs and greater investment regarding flystrike, noting that having the best tools to manage different production systems and good science-based information and extension is essential. WA growers have had to use chemical protection as they are unable to access crutchers due to border restrictions; some Victorian growers reported being charged double to crutch their sheep. WoolProducers updated members on their upcoming meetings with agricultural ministers regarding shearer shortages and border restrictions. A WA panel member provided information on a successful annual 'learner' shearer program that is filling a gap in the industry of shearers in the age bracket of 30 to 45 years and commented on the need for technology to support shearing. Working conditions for shearers and chemical resistance continue to pose a problem for the industry.

### **WOOLQ**

Panel members advised that there are ongoing grower concerns with WoolQ and that having two eSpecies in the industry amounts to duplication. AWI CEO advised that when WoolQ created the eSpeci there was no other digital option at the time that allowed AWI to access the data.

### **MINISTER ROUNDTABLE**

The Department of Agriculture Water and the Environment (DAWE) provided an update on the upcoming Minister Roundtable with the wool industry whereby a united view will be sought from the industry on improvements in industry collaboration, policy development and RDC consultation. That meeting is scheduled for late November with members of the WICP and other industry representatives.

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### **SHEARER VISAS**

DAWE's Director of Agricultural Workforce Michael Ryan provided an update regarding visa pathways. The agricultural visa is progressing; the regulatory framework was put in place on 30 September. At this stage it is not an operational visa as there are still discussions with countries to finalise sending arrangements, quarantine and visa program guidelines. Flights will likely arrive at the end of the year and an increase of numbers will occur during 2022. This program will require employers to be accredited as a temporary activity sponsor to bring workers into Australia. This program intends to provide a scope for low skilled, semi-skilled and skilled workers to come and fill capacity in both short-term seasonal work as well as long-term. There will be a maximum four-year visa length.

### **EXPANSION OF THE WICP**

AWI's 2021 Review of Performance (ROP) recommended increased mixed farming and next generation representation on the WICP. Subsequently the AWI Chairman has invited two entities to join the panel as guests to participate as panel members. Those individuals represent ASheep and MerinoLink.

### **CEO REDEPLOYMENT**

The change of position for former CEO Stuart McCullough was explained to panel members. The AWI Chairman informed the WICP that in Stuart's CEO role, a portion of his time was spent managing the overseas offices, assisting with the marketing opportunities and industry issues. As markets have opened overseas, the Board and the 2021 ROP identified a concerning understrength in staffing across major emerging markets, and determined that a key person was required to support and manage relationships, handle product development, emerging market strategies and other key industry issues, including PEF. Panel members queried the appointment, the HR process undertaken and the timeframe of the secondment. AWI responded to all concerns. John Roberts is the interim CEO until a new CEO is appointed; a search will commence after the upcoming AGM.

### **WOOLPOLL + AGM PAPERS**

The AWI Chairman advised members that papers for WoolPoll were sent out in a timely manner and, overall, only a few complaints were made regarding papers not arriving during this period. AWI also advised that AGM papers were sent out two weeks earlier than legally required to ensure that growers received papers on time. It was reiterated to WICP that if there are any concerns from their networks regarding AGM or WoolPoll papers, that there are helplines and other avenues to ensure shareholders have their say.

### **SENATE ESTIMATES**

Members were advised that AWI had recently attended Senate Estimates where an issue was raised regarding an AWI staff survey completed during the 2021 ROP review. It came to light that there were potentially some bullying issues within the organisation at undisclosed locations. The AWI Board spoke with the HR department regarding this to confirm whether or not internal complaints had been raised in Australia; none had. The Board reiterated their no tolerance approach to any form of bullying and highlighted the processes in place to raise staff issues including monthly management surveys.

Lyndsey Douglas  
Independent Chairman  
Woolgrower Industry Consultative Panel