

Annual
Operating Plan

2023-2024

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





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Strategic objectives and consultation process overview

The AWI Annual Operating Plan (AOP) has been developed following an extensive consultation process, starting with the work done by the Woolgrower Consultation Group (WCG) on the development of the Wool 2030 Strategy.

AWI's Annual Operating Plan is closely aligned with the three-year Strategic Plan and provides a framework for successful implementation of business objectives. This plan looks to inform levy payers, government and the wider wool industry on AWI's plans for the fiscal year 2023-24.

AWI is a charitable not-for-profit organisation incorporated in Australia responsible for delivering research, development and marketing for the Australian wool industry. AWI is owned by approximately 20,000 Australian woolgrower

shareholders and represents more than 60,000 levy payers. The company is funded by a levy of 1.5% on woolgrowers' wool revenue, with matching funds from the Australian Federal Government for eligible Research & Development expenditure.

The AOP is prepared each financial year to advise on the focus of the activities for the fiscal year that aligns with the objectives and outcomes in the three-year Strategic Plan.

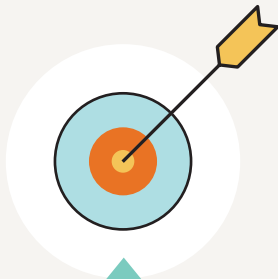
What we are aiming to achieve



Shared vision

Our immediate focus

Our vision statement



Our purpose

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



Our vision

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



Our goals

- > To position Australian wool as the sustainable, natural, renewable, and biodegradable fibre of choice.
- > To contribute towards an increase in the gross value of Australian wool production through AWI's efforts to increase demand, price and productivity.

This Annual Operating Plan (AOP) for the 2023/24 financial year outlines the main activities in which AWI will invest on behalf of Australian woolgrowers who fund the company.

Those activities are framed by the Strategic Plan for 2022/23 to 2024/25 and the wider financial context of the company.

Revenue from the 1.5% that woolgrowers pay as a levy and the strength of the wool market is the major contributor to AWI's finances; matching funds from the Commonwealth for research is the other significant contributor.

In contrast to the time when growers contributed a levy of 2%, we are this year having to draw down a further \$10.5 million from our reserves to maintain critical programs. That level of drawdown cannot continue and cuts in programs are likely in 2024/25.



AWI will live within its means and invest in areas that woolgrowers have told us are important to them.

Attracting and retaining wool harvesting staff remains the company's number one priority. While shearer and wool handler training is an important element of this priority, AWI is also looking at technology-based opportunities, from biological wool harvesting to novel sheep delivery systems, from upright posture shearing platforms to safer workplaces. Other important on-farm R&D projects are aimed at optimising sheep health and welfare; improving the genetic gain of woolgrowers' sheep; combatting wild dog attacks; increasing the reproductive efficiency of ewes, and harnessing opportunities for on-farm automation.

In addition, AWI delivers practical training programs through its extension networks in each state to increase producers' adoption of best practice on-farm management. The company also provides timely market intelligence to woolgrowers, holds many face-to-face industry events, and runs projects to encourage the next generation into the industry.

In the off-farm area, AWI continues to work on behalf of woolgrowers to increase demand and market access for Australian wool, by promoting the fibre's premium natural qualities, especially for luxury apparel and sportswear, but also for other novel applications like footwear. In our marketing,

we are focussing on promoting the eco-credentials of the fibre and taking advantage of the growth in e-commerce, particularly amongst the new generation of premium consumers. We also have a wide network of supply chain partners with which we work to explore new and diverse product and processing opportunities for wool.

Fundamentally, I believe that the long-term trends towards health and wellness, and products that are environmentally friendly, play in wool's favour – and this is something that AWI will capitalise on to expand the commercial opportunities for Australian wool across the world.

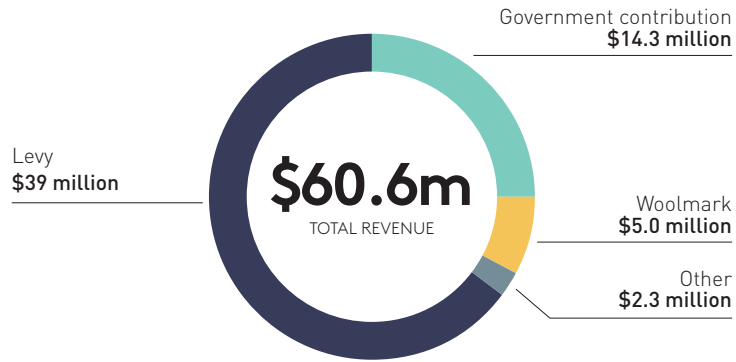
While there are plenty of opportunities for the Australian wool industry there are also threats – and there needs to be investment by the industry in R&D and marketing to address them. This is AWI's role, but the company has been hindered in the past few years in this respect due to reduced income. AWI operates in a lean, efficient and transparent manner, but just like any business with a reduced income, we have had to make tough choices about what projects to invest in or not invest in.

Rest assured though that AWI, your R&D and marketing company, will continue to work relentlessly for all woolgrowers to ensure the sustainability of their industry and profitability for their enterprises.

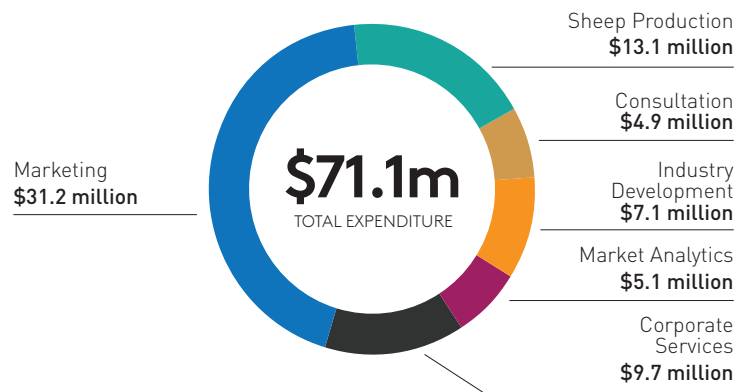
AOP alignment with AWI strategic objectives

STRATEGIC REPORTING PORTFOLIO	PROGRAM	SUB-PROGRAM
SHEEP PRODUCTION	HEALTHY PRODUCTIVE SHEEP	Sheep Health & Welfare Vertebrate Pests Reproduction & Nutrition Genetics
	ENVIRONMENT SUSTAINABILITY	Environmental Sustainability
	AGRI TECHNOLOGY	Hardware & Software Development
	TRAINING & TECHNOLOGY TAKEUP	Sheep & Wool Management Skills Wool Harvesting & Quality Preparation
MARKETING	TRADE MARKETING	Trade Marketing
	TALENT DEVELOPMENT	International Woolmark Prize Woolmark Performance Challenge
	CONSUMER MARKETING	Consumer Marketing Collaborations
CONSULTATION	WOOLGROWERS	Extension Networks Events & Forums Media
	INDUSTRY	Industry Representative Bodies
INDUSTRY DEVELOPMENT	WOOLMARK	Licensing Quality Control Business Development
	EDUCATION & EXTENSION	Retail Trade Student
	PROCESSING & PRODUCT INNOVATION	Technical Advice Sourcing & Supply Chain Connectivity
MARKET ANALYTICS	EMERGING MARKETS	Market Diversification
	SUPPLY CHAIN INITIATIVES	WoolQ Traceability
	BUSINESS INTELLIGENCE	Opportunity Identification Market Analysis
	FIBRE SCIENCE	Eco Credentials Wellness & Performance

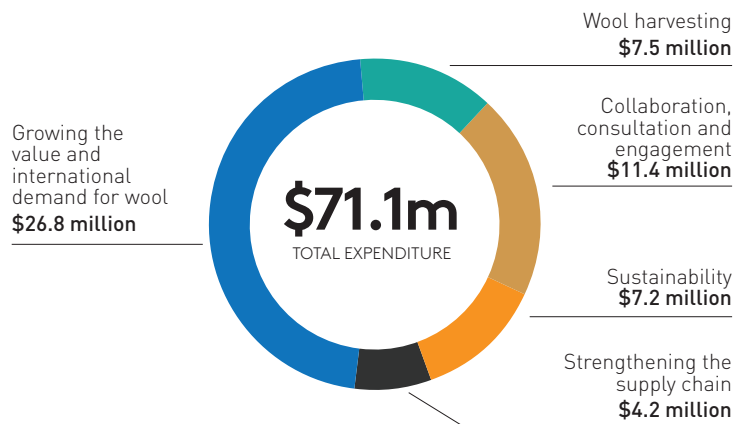
Income



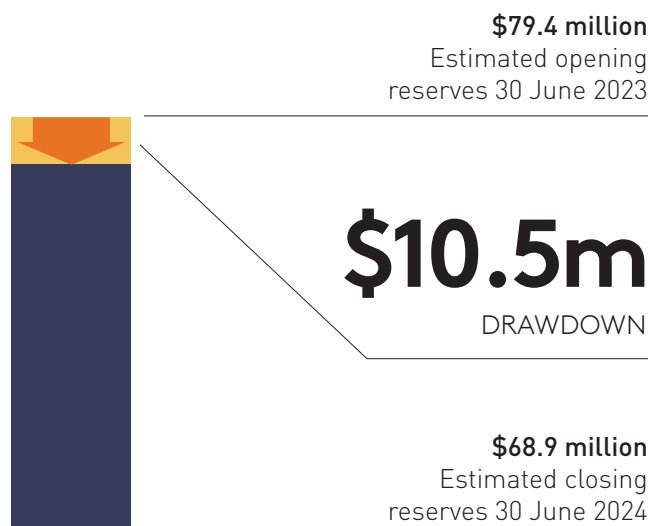
Expenditure by Portfolio



Expenditure by Strategic Priorities



Reserves



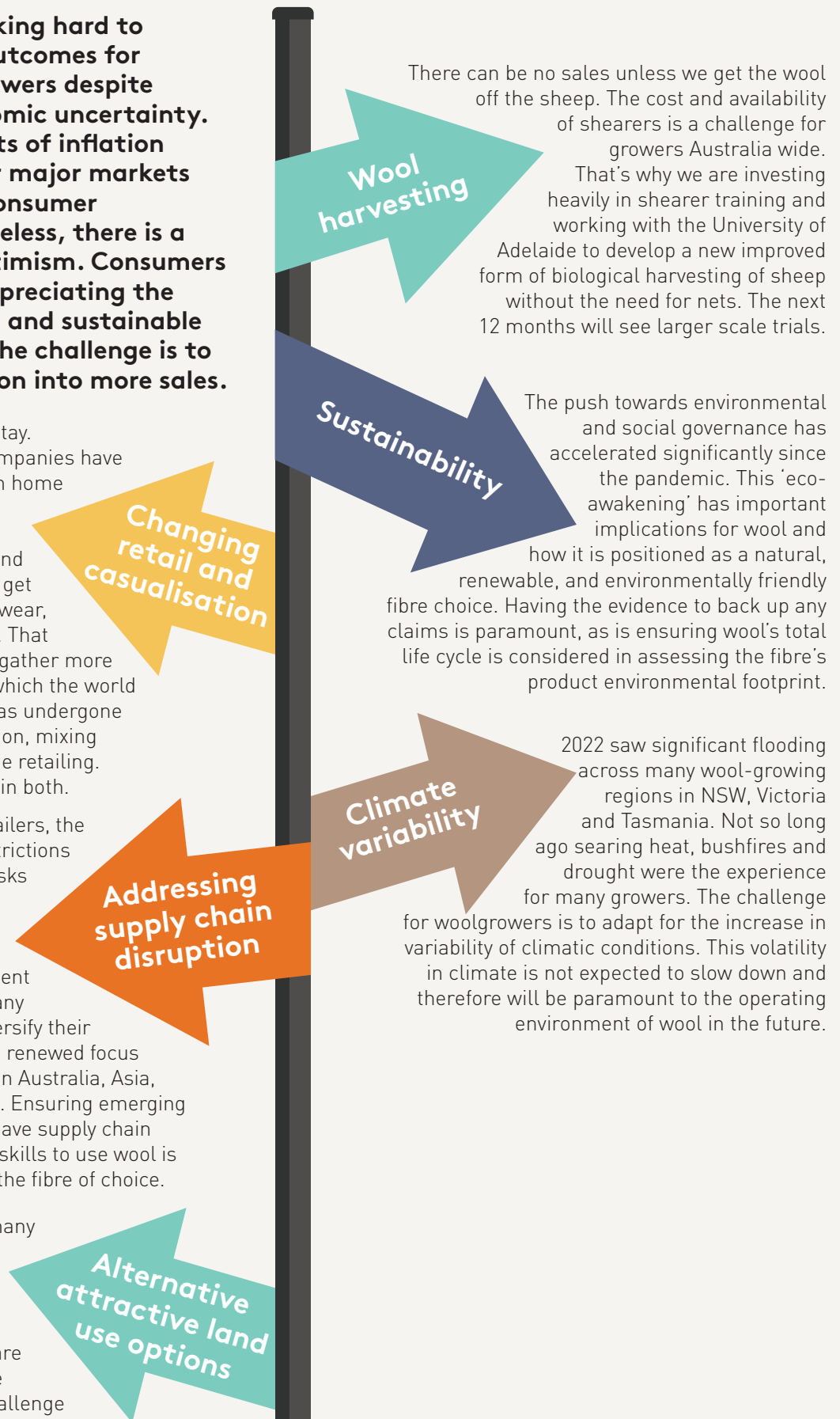
Challenges and opportunities for Australian wool

At AWI we are working hard to deliver improved outcomes for Australian woolgrowers despite global macroeconomic uncertainty. The lingering effects of inflation across many of our major markets continue to hurt consumer sentiment. Nonetheless, there is a strong case for optimism. Consumers are increasingly appreciating the natural, renewable and sustainable qualities of wool; the challenge is to convert appreciation into more sales.

Casualisation is here to stay. Post-pandemic, more companies have adopted hybrid work from home policies thus demand for formal workwear is reduced. The challenge and opportunity for wool is to get more of it used in loungewear, sportswear and footwear. That work has begun and will gather more momentum. The way in which the world purchases its products has undergone a significant transformation, mixing physical stores with online retailing. Wool must be prominent in both.

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

Wool-growing is one of many choices for land use. With favourable conditions across many regions and some strong commodity prices there are multiple viable, profitable land-use options. The challenge for wool is to underline its consistent performance across many years.





STRATEGY Sheep Production

PROGRAM: Healthy Productive Sheep

The Healthy Productive Sheep program aims to increase the productivity, profitability and sustainability of woolgrowing enterprises, while assisting growers to mitigate future risks to production. Investments are made through four sub-programs (Sheep Health & Welfare, Genetics, Reproduction & Nutrition and Vertebrate Pests) and capture a range of management practices that contribute to the lifetime health and performance of sheep.

Priority investment areas for the Healthy Productive Sheep program in 2023/24 align with both Wool 2030 and the Sheep Sustainability Framework, demonstrating shared industry goals. These include breeding for flystrike resistance, continued development and delivery of AWI's Flystrike Extension Program, improved genetic tools, analysis of lamb survival management interventions, sustainable and region-specific feedbase options, and national coordination of wild dog control.



HEALTHY PRODUCTIVE SHEEP

INVESTMENT FOCUS	TARGETS	BENCHMARK/ MEASUREMENT CRITERIA
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	25 woolgrower extension events held in flystrike management and moving to a non-mulesed enterprise	Numbers of events held: It's Fly Time!, SimpliFly, ClassiFly
	Growers that participate in workshops report: <ul style="list-style-type: none"> a. 70% increased awareness of tools to manage flystrike b. 80% increased confidence to make changes to the way they manage flystrike c. 80% increased confidence in managing flystrike without mulesing 	Workshop exit surveys
	15 advisors trained to assist growers to move to a non-mulesed enterprise	Number of trained AmpliFly advisors
Commission projects in flystrike management tools targeting the viability of the fly	Sterile Insect Technique co-funded project scoped and resourced	2023/24 project milestones are completed
Support for co-ordination of a national wild dog program	Continue support for the National Wild Dog Management Co-ordinator project	National Wild Dog Management Co-ordinator project

HEALTHY PRODUCTIVE SHEEP

INVESTMENT FOCUS	TARGETS	BENCHMARK/ MEASUREMENT CRITERIA
Increase knowledge and tools available to growers to assist them in choosing feedbase options suited to their region and production system	Tools made available to growers to assist them in choosing pasture species suited to their region and production system	New website is complete
	Improve the understanding on the use of hard-seeded legumes in low rainfall environments to give woolgrowers greater options to manage a variable climate	Deliver 8 fact sheets which address key management considerations for utilising hard-seeded legumes
	Improve understanding of the productivity and management of saltbush shrubs	'How to' guide on the establishment and management of shrubs released to industry
Increase grower understanding and adoption of best practice management for reproduction efficiency	Aim towards increasing national weaning rate by 5 percentage points from 2020 to 2030. This equates to an increase of 0.5 percentage points per year	MERINOSELECT Genetic Trend Report
	Collate and update information on management strategies for lamb survival	Release a benefit cost analysis (BCA) demonstrating the relative value of management strategies for lamb survival
Support woolgrowers to increase their overall wool-growing productivity through access to genetics and genomics tools and information	An increase of at least 3 index points for the MP+ index between last two fully recorded drops as at June 30th 2023, as reported by MERINOSELECT.	MERINOSELECT Genetic Trend Report
Support woolgrowers to breed for increasing flystrike resistance	A trend for lower breech wrinkle and dags ASBVs	
	Increasing genotyping and phenotyping of Merino breech wrinkle, dags, cover and fleece rot. By 2030 50% of MERINOSELECT current drop will have a breech wrinkle phenotype	MERINOSELECT Genetic Trend Report





Sheep Production

PROGRAM: Environmental Sustainability

PROGRAM OVERVIEW

The new 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. Sustainability on farm is complementary to the business of wool-growing, and addressing environmental sustainability issues such as biodiversity, soil health and pasture management, greenhouse gas emissions and climate change adaptation goes together with increased productivity and profitability.

Woolgrowers are stewards of their land. Investment in this area is designed to solidify the eco-credentials of wool while maintaining animal productivity and ensuring the long-term profitability and sustainability claims of the wool industry.

Priority investment areas for this new program of investment will be 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.

ENVIRONMENTAL SUSTAINABILITY

INVESTMENT FOCUS	TARGETS	BENCHMARK/ MEASUREMENT CRITERIA
<p>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.</p>	<p>New projects facilitated or commissioned.</p>	<p>Number of projects underway and commissioned</p> <p>Develop extension pathways</p>





STRATEGY

Sheep Production



PROGRAM:

Agri Technology

PROGRAM OVERVIEW

On-farm technology has the potential to solve some of the challenges of wool production and increase the resilience of wool-growing systems. AWI will work to deliver a biological harvesting alternative that will improve shearing efficiency, animal welfare and facilitate new business models. AWI will invest in advanced technology to enable data utilisation and provide objective measurement tools that can be used to accelerate genetic gains, improve animal welfare and support sustainability reporting.

AGRI TECHNOLOGY

INVESTMENT FOCUS	TARGETS	BENCHMARK/ MEASUREMENT CRITERIA
Invest in innovative solutions targeting wool harvesting alternatives to improve shearer and/or animal welfare and increase shearing efficiency	Report on the success of an in-vitro investigation of the effect of compounds on wool strength to facilitate bioharvesting	Milestone report
	New project(s) commissioned including solutions to harvest weakened wool	A project commissioned

STRATEGY

Sheep Production



PROGRAM: Training and Technology Takeup

PROGRAM OVERVIEW

Through the provision of training initiatives, we aim to be a valuable contributor to the profitability and sustainability of Australian woolgrowers. The encouragement and support of the next generation of wool industry workforce participants is critical to the growing prosperity of the Australian wool industry. Our programs in this area continue to expand and aim to help improve the engagement and motivation of young people, thereby developing and retaining skills the wool industry needs to be innovative in response to new challenges. Existing and future workers also have the opportunity for hands-on practical skills and development pathways, through a suite of AWI programs and initiatives that train, encourage, and motivate.

Sufficient numbers of highly skilled professional staff to harvest and handle a high-quality Australian woolclip in a timely and efficient manner is key to the profitability of the Australian wool industry. We remain committed to attracting and retaining the best new entrants into the harvesting industry, building the capacity and longevity of staff and increasing returns to woolgrowers through improved shearing, wool handling and clip preparation practices. We continue to fund hands-on practical training for shearers and wool handlers, aimed at increasing their skills, wellbeing and professional development. The training for harvesting staff will cover a wide range of experience – from novice to elite levels. AWI will explore new technology takeups and continue developments with the next phase of the catch and drag technology.



TRAINING AND TECHNOLOGY TAKEUP

INVESTMENT FOCUS	TARGETS	BENCHMARK/ MEASUREMENT CRITERIA
<p>AWI will continue to develop and make available key industry resources on best management practices and existing technologies across all facets of sheep production. Resources will be made available through a range of mediums including print, app development and AWI websites. AWI will focus on providing resources online through wool.com and Learn About Wool.</p>	<p>AWI leadership and practical skills events delivered to participants receive a net promoter score (NPS) of at least 7.5/10</p>	<p>2022/23 NPS benchmark will be used as a measure</p>
	<p>AWI programs engage with 500 student participants each year.</p>	<p>Tertiary, Secondary, Novices, new entrants</p>
	<p>20,000 views of AWI Education & Extension wool harvesting resources online</p>	<p>2022/23 benchmark on resource views will be used as a measure</p>
<p>With the broader adoption of innovative approaches to wool harvesting, such as upright and mobile shearing, multi-purpose sheds and easier catch/drag/release methods, AWI will work with industry to develop and deliver applicable training components. The initiative of the woolhandler/shearing tool kits is to retain shearers and shed staff in the industry.</p>	<p>3,700 novice and intermediate level participants supported through training by AWI</p>	<p>2020/21 – 1,000</p>
	<p>250 new entrants attained a level of competency to obtain AWI shearer or woolhandler/shearing tool kits</p>	<p>Toolkits distributed to entrants</p>
<p>AWI will continue to recognise elite shearing and wool handling through communication and promotion initiatives, as well as regional, state and national competition support</p>	<p>More than 1,000 participants in SportShear shearing and wool handling competitions nationally</p>	<p>2022/23 benchmark on participants will be used as a measure</p>
<p>Retention of wool industry participants through access to skills building opportunities to increase their capacity in leadership, business, industry promotion and their confidence in the future of the industry</p>	<p>Ongoing retention rate of 75% of those trained yearly</p>	<p>2022/23 benchmark will be used as a measure</p>



PROGRAM:
Trade Marketing

PROGRAM OVERVIEW

Ensure long-term industry success by building Australian Merino wool’s reputation as the world’s premium sustainable fibre, optimal for building circular, traceable products through a digital first program of content, events and media to build a community of life-long wool advocates and Woolmark licensees.

The trade marketing program will continue to focus on promoting Australian wool sourcing avenues and innovative solutions to brand partners whilst telling the story of Australian wool and the industry’s positive credentials.

TRADE MARKETING

INVESTMENT FOCUS	TARGETS	BENCHMARK/ MEASUREMENT CRITERIA
<p>Promote Merino wool as the optimal fibre for sustainable circular products</p>	<p>5% increase in engagement with wool sourcing assets from brand partners</p>	<p>Measure through LinkedIn followers, The Wool Lab swatch downloads, Toolkit downloads</p>
	<p>Growing awareness of wool benefits amongst trade and supply chain audiences</p>	<p>Measured through digital analytics tools - such as traffic growth - and lead acquisition via woolmark.com/industry registrations</p>
<p>EU Legislation Contingency Framework</p>	<p>Influence impending EU textile legislation and amplifying the ecological attributes of Australian Merino wool</p>	<p>Engage with and influence EU policy-makers, via the Make The Label Count campaign, to level the playing field of wool compared with other apparel fibres.</p>
	<p>Provide constructive solutions to make EU apparel labels meaningful and transparent for consumers</p>	





PROGRAM:
Talent Development

PROGRAM OVERVIEW

Drive demand for wool by positioning Australian Merino wool as the key ingredient for premium, sustainable apparel by targeting the future leaders of the fashion and performance industries.

TALENT DEVELOPMENT

INVESTMENT FOCUS	TARGETS	BENCHMARK/ MEASUREMENT CRITERIA
<p>International Woolmark Prize (IWP) will be restructured to be held every two years, with a focus on pre-registration in 2023/24. IWP celebrates outstanding fashion talents from across the globe who showcase the beauty and versatility of Australian Merino wool. It is the world's oldest and most prestigious award for rising fashion stars.</p>	<p>5% increase in pre-registration for program</p>	<p>2022/23 benchmark on pre-registration will be used as a measure</p>
<p>The Woolmark Performance Challenge (WPC) will be restructured to be held every two years and will be expanded to include small businesses and start-ups as well as students.</p>	<p>20 new leads for sports industry brands and stakeholders</p>	<p>Number of leads generated</p>



PROGRAM: Consumer Marketing

PROGRAM OVERVIEW

The consumer marketing program’s purpose is to drive demand for Merino wool by increasing awareness of Merino wool’s technical and eco benefits to align with growing demand for sustainable, comfortable apparel through a multi-faceted direct to consumer marketing program of campaigns and brand collaborations.

We will continue to establish Merino wool as a performance fibre of choice through strategic collaborations with elite sports teams and increase product availability through partnerships with sports industry leading brands.

The brand partnership strategy will see an increased focus on wool’s longevity and circularity for the new generation of consumers who are increasingly adopting a “buy less, choose better” philosophy.

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

CONSUMER MARKETING

INVESTMENT FOCUS	TARGETS	BENCHMARK/ MEASUREMENT CRITERIA
China Campaigns: produce a content and commerce model with retail partner support to drive volume of wool sales	Increase brand awareness for Woolmark and Merino wool benefits in China by 3%	Global Consumer Survey
	YoY increase wool sales driving partnership with major retailer	Sales data
Educate Gen Z and Millennial audiences on the negative affects of synthetics and the positive eco-credentials of wool	3% increase purchase intent of Australian wool through increased awareness of wool’s sustainable benefits	Global Consumer Survey
	Increase in average purchase intent of wool by 2% for the Eco Consumer campaign	Campaign impact report
Brand Partnerships with influential sporting brands, sustainable fashion brands and high-volume retailers	Secure a minimum of 2 high profile sporting event/team sponsorships	Contracted partners
	Uplift in brand/retailer intent to increase wool product categories	Retailer survey



PROGRAM:
Woolgrowers

PROGRAM OVERVIEW

Woolgrowers are central to all AWI activities and this program aims to ensure that we actively listen and engage with them in a meaningful way. During 2023/24 we will further implement our engagement plan with woolgrowers across Australia. We do this through our Extension Networks, our Industry Relations Officers, the Wool Industry Consultation Panel (WICP), the Woolgrower Consultation Group (WCG) plus at events and workshops.

WOOLGROWERS

INVESTMENT FOCUS	TARGETS	BENCHMARK/ MEASUREMENT CRITERIA
AWI will overhaul the wool.com website to increase navigability and increase traffic	Increase page views on Wool.com website by 5%	Website traffic reports
AWI provides a wide array of print and digital communications to engage woolgrowers with clear, relevant, engaging and accessible content	High level of member satisfaction rating (above 5.8/10) with communication from AWI	2022/23 benchmark will be used as a measure
	Improving efficiency through electronic distribution of <i>Beyond the Bale</i> using the latest government data on woolgrowers. This will save cost and will have positive impact on the environment as we are slowly moving away from paper based distribution.	Measured through EDMs and website traffic reports
Through the 6 extension networks, AWI will disseminate resources on best management practices, new and existing technologies and look to make these readily available	Increase number of active participants in AWI extension initiatives by 3%	Active members as reported by each extension network
	AWI workshops delivered to participants receive a net promoter score of 7.5/10 (evidenced by exit surveys)	Participation evaluation through exit surveys



PROGRAM: Industry

PROGRAM OVERVIEW

AWI has stepped up its engagement with the wider Australian wool industry. We work closely with brokers, processors, exporters, the Australian Wool Testing Authority and many industry representative bodies to enhance the profitability and sustainability of the industry.

The Federal Government is the single largest contributor of funds to AWI and during the next operating period we will continue to work or increase the collaboration with Department of Agriculture,

Fisheries and Forestries (DAFF) and other parts of Government for the benefit of Australia's woolgrowers. The successful roll out of our customer relationship management platform, Salesforce, from May 2022 will be further enhanced to capture meetings and action items from stakeholders. This has already provided important insights on the priorities of stakeholders and also measurement of our interaction with them.

INDUSTRY

INVESTMENT FOCUS	TARGETS	BENCHMARK/ MEASUREMENT CRITERIA
Regular interaction with members of the WICP/WCG	Increase member satisfaction in the industry forums WICP/WCG	Annual survey of representatives and members

STRATEGY Industry Development



PROGRAM: Woolmark

PROGRAM OVERVIEW

The Woolmark Licensing Program operates globally and allows for the logo to be applied to a range of qualifying products across apparel, interior textiles, bedding, floor coverings, laundry appliances and consumables, and sheepskins. It can also be used through the supply chain for yarns and fabrics. In 2023/24 the Woolmark Licensing Program will continue its focus on building upon and strengthening the licence along the supply chain by encouraging spinners, weavers, knitters and garment makers to pass on their Woolmark licence to retailers and brands, as a value add to the sale of their wool products.

Linked to AWI’s Traceability Program, a chain of custody tool will be incorporated into the Woolmark Licensing Program, creating the ability for licensees to trace and validate the supply chain journey that the wool has travelled to reach a finished garment.

WOOLMARK

INVESTMENT FOCUS	TARGETS	BENCHMARK/ MEASUREMENT CRITERIA
Ensure the Woolmark Licensing Program remains in demand and relevant for industry through current standards and procedures	Review relevant specifications and testing standards	Annual review of specifications
Targeting new and existing brands and retailers with the value and benefits of the Woolmark Licensing Program	Increase brand and retailer licensees by 10%.	2022/23 benchmark on retailer licences will be used as a measure
	Maintain or increase the number of tickets & labels ordered by Woolmark licensees.	2022/23 benchmark on tickets and labels will be used as a measure

ROSSA
PRADA PIRELLI TEAM

PRADA



PANERAI



PRADA

STRATEGY

Industry Development



PROGRAM:

Education & Extension

PROGRAM OVERVIEW

To educate and empower students and textile professionals about the Australian wool industry for enhanced expertise and industry growth.

AWI/TWC will continue to develop and deliver education programs via the Woolmark Learning Centre digital platform. The educational content developed will align with industry needs and elevate the value and desirability of Merino wool to a global audience of students, educators, woolgrowers, manufacturers, trade, designers, brands and retailers.

Global trade shows and Woolmark-partnered industry development centres provide key platforms for increasing awareness and demand for wool via sourcing connections (The Wool Lab), Woolmark licensee support, partnered innovation opportunities and sustainability initiatives.

EDUCATION & EXTENSION

INVESTMENT FOCUS	TARGETS	BENCHMARK/ MEASUREMENT CRITERIA
<p>To support and strengthen the wool industry by educating designers, merchandisers and sourcing teams to deepen their understanding of the world's most sophisticated natural fibre.</p>	<p>Deliver global training programs across womenswear, menswear, sportswear and interiors to a minimum of 40 retailers.</p>	<p>Number of retailers trained</p>
	<p>Expansion of Wool Science program into India and Vietnam through student participation.</p>	<p>Number of students participating in Wool Science programs</p>
<p>Elevate perceptions of value and desirability for Merino wool by empowering marketers and floor staff with the knowledge required to inspire consumer audiences which ultimately leads to increased wool sales.</p>	<p>Maintain participation in the Learn About Wool primary and secondary education program</p>	<p>2022/23 benchmark on student participation will be used as a measure</p>
	<p>Increase registrations on the Woolmark Learning Centre by 10%</p>	<p>2022/23 benchmark on registration will be used as a measure</p>
	<p>2 new course developments on the Woolmark Learning Centre</p>	<p>New courses available on the Woolmark Learning Centre</p>



INVESTMENT FOCUS	TARGETS	BENCHMARK/ MEASUREMENT CRITERIA
<p>Educate supply chain to ensure growth of wool processing, production expertise, knowledge and know how within the textile and garment industry through tradeshows, development centres and trade events. Exhibit at leading global trade shows to engage with trade partners to drive demand of wool. Exhibit wool innovations at global development centres to attract brand collaboration for innovation of wool products</p>	<p>Continue to attend leading traditional trade shows</p> <p>Increase our presence at trade shows in new market categories including military, workwear, interiors and accessories.</p> <p>10 innovation activations at global development centres</p> <p>50 leads generated</p>	<p>Number of tradeshows attended</p> <p>Visit two textiles trade shows in two new markets, a total of 2 trade shows</p> <p>Number of activations</p> <p>Number of leads generated</p>



STRATEGY Industry Development



PROGRAM: Processing & Product Innovation

PROGRAM OVERVIEW

To strengthen the supply chain with transfer of technical knowledge, know how and expertise to ensure a dynamic wool supply chain. Working with manufacturers and brands to both support and lead wool product and process innovations through to commercialisation, ultimately increasing consumption and demand for wool.

PROCESSING AND PRODUCT INNOVATION

INVESTMENT FOCUS	TARGETS	BENCHMARK/ MEASUREMENT CRITERIA
AWI/TWC will focus on new research technologies as well as sustainable practices. This will include early-stage processing, yarn, textile and garment production and finishing	Continue to collaborate with supply chain partners on four process and six product innovations.	Number of product and process innovations
The Wool Lab remains a leading global sourcing tool for the most innovative, advanced and commercial wool yarns and textiles	Maintain swatch requests from The Wool Lab	Swatch requests
	Increase the number of registrations by 5% on The Wool Lab Digital platform	2022/23 benchmark on registration will be used as a measure
AWI/TWC Technical Team will support technical transfer of processes and product innovations to strengthen industry capabilities in both existing and emerging markets. Brand led innovations will also be supported.	Increase in supply chain partners by 10%	2022/23 benchmark on supply chain partners will be used as a measure



STRATEGY Market Analytics

PROGRAM: Emerging Markets

PROGRAM OVERVIEW

Due to the global pandemic the global supply chain has changed dramatically, and we need to ensure that wool adapts to these changes to remain relevant and accessible. The effect of the pandemic means onshoring and nearshoring have become important key changes to many retailers and brands as they look to simplify their supply chains. The textile industry's focus on sustainability also calls for a relook at supply chains and specifically suppliers' eco-credentials and reduced impact on the environment. As part of AWI's ongoing market analysis, this financial year we will focus on Bangladesh, Latin America (specifically Mexico) and

target known suppliers in Thailand and Portugal for opportunities for wool rich and wool blends from a spinning and knitting capacity. We will continue supporting supply chain partners with early stage processing research and projects.

EMERGING MARKETS

INVESTMENT FOCUS	TARGETS	BENCHMARK/ MEASUREMENT CRITERIA
Through advertising with local trade publications and partnerships with local textile associations we aim to increase awareness or introduce wool/Woolmark to new markets in the manufacturing supply chain	Building brand/wool awareness in the manufacturing supply chain in new markets through:	2022/23 benchmark on adverts and seminar/workshop will be used as a measure
	Advertisements in local textile publications – 15 adverts across 2 markets	
Establish and support new supply chain partners who are interested in or want to increase their knowledge of wool. Visiting tradeshows in Latin America and Asia region to build trade leads and conduct market research.	Run wool seminar/technical workshop - one in one new market	2022/23 benchmark will be used as a measure - 30
	Connecting the supply chain and establishing new supply chain partners. Meet with 35 new supply chain partners in two new markets.	
	Visit two textile trade shows in two new markets	Trade show attendance



PROGRAM: Supply Chain Initiatives

PROGRAM OVERVIEW

The AWI Traceability program acknowledges the growing saliency of provenance, corporate social responsibility and perennial concerns regarding supply chain efficiency and biosecurity. The Traceability portfolio seeks to improve the quantity and quality of data collected as well as accessibility and traceability to enable woolgrowers to maintain relevance and secure additional value. AWI will investigate tools to support the flow of information about Australian wool, up and down the supply chain to all parties; to communicate Australian wool's benefits and facilitate provenance and supply chain transparency. This vision

aligns with the Industry's Wool 2030 Strategy as a key theme to communicate value and foster a prosperous woolgrowing community.

SUPPLY CHAIN INITIATIVES

INVESTMENT FOCUS	TARGETS	BENCHMARK/ MEASUREMENT CRITERIA
Support the connection of Australian woolgrowers through the supply chain and ultimately to consumers.	AWI participation in the Australian Agriculture data platform exchange and support wool industry data platform.	Milestone Reports to evidence participation.
Support Woolmark Licensees and the broader wool industry in improving wool supply chain transparency and data access to maintain market competitiveness.	Investigate the development of traceability tools for the Woolmark Licensing Program. Woolmark licensees have access to a tool to help solve matters of wool traceability through the collection and distribution of data.	Integration of solutions or partnerships into the Woolmark Licensing Program that supports traceability.
Collaborate with the Australian wool industry bodies and government bodies to enhance Australian wool traceability systems.	Continue collaboration on traceability systems with relevant stakeholders.	2022/23 benchmark will be used as a measure.



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STRATEGY

Market Analytics



PROGRAM:

Business Intelligence

PROGRAM OVERVIEW

AWI will enhance its market intelligence service, to help ensure Australian woolgrowers remain informed of activity across the global supply chain, including market prices, sentiment and trends. The aim is to build trust and transparency across the supply chain through an industry best-practice structured, targeted and measurable engagement model; and for this intelligence to influence, inform or contribute to AWI's business activities. There is an opportunity for reducing knowledge gaps between supply chain partners by an enhanced market intelligence function, and by acting as a conduit between sectors.

BUSINESS INTELLIGENCE

INVESTMENT FOCUS	TARGETS	BENCHMARK/ MEASUREMENT CRITERIA
Maintain the most valued market intelligence in the wool industry. Build demand and subscriber numbers as an indication of quality, well presented and sought-after information. Provide forecast analysis and insights into global trends to inform business owners of threats and opportunities across the supply chain.	80% of users of AWI's Market Intelligence find it of 'high value' or above	2022/23 benchmark will be used as a measure
	Maintain subscriber numbers on the Market Intelligence website	Subscription rate
	Market Intelligence area on AWI website receives 10,000 views per month	2022/23 benchmark on views on website page will be used as a measure



STRATEGY
Market Analytics

PROGRAM:
Fibre Science

The Fibre Science program addresses two sub programs – Eco-credentials and Health and Wellness.

Under the Eco-Credentials sub program, AWI will invest in demonstrating Australian wool's strong on-farm eco-credentials and its credentials up the supply chain, within a circular economy through to wool's biodegradation at the end of its life cycle.

This important investment area will link closely with the new Environmental Sustainability program under AWI's Sheep Production Strategy, ensuring woolgrowers have access to tools to assist them to reach their individual environmental sustainability goals and providing evidence along the supply chain of the eco-credentials of wool.

Scientific evidence of wool's benefits for human health and wellness is important to support AWI's investments in marketing performance wear i.e. multipurpose next-to-skin apparel.



INVESTMENT FOCUS	TARGETS	BENCHMARK/ MEASUREMENT CRITERIA
<p>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</p>	<p>Improved performance for wool in global rating schemes.</p>	<p>Generated reports proposing methodology improvements</p> <hr/> <p>High-quality data for wool accepted</p> <hr/> <p>Gained the inclusion of more balanced metrics in rating schemes such as renewability, circularity, biodegradability, microplastics, plastic waste etc.</p>
<p>Generate evidence to support industry's eco-credential claims</p>	<p>Completed case studies of carbon storage and biodiversity improvement</p> <hr/> <p>Completed scenario modelling of adaptations to improve natural capital</p>	<p>Case studies completed</p>
<p>Generate knowledge of wool's carbon account to inform delivery of Australia's climate goals as well as the Sheep Sustainability Framework</p>	<p>Assess the sheep industry's GHG emissions and opportunities for meeting Australia's national GHG commitments.</p>	<p>Reports produced</p>
<p>Develop a robust evidence base of wool's health and wellbeing attributes to enable ongoing promotion to the growing wellness and sustainability market.</p>	<p>Generate a comprehensive evidence base for submission to an appropriate journal and use for marketing.</p>	<p>Publications produced</p>

STRATEGY Corporate Services



PROGRAM: Corporate Services

PROGRAM OVERVIEW

Corporate Services provides key expertise, compliance, governance, support, and value to the global business in the areas of financial management, legal, measurement, monitoring and evaluation, people & culture, and company secretarial support including intellectual property portfolio management.



CORPORATE SERVICES

INVESTMENT FOCUS	TARGETS	BENCHMARK/ MEASUREMENT CRITERIA
<p>People and Culture – Source, nurture and retain the best available talent for the business and ensure they have the required skills, processes, support, training and working environment to facilitate them performing at their best to deliver for woolgrowers. Fostering and nurturing a culture that has integrity, respect, and transparency at its core, and that celebrates diversity and inclusiveness</p>	<p>Learning and development with a focus on upskilling existing employees for new challenges and/ or future roles. At least 50% of employees to have participated in some form of learning & development.</p>	<p>Benchmark - number of learning & development opportunities provided this FY</p>
	<p>Employee satisfaction rating measures how satisfied employees are within the organisation. Maintain or increase the rating from 4.2/5.</p>	<p>2022/23 Employee engagement survey rating of 4.2/5</p>
	<p>Online compliance training completion rate to be a minimum of 95%.</p>	<p>Completion rates are based on completion of the following key compliance training modules rolled out annually:</p> <ol style="list-style-type: none"> 1. Code of Conduct & Business Ethics 2. Policy dealing with Equal Opportunity, Anti-Discrimination, Harassment, Victimisation, Bullying and Grievance Procedures 3. Modern Slavery 4. Work Health & Safety 5. Respect@Work (Australia only)
	<p>Respective proportions of men (40%) and women (60%) on the board, in senior executive positions and across the whole workforce.</p>	<p>2022/23 benchmark will be used as a measure</p>
<p>Measurement and Evaluation – provides a framework to measure, analyse, evaluate, and report on the performance of AWI’s investments on behalf of its stakeholders, implements and updates systems and processes to assist in the consistent collection and analysis of information and data to inform investment decisions and report against AWI strategic and operational targets</p>	<p>Conduct four impact (cost – benefit) assessments of RD&E and marketing investments annually.</p>	<p>Number of impact assessments conducted</p>

INVESTMENT FOCUS	TARGETS	BENCHMARK/ MEASUREMENT CRITERIA
<p>Finance – monitor and manage corporate financial compliance and reporting requirements globally, acknowledging the complexity and changing governance requirements across the company’s global footprint. Manage the company’s global investment and foreign currency exposures within the approved policies to safeguard corporate funds and minimise currency risk exposure. Provide useful and accurate financial reports to the business to enable effective decision making that meets the global financial compliance requirements.</p>	Timely financial reporting to internal and external stakeholders	Internal reporting
	Unqualified audit report delivered	Audit completed
<p>Information Technology – provide support to the business for all hardware and software requests. Implement Service Level Agreement (SLA) to monitor support requests and average time taken to resolve issues.</p>	Maintain or increase SLA 90% of time	2022/23 benchmark will be used as a measure
	Resolution of IT issues within 24 hours	Average resolution time
<p>Digital- provide support to business for digital requests, such as, EDMS, Website changes and Salesforce improvements. Gauge the perception of people on ease of using the systems and make improvements accordingly.</p>	Increase SLA 90% of time	2022/23 benchmark will be used as a measure
	Maintain or increase average ease of use rating for Digital systems from 7.2/10	7.2/10 - 2022 Internal Staff Survey
<p>Legal – supports staff with commercially sound legal solutions. In addition to providing legal advice, the team is responsible for managing the company’s Intellectual Property (IP) Portfolio and advising on IP matters, assisting with corporate governance matters and company secretary work for AWI and TWC and its subsidiaries and advising on privacy and data protection matters.</p>	Implement the automated contracting system in Salesforce	Automated contracting system implemented
	Digital contract creation will reduce time spent and increase efficiency and adherence to processes	Measured through completed contracts in DocuSign
	Initial response time on contract within 48 hours	2022/23 benchmark will be used as a measure



Rapid Decomposing
Wool

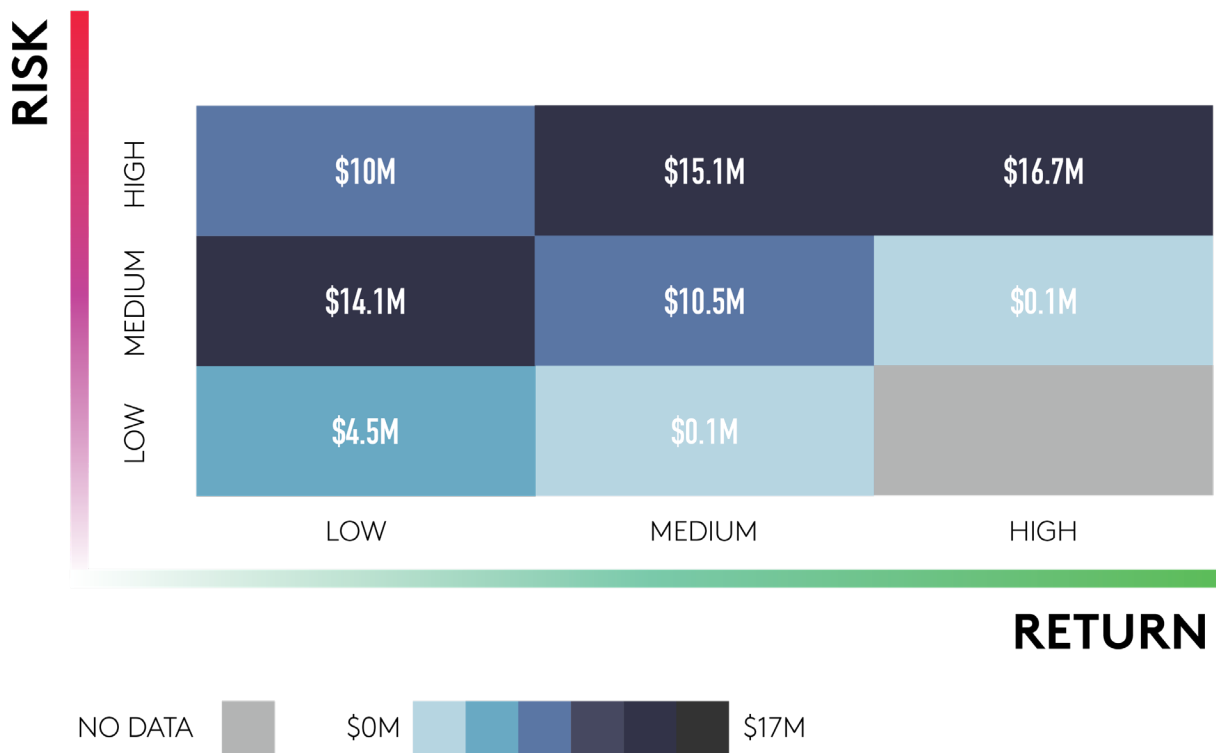
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Balanced Portfolio

AWI seeks to balance the risk position by investing in higher risk activities that may drive substantial growth in the demand for wool; and the need to remain a stable organisation with the capacity to continue to work for woolgrowers long into the future.

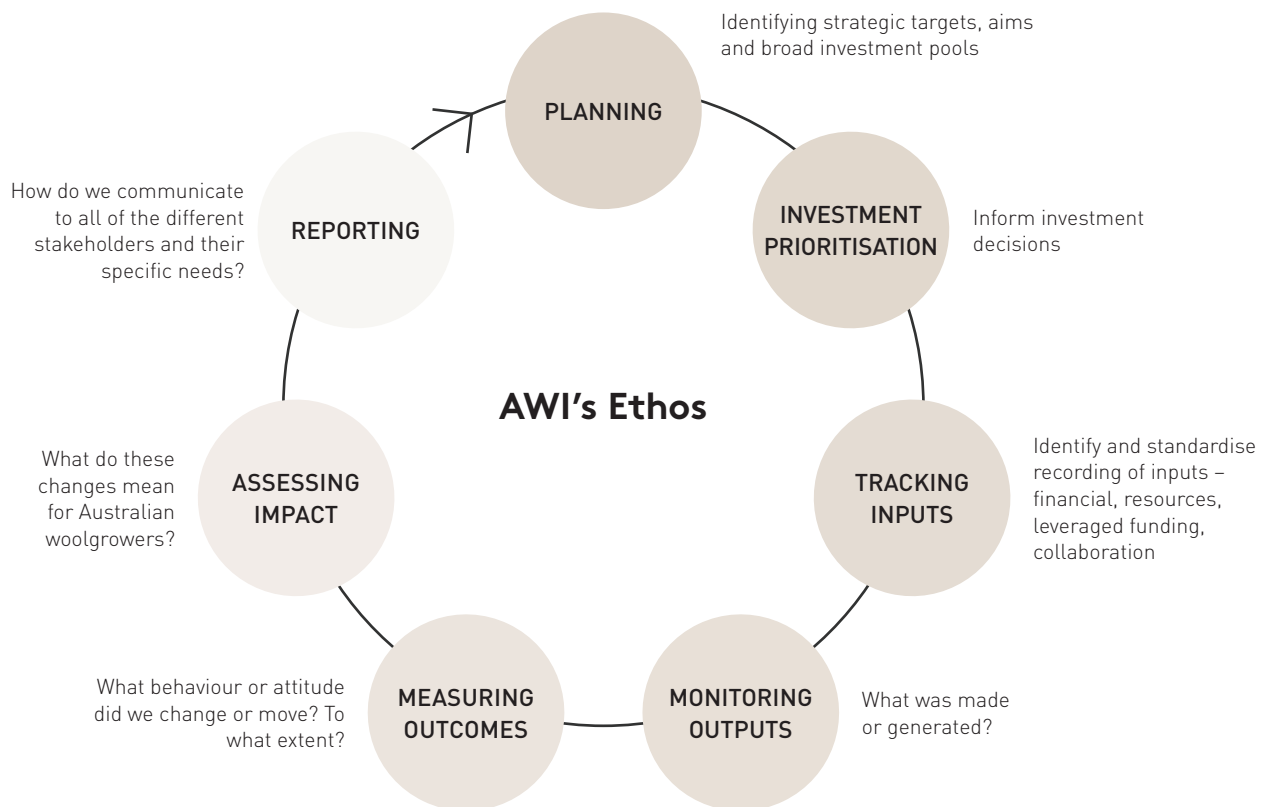
The matrix below shows AWI's RD&M investment by risk and return category for the 2023/24 financial year.



Measurement and Evaluation

AWI's goal is to continue to support and increase the profitability and sustainability of the Australian wool industry through strategically targeted investments. The Measurement and Evaluation (M&E) framework provides the necessary data to guide strategic planning, to design and implement programs and projects. The M&E framework covers objectives, indicators, data sources, plans for data collection,

analysis, how data is collected. In other words, it clearly outlines how data is collected, analysed, and reported. M&E provides quantifiable data to help program managers learn from project successes, challenges and be better prepared to respond to the ever-evolving project situations by identifying what worked, what did not, why it did not work and how future projects could be improved.



Risk Management

AWI has a risk management framework in place to effectively identify and manage risk across the organisation. AWI's risk management framework is aligned with the International Standard ISO 31000: Risk Management – Principles and Guidelines on Implementation, that acts as a guide for companies for managing risk in a more formal and hence effective manner.

AWI's risk management framework sets the requirements and responsibilities for staff and emphasises that it is everyone's responsibility to have appropriate controls in place and ensure the effectiveness of these controls in the reporting and management of risks.

Risks are identified, analysed, evaluated, and monitored at both an organisational (top down) and operational (bottom up) level, as well as at an individual project level. Its purpose is to identify, assess, and prioritise risks, and then allocate resources to minimise, monitor, and control the probability and/or impact of future events.

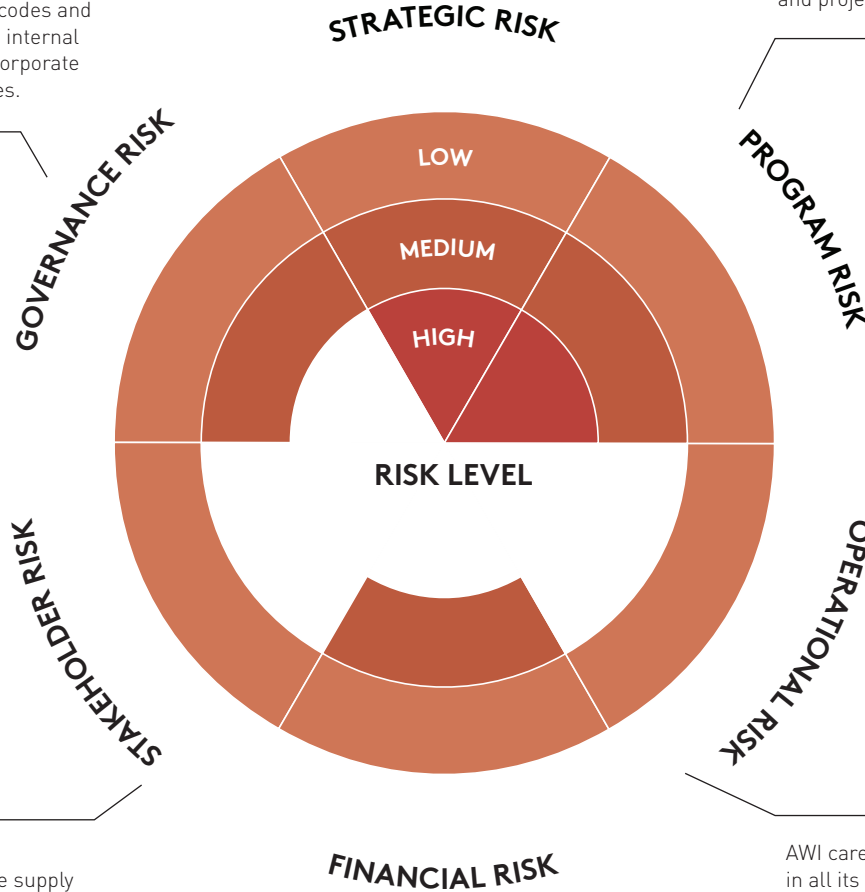


Risk Level

AWI recognises that the actual or perceived inability to deliver strategic initiatives could have a significant impact on its ability to achieve its objectives. AWI has to keep abreast of domestic, international issues relating to the wool industry and strategic risks, e.g. changes in consumer demand, legislative impacts, and international trade relations.

AWI is committed to a high level of compliance with relevant legislation, regulation, industry codes and standards as well as internal policies and sound corporate governance principles.

AWI implements different types of programs and there are risks types associated with program and project implementations.



AWI works with various stakeholders across the supply chain and understands that there are certain risks that can arise working with stakeholders.

AWI carefully analyses risks in all its operational activities, including ensuring that the benefit of the risk control measures exceeds the costs of these measures. AWI has processes in place and can make resources available to manage operational risks to acceptable levels.

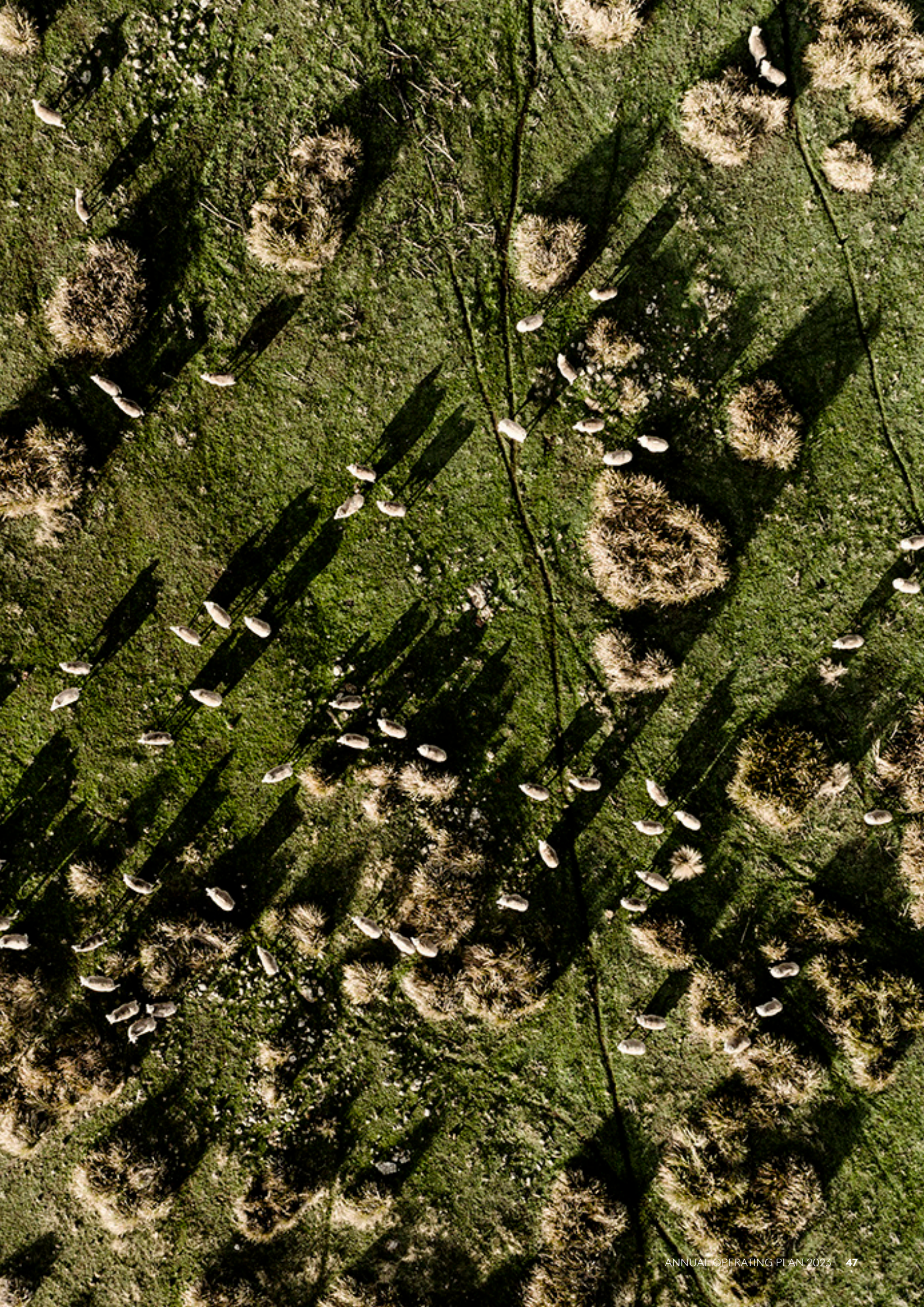
AWI assesses its financial risks both from a strategic and operational perspective. AWI always requires a balance between adequate reserves and expenditure on R&D and marketing.

There are three major environmental risks that AWI encounters and these are bushfires, flood, and drought. The direct impact of these risks is to the woolgrowers, and it also has a major impact on AWI and the industry. The economic effects of this can be seen through the national flock size, average cut per head and shorn wool production. To mitigate these risks, AWI provides woolgrowers with a wide variety of resources and tools available to support them prepare for and reduce the impacts of bushfires, flood, and drought.

One of the major social risks is consumer purchase behaviour. There has been a continual shift towards casual workwear, a push which has seen workers choose apparel for comfort and casual styling, rather than structured formal workwear such as suiting. While this shift has impacted wool's traditional suiting market, the natural stretch, breathability and comfort of wool apparel creates opportunities within this trend.

Annual Budget Summary 2023/24

STRATEGIC REPORTING PORTFOLIO	PROGRAM	STRATEGY ('000s)	ALLOCATION OF CORPORATE SERVICES BUDGETS ('000s)	TOTAL ('000s)
SHEEP PRODUCTION	HEALTHY PRODUCTIVE SHEEP	5,429	315	13,060
	AGRI TECHNOLOGY	1,290		
	ENVIRONMENTAL SUSTAINABILITY	785		
	TRAINING & TECHNOLOGY TAKEUP	5,241		
MARKETING	TRADE MARKETING	1,106	897	31,920
	TALENT DEVELOPMENT	882		
	BUSINESS DEVELOPMENT	1,083		
	BRAND AWARENESS	27,952		
CONSULTATION	WOOLGROWERS	2,903	69	4,881
	INDUSTRY	1,909		
INDUSTRY DEVELOPMENT	WOOLMARK	352	156	6,356
	EDUCATION & EXTENSION	2,595		
	PROCESSING & PRODUCT INNOVATION	3,253		
MARKET ANALYTICS	EMERGING MARKETS	1,161	109	5,110
	SUPPLY CHAIN INITIATIVES	1,502		
	BUSINESS INTELLIGENCE	972		
	FIBRE SCIENCE	1,366		
SUPPORT ADMIN COSTS	CORPORATE SERVICES	9,331 1,960	(1,546)	9,745



Corporate governance framework

Governance principles

The main provisions governing the activities of AWI are:

- Legislation applicable to AWI including the Wool Services Privatisation Act
- Other legislation applicable to both companies and not-for-profit entities
- The Statutory Funding Agreement with the Commonwealth whereby AWI receives certain funding as the designated research body for the wool industry; and
- AWI's Constitution.

The Board is committed to governance systems that enhance performance and ensure AWI operates legally and responsibly on all matters and maintains the highest ethical standards.

AWI's governance framework meets the best practice guidelines in the ASX Corporate Governance Principles and Recommendations (Principles and Recommendations) in implementing a corporate governance framework. While AWI is not a listed company, it uses these Principles and Recommendations as guidance in its governance practices to the extent that they are reasonably applicable to AWI's circumstances as a not for profit entity with charitable objects to act in the best interests of Australian woolgrowers.

Board functions and responsibilities

Key functions and responsibilities for the Board are set out in the Board Charter. The Board Charter specifies Board responsibilities including general oversight of AWI; governance; risk management; people and remuneration; Chairperson responsibilities and communication with shareholders. Operational matters delegated to the CEO are delineated.

There are three standing sub-committees being:

- Audit and Risk Committee
- Research Development Education and Extension Committee
- People and Culture Committee.
- Marketing and Product Innovation Committee

There is also a Board Nomination Committee which is convened in director election years.

Board Nomination Committee

From 2019, the Board Nomination Committee has three external members who are specifically described in the updated Charter for this Committee and two incumbent Board directors.

The composition of the committee is as follows:

- A Chair independent of the wool industry and independent from AWI. The Chair was initially appointed by the Secretary of the Department of Agriculture, Water and the Environment. However, the government appointee has now been replaced by an independent chair sourced after an executive search and selected by the Board Nomination Committee itself.
- Two independent non-executive directors of the Company (other than the Chair of the Company).
- One representative of the wool industry independent from the Company, nominated by the Woolgrower Industry Consultation Panel.
- One representative from an international executive search firm, nominated by the CEO of the Company (subject to approval by the independent Chair of the Board Nomination Committee).

Corporate governance documents

AWI's corporate governance documentation is available on the AWI website at www.wool.com/governance and includes:

- AWI Constitution
- Board Charter
- Charter of the Committees of the Board
- Board Nomination Committee Charter
- Code of Conduct and Business Ethics
- Corporate Governance Policy
- Communications Strategy
- Rules and Procedures Governing the Election of Directors
- Statutory Funding Agreement.

AWI continues to review and develop these documents on a regular basis to ensure they remain relevant to the Company and encapsulate the high standards the Board and management are committed to achieving.

AWI Board skills matrix

With the assistance of an external governance adviser, core skill areas are reviewed by the Board annually as a part of the Board review. The 2022 review included a self-assessment and peer review of the currency of skills and experience for each director and 360-degree feedback from senior executives in accordance with AICD best practice recommendations.

The skills matrix in the annual report shows the extent to which directors collectively possess the desired skills and experience. The results demonstrate that the Board collectively has a good level of knowledge and skill to carry out its responsibilities effectively. Directors may access further expertise in the core skill areas, and in other areas not shown in the matrix, from within AWI and externally as appropriate.

Review of independence of directors

The Board maintains a Directors Disclosure of Interests Register which is reviewed as a standing agenda item at all Board meetings. The materiality of disclosures is assessed by the Board to determine whether they may interfere with, or reasonably be seen to interfere with, a director's capacity to bring independent judgement to bear on matters before the Board. This provides a systematic approach for the Board's oversight of the independence of all

All directors meet all of the criteria for independence in accordance with the Principles and Recommendations.

Code of Conduct and Business Ethics

AWI endeavours to be recognised as an organisation committed to high ethical standards in business.

Transactions connected, directly or indirectly, to directors and officers may occur in the ordinary course of AWI's business since the Board includes members actively involved in the wool industry.

AWI has a Code of Conduct and Business Ethics to ensure decisions are made in an ethical and responsible way without being influenced by improper considerations, and to ensure that AWI's contracts are at arm's length commercial terms and consistent with AWI's legal obligations.

The Code is available on AWI's website at www.wool.com/governance.

Appendix

WOOL 2030 PILLARS

WOOL 2030 PILLARS	PRIORITY 1: GROWING THE VALUE AND INTERNATIONAL DEMAND FOR WOOL \$M	PRIORITY 2: WOOL HARVESTING \$M	PRIORITY 3: COLLABORATION AND ENGAGEMENT \$M	PRIORITY 4: SUSTAINABILITY \$M	PRIORITY 5: STRENGTHENING SUPPLY CHAIN \$M	TOTAL \$M
Pillar 1 – Caring for our animals and the environment <ul style="list-style-type: none"> • Growers have the confidence and tools to manage flystrike without mulesing • Australian wool production is moving towards carbon neutrality • More than 50% of wool is sold under a quality certification scheme • Woolgrowers are earning income from ecosystem services, including for carbon mitigation 	✓	✓	✓	✓		37.2
Pillar 2 – Marketing the world’s most desirable fibre <ul style="list-style-type: none"> • New wool products are developed to meet evolving consumer needs • Australian wool attracts a price premium over equivalent wools from other countries 	✓		✓		✓	4.8
Pillar 3 – Communicating with our customers <ul style="list-style-type: none"> • Australian woolgrowers understand the market(s) they serve • 95% of Australian wool is sold with a completed National Wool Declaration or equivalent by June 2022 	✓		✓	✓	✓	10.6
Pillar 4 – Transforming our production systems through innovation <ul style="list-style-type: none"> • Lamb weaning rates increase by 5 percentage points • Genetic gain is 2% per annum • Cost of harvesting reduces by 3% per annum in real terms 	✓	✓		✓		6.7
Pillar 5 – Fostering a prosperous woolgrowing community <ul style="list-style-type: none"> • Staff and contractors feel valued by the industry • The Australian wool industry is seen to be united and cohesive • Woolgrowing is perceived as a satisfying and profitable pursuit 			✓	✓		11.8
TOTAL	26.8	7.5	11.4	16.2	9.2	71.1

SHEEP SUSTAINABILITY FRAMEWORK (SSF)






SHEEP SUSTAINABILITY FRAMEWORK (SSF)	PRIORITY 1: GROWING THE VALUE AND INTERNATIONAL DEMAND FOR WOOL \$M	PRIORITY 2: WOOL HARVESTING \$M	PRIORITY 3: COLLABORATION AND ENGAGEMENT \$M	PRIORITY 4: SUSTAINABILITY \$M	PRIORITY 5: STRENGTHENING SUPPLY CHAIN \$M	TOTAL \$M
Caring for our sheep <ul style="list-style-type: none"> • Reduce, refine and replace painful husbandry practices • Implement best practice sheep management • Ensure humane processing and on-farm euthanasia • Prevent and manage disease 	✓		✓	✓		7.7
Enhancing the environment and climate <ul style="list-style-type: none"> • Improve natural resource management • Responsible environmental practices • Encourage biodiversity • Reduce net greenhouse gas emissions • Adapt to a changing climate, including extreme weather events 				✓		4.1
Looking after our people, customers, communities <ul style="list-style-type: none"> • Improve industry safety culture • Improve our peoples' health • Support and grow workforce • Encourage workforce diversity • Enhance community trust • Deliver products that customers demand 	✓	✓	✓			46.1
Ensuring a financially sustainable industry <ul style="list-style-type: none"> • Maintain or increase industry profitability • Maintain or increase contribution to the Australian economy • Increase productivity and encourage innovation • Ensure positive market positioning and access • Guarantee product integrity and safety 	✓		✓		✓	13.2
TOTAL	26.8	7.5	11.4	16.2	9.2	71.1

Alignment with Australian Government priorities

National Agricultural Innovation Priorities

The Australian Government is a major investor in AWI, collecting and disbursing statutory levies and providing taxpayer funds for eligible industry research, development and extension (RD&E) activities. As the wool industry's rural Research and Development Corporation (RDC), AWI is the Australian Government's primary vehicle for funding innovation in the wool industry. AWI takes into account the Australian Government's National Agricultural Innovation Priorities and the National Science and Research Priorities in setting its R&D investments, in addition

to other directives and priorities the Government communicates to AWI. The National Agricultural Innovation Priorities were announced by the Australian Government in October 2021 as part of the National Agricultural Innovation Policy Statement. They replace the Australian Government's Rural Research, Development and Extension (RD&E) Priorities. See www.agriculture.gov.au for more information. The table below shows the planned 2023/24 budget against the priorities.

	PRIORITIES	2023/24 ALLOCATION
	TRUSTED EXPORTER Australia is a trusted exporter of premium food and agricultural products by 2030	\$60.7m
	CLIMATE RESILIENCE Australia will champion climate resilience to increase the productivity, profitability and sustainability of the agricultural sector by 2030	\$1.4m
	BIOSECURITY Australia is a world leader in preventing and rapidly responding to significant incursions of pests and diseases through futureproofing our biosecurity system by 2030	\$1.5m
	DIGITAL AGRICULTURE Australia is a mature adopter, developer and exporter of digital agriculture by 2030	\$2.4m
	ADOPTION OF R&D Adoption of R&D that do not directly align with the above priorities	\$5.1m
	TOTAL	\$71.1m

Science and Research Priorities

The National Science and Research Priorities were announced by the Australian Government on 26 May 2015. The nine priorities are titled: Food, Soil and water, Transport, Cybersecurity, Energy, Resources, Advanced manufacturing, Environmental change and Health. See www.science.gov.au for further information. The table below shows the planned 2023/24 budget against the priorities.

	PRIORITIES	2023/24 ALLOCATION
	SOIL AND WATER	\$0.9m
	ADVANCED MANUFACTURING	\$7.8m
	NON R&D ACTIVITIES	\$62.4m
TOTAL		\$71.1m



awi

Australian
Wool Innovation
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