

## **WOOL INDUSTRY CONSULTATIVE PANEL (WICP)**

**Date:** 18<sup>th</sup> April 2024

**Venue:** MG Suite 1, Adelaide Oval, Adelaide

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.

### **Wool Poll Update**

With wool production and the EMI both at the lower end of their historic levels, AWI noted that it's a critical time for the Wool industry heading into the 2024 Woolpoll.

The WoolPoll Panel has had one meeting which focussed on the format of the Voter Information Kit (VIK), with the aim to make the document concise, clear and more engaging with the growers. The VIK will show the impact of the proposed different levy rates to the outcomes AWI is able to adequately fund.

AWI made it very clear that they want feedback from the grower representative groups as to what the recommendation should be in terms of the levee rate, rather than AWI suggesting what the levee rate should be.

AWI CFO noted that the Reserves that the company has, needed to be appropriately explained to the grower group as approximately \$50M of those reserves needs to be set aside or 'ring fenced' as that is the amount of capital required to wind up the company if that ever materialised. Hence the word available reserves and what that true number was needed to be made very clear in the VIK.

The WoolPoll Panel met again on the 19<sup>th</sup> April with a subsequent meeting to be held in June 2024 when the document will be finalised.

### **AWI Business Unit Update**

AWI Chair, CEO and CFO gave the WICP the following updates.

- The company has continued to make budget cuts with all the General Managers being asked to do more with less.
- Bio harvesting program remains on track with an expression of interest document being put out for engineering and robotics groups around the different harvesting methods.
- Over the past 2 years the Wear Wool not fossil fuel campaign has garnered 130.6M views, successfully raising fibre awareness with the results surpassing industry benchmarks with,
  - 75% of consumers expressing intent for wool
  - 78% reconsidering the environmental impact of their clothing choices
  - 80% acknowledging wool as environmentally friendly
  - 77% taking fabric/materials into account when making clothing purchases.
- To date in the current 23/24 Financial year AWI has trained and up-skilled 3,286 participants of which 1,444 benefited from in shed shearer training days. The retention rates of those who have received AWI funded training is in excess of 87% across the country.
- Through until the end of March 24, AWI's actual financial results are tracking in line with forecasts.

## **International Intelligence Briefing**

*Jeff Ma – EVP Marketing, Greater China and Developing Markets Asia*

Jeff gave an update on the Chinese market with key message being;

- The improving bilateral relations between China and Australia is evident in wool imports from Australia to China which has increased by 52% during January and February 2024 compared to the same period 12 months ago.

## **Department of Agriculture, Fisheries and Forestry**

During the departments DAFF's presentation to the group, the below key points were noted as an area of focus,

- The Department understands the 'cost of living' pressures and are mindful that farmers are paid fairly given their rising input costs.
- The government is committed to the phase out in an orderly way of the live sheep trade.
- The Department is working with appropriate government bodies to revisit the labour skills shortage issue and look at visa settings.
- Panel members voiced their concerns around the imminent drop in sheep numbers coming in WA (estimated at 5 million in 23/24 compared to 22/23) due to the commitment to end the live sheep trade and drought.

The next WICP meeting will be held on the 1<sup>st</sup> August 2024.

Nick Turner

WICP Independent Chair