

WOOL INDUSTRY CONSULTATIVE PANEL (WICP)

Date: 1st August 2024

Venue: Via Microsoft Teams.

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.

AWI Business Unit Update

AWI Chair and CFO gave the WICP the following updates.

- AWI are fully aware that there is a lack of confidence in the sheep industry in WA following changes to the live export rules which are extending to the industry more broadly.
- AWI noted that during the 23/24 financial year a total of 4,935 people were trained in shearing and wool handling skills over a total of 2,181 training days.
- Despite the actual EMI for the 23/24 year being lower than budget, the AWI draft financials for this financial year will show a result stronger than that budgeted for. This result has occurred primarily due to a focus on costs and some projects being set aside.
- The expected loss for the 23/24 year is estimated at \$4.3M against a budgeted loss of \$10.7M.

Wool Poll Update

The Voter Information Memorandum (VIM) has now been endorsed by AWI and approved by the Minister on the 26th July 2024. Wool Poll voting opens on the 20th September 2024 with all growers encouraged to vote. The Woolpoll information document is materially shorter than previous versions but clearly illustrates what can and can't be done under the various scenarios. It needs to be noted that for those wishing to obtain any further financial detail, then a link is available on the AWI website.

National Wool Training Advisory Group (Wool TAG) Update

AWI Director and Chair of Wool TAG Don Macdonald, provided an update to the panel from this group,

- The group has secured additional funding for training in Tasmania from the State Government
- WTAG has had a Certificate 4 in Wool classing added to the funding list in QLD
- A Wool harvesting Engagement Checklist has been created for the benefit of both growers and contractors to assist in setting expectations and avoiding issues and disappointments.

International Intelligence Briefing

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

Scott Carmody – Trade Consultant

- 73% of Wool shipped to China in 2023 came from Australia
- 86% of Australian Wool has gone to China over the last 12 months.
- China remains the key market as sales to Italian buyers now only comprise 3% of the Australian market. The number of mills in China continues to grow, providing some optimism that confidence is returning.
- It was noted that stocks throughout the supply chain are at levels of approximately half of what they were 12 months ago.

Summarised feedback from the Panel to AWI regarding Research and Development and Marketing

1. The Panel noted that it would like to have a Strategy meeting and consultation with AWI at the beginning of 2025 once the Woolpoll result was known.
2. The Panel noted that generally there has been an improvement Australia wide regarding shearer availability and were positive about the number of shearing and wool handler training courses available.
3. The panel requested that AWI look at a whole of sheep approach and whole of business approach when looking to promote wool as an enterprise or business option.
4. Multiple groups from within the panel offered to assist AWI where possible so that events/activities could be mutually beneficial

Department of Agriculture, Fisheries and Forestry

During the departments DAFF's presentation to the group, they provided feedback in relation to each of AWI's performance principles following recent surveys.

Stakeholder Engagement: Generally, this has improved

Research and Marketing: 'Wear Wool not Fossil Fuel' campaign was very positively received

Collaboration: 2-way collaboration has improved materially

Governance: Governance procedures are noted as extensive

Monitoring and Evaluation: AWI has a long-term commitment to the industry regardless of industry climate.

The next WICP meeting will be held in October 2024.

Nick Turner

WICP Independent Chair