

WOOL INDUSTRY CONSULTATIVE PANEL (WICP)

Date: 15th February 2024

Venue: Via Microsoft Teams and AWI, Level 3, 24 York Street, Sydney NSW 2000

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.

AWI Business Unit Update

AWI Chair and CFO gave the WICP the following updates.

- AWI Chair introduced the 3 new AWI Board members to the panel, Emma Weston, George Millington and Neil Jackson and noted that they bring additional external skills to the AWI Board including (but not limited to) Legal, Marketing and Digital business skills. The new Board members expressed their concerns for both the risks and opportunities for the business, and noted the following opportunities.
 - Marketing with retail brands
 - Nature positive aspects of wool
 - Stakeholder engagement
- Following on from the strong investment during the 22/23 financial year, the current YTD numbers show a total of 2,984 participants have received training around wool harvesting eg shearer trainer, wool handling, high school workshops etc. Of these people trained the retention rate is approximately 88%.
- Following COVID, the Board's strategy was to increase expenditure, particularly on marketing and addressing the PEF Legislation. This strategy has resulted in a drawdown of resources, albeit in line with budget.
- It was noted that income for the first 6 months of the financial year was both in line with budget and in line with the same period 12 months earlier. The business continues to constrain costs which currently sees operating costs for the same 6-month period 10% below the spend for the previous period, but also in line with the current budget.

Department of Agriculture, Fisheries and Forestry

Panel members have concerns around the impact of the Biosecurity Protection Levy and based upon significant and widespread feedback, a more equitable approach to calculating the Levy will be entered into. Rather than setting a flat 10% of the agricultural levy rate to raise the \$50M, one of the proposals is to set the rate based upon each sector's proportional share of GDP with the Government also proposing that the Levy is only imposed once on each product through the production cycle.

It needs to be noted that that the final design of the levy is still to be agreed upon by Government.

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 Outdoor and Winter Sports market continues to boom, with wool making its way into both textiles and shoes within this industry. China's outdoor sports market has seen average CAGR of 13.5% over the past 5 years.

Scott Carmody – Trade Consultant.

Scott commented that the Chinese wool mills are not carrying excess stock and noted that at some stage, some inventory build would occur. If China does not look to restock in coming months, then a greater reliance will be placed on both Europe and India. Demand out of China continues to change with a general shift towards the fine and super fine end of the market.

Summarised feedback from panel to AWI regarding Research & Development and Marketing

The Panel discussed priorities and issues from prior meetings with a focus on:

Shearing: In addition to the labour issues there are also concerns around quality and conduct of shearing services. It was noted that AWI is discussing Shearer Contractor Accreditation and work through WoolTag.

Woolpoll

It was noted that Woolpoll voting will start on the 20th September and end on the 1st November 2024. The Woolpoll panel has been elected and will have their first meeting in February 24 with their main task to present information to growers about what is possible with different levy rates and also to increase the participation rate.

The next WICP meeting will be held on the 18th April 2024.

Nick Turner

WICP Independent Chair