

# Woolgrower Consultation Group meeting, 11 February 2025, Sydney

## Summary of outcomes

AWI's Woolgrower Consultation Group (WCG) met in Sydney on the 11<sup>th</sup> of February, with the primary purpose of providing input to the development of AWI's Strategic Plan for 2025-2028.

AWI Chair Jock Laurie and CEO John Roberts set the scene for the discussions with presentations on AWI's operating environment, its budgetary position and the Board's initial thinking on the structure of the new plan. The reduction in wool production (forecast to be 286mkg for 2024/25, down 10 per cent on last year) and subdued prices mean that AWI faces an annual budget reduction of around \$11m. Given this situation, the WCG was asked to advise what AWI's priorities should be.

The overall message from the WCG to AWI was that all of its current programs are important and need to be continued as far as possible. The WCG asked that AWI management, and the Board identify opportunities to make efficiency savings, to maximise leverage of AWI funds, and to defer expenditure or put projects on hold where possible until financial conditions improve. It was agreed that it is up to the AWI Board to determine the appropriate mix of activities it undertakes, in the best interests of woolgrowers, while meeting its financial responsibilities.

On specific activities, the WCG noted that:

- There is a lack of confidence in the wool industry, despite good evidence that wool sheep are a sound choice for long-term farm profitability and risk management. All industry groups, including those represented on the WCG, must do more to bolster confidence and to connect AWI and woolgrowers. This includes communicating the benefits of sheep in farm systems, activities that AWI undertakes on behalf of growers, and the results of R&D.
- Shearer/shedhand training continues to be important, but could be more targeted to regions of greatest need. The emphasis should be on 'improver' rather than 'novice' training. R&D into wool harvesting alternatives is being carefully managed and the investment in training will be reduced if alternatives become commercially viable.
- Other productivity initiatives remain important. The Merino Lifetime Productivity project has yielded a massive data set and the WCG expressed confidence in the structures established to prioritise its analysis. Other productivity R&D must be prioritised to deliver the greatest impact.
- Extension must also be focused on areas of highest importance. It will become more effective as growers gain confidence. There may be opportunities to increase resource-sharing between state extension networks, and AWI should improve the usability of its website to make existing information easier to find. The frequency of 'Beyond the Bale' could be reduced.
- AWI's activities to defend wool, particularly in the EU, are vitally important and must be continued. Finding new products and new markets for wool should also continue to be priorities for AWI.
- There are opportunities to reduce expenditure on AWI's industry consultation, for example by making one of the annual WCG meetings online.

The WCG also received a presentation on a report commissioned by WoolProducers Australia on the effect of marketing expenditure on wool price.

The AWI Chair assured the WCG that AWI always obtains the maximum available quantum of government matching funds for R&D investment, but this is capped at 0.5 per cent of the industry gross value of production. The meeting asked AWI to consider how the effectiveness of its marketing expenditure could be better communicated to growers.