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# AWI Performance Review

## Governance Arrangements

The current method of selecting Board members is unsatisfactory. An example of what the selection process should be is the current MLA process.

The present system encourages a “political” profile. eg. one of the current AWI Board member’s profile on the AWI web page, states that “he is against government regulation” . What has that got to do with getting good R&D outcomes for woolgrowers?

The Board selection process (unlike the MLA Board selection process) is totally controlled by the AWI Board.

Compare the total number of people who nominate for the MLA Board, compared to those who nominate for an AWI Board position.

Having no maximum term for AWI Board membership is another negative. Observe the number of years that AWI Board members serve, compared to MLA board members.

AWI has a record of lobbying/interfering in areas totally outside their role as an R&D Corporation. eg. The effort AWI put into trying to stop the funding, of the auditing of NWD’s, by AWEX.

The AWI system, for giving woolgrowers a say in the amount of levy they pay (if any) needs improving. AWI totally controls who is on WoolPoll Panel and (as what happened last time) can also chose to ignore their recommendations.

A good process would be for the Fed Dept to create a separate body within the Levy Collections Unit to run the Levy rate selection and the voting process for levy payers for all RDC’s. That way none of the RDC’s would be in charge the income they receive and all levy payers would also have the option of voting Zero for a particular RDC.

## Collaboration with Research Development Corporations

AWI has, on occasions, had a poor record in cooperating with other RDC’s and in general other organisations. An example, is the poor corporation with the Sheep CRC. Unless AWI can exert control of the organisation, they tend to either ignore the organisation or not cooperate.

## Diversity and Competition for Delivery of R&D

The changes that have evolved with the Statuary Superannuation scheme for employees is an example of what could apply to the current RDC system in Australia.

**Firstly to ensure there was completion other Super funds were able to compete with the Industry Funds.** Something similar needs to happen with R&D delivery. There should be provision for Research organisations (like universities) to be funded directly by producers. That way producers, could have their individual particular area of concern, researched and also Researchers could have the opportunity to appeal for research dollars. The R&D Corp. could still continue to operate the way

they do now, in applying funds to projects they think will deliver the best results for the majority of producers. Research providers should be registered as fit and proper to carry out research.

**Secondly, we have seen the establishment of the SCH (Super Clearing House) to distribute Super payments to a number of different Superannuation Companies, manageable for Employers.** The establishment of something similar, would enable the current collectors of levies (livestock stock agents, grain traders. Wool agents, etc.) to manage the collection of funds.

- **Competition** for i) **delivery** of R&D, ii) competition for **selection** of R&D projects,
- **Freedom to choose, by producers**

**Diversity and Competition, would all help the R&D system, and AWI in particular, be a better managed R&D provider.**