



Your strong and independent voice for livestock producers

AWI Review

Introduction

Livestock SA was formed in 2013 to represent the interests of all sheep, beef cattle and goat producers in South Australia. In the case of sheep, this is all sheep producers who contribute \$0.55 per head to the Sheep Industry Fund. The only sheep producers Livestock SA do not represent are very small producers who do not pay this levy or those who have made requests to the South Australian Minister for Agriculture, Food and Fisheries for a refund of contributions (usually only a handful of producers). This submission is therefore made on behalf of almost all sheep producers in South Australia.

Livestock SA is also the South Australian member of WoolProducers Australia, and in general terms Livestock SA agrees with and supports the WoolProducers' submission to the AWI Review.

Oversight/industry consultation

One of the main concerns is the lack of a regulated wool producer representative body overseeing AWI. Another is AWI's consultation and the way it is conducted.

From a Livestock SA perspective, as an independent national wool producers organisation, WoolProducers should be considered as the appropriate body to oversee AWI. Livestock SA would also support the use of producers' wool levies being used to fund the oversight body, perhaps along the lines of how Livestock SA itself is funded in South Australia (see Appendix 1 for details on the South Australian sheep levy).

As Livestock SA also represent sheep meat, beef cattle and goats, we are familiar with how MLA operates and how in general terms the relationship between MLA and the Cattle Council of Australia, Sheep Producers Australia (previously Sheepmeat Council of Australia) and Goat Industry Council of Australia operates. As there is in some quarters the perception that MLA funds these bodies, making it difficult for them to have an effective, critical oversight of MLA, it would be essential that the funding of an oversight body for AWI is provided by other than AWI, perhaps a fixed percentage of the national sheep levy.

Currently AWI has an Industry Consultative Committee. But generally, meetings of the Committee are only information forums for AWI. There is the need for AWI to properly consult with industry by discussing and asking for input before deciding what projects to undertake. In this regard the way MLA consults with their peak oversight bodies before deciding and developing projects is a much better model. Much of the in-depth discussion takes place at the committee level, particularly for both Cattle Council and Sheep Producers.

AWI achievements

While there is much to be critical of in the way AWI operates, it must be highlighted that AWI's work is of high standard, and highly productive. Without AWI's international market operations, the Australian wool industry would not be in its current almost 'boom' conditions and all wool producers should be thankful.

The number of marketing initiatives AWI have delivered over recent years must be praised. Figures reported in the AWI 2016/17 annual report show that marketing initiatives accounted for about 45% of annual expenditure which is comparable to MLA's % expenditure on Marketing, Market Access & Insights (46%).

Many of AWI's on-ground projects need to be highlighted, particularly the support for control of wild dogs. AWI understands it is important that the size of Australia's flock should not be under threat from wild dog attacks. In contrast on this issue, MLA ignores the threat of wild dogs to Australia's livestock industries. The Queensland sheep industry is now almost non-existent thanks to wild dogs, but Livestock SA is finding it difficult to convince governments and others that South Australia is under a similar threat. AWI's support has been a god-sent.

Livestock SA administers and chairs the SA Wool Training Advisory Group (WoolTAG). AWI has readily assisted by providing funds towards training in wool harvesting. AWI funding is providing tool boxes for successful students and allowing shearing and wool ambassador teams to travel to New Zealand.

As a State Farmer Organisation, Livestock SA currently has a good relationship with AWI's Corporate Affairs Manager, who readily available to providing any details required. In contrast at this time, there is hardly any link at the SFO level with MLA, even though in the past they have run and funded information/networking days for SFOs in Sydney.

Concerns with AWI

At times, AWI gives the perception of not even listening to industry but sticking to their perceived ideas. And there are several examples:

- failure in funding the Sheep CRC on behalf of growers and the lack of explanation of why this decision.
- AWI's obvious push towards traditional subjective breeding styles rather than having a balanced approach to support the whole industry (a clear anti-ASBV position).
- not being proactive with the white elephant issue of mulesing. Mulesing is a big issue that needs to be addressed with a definite long-term plan to reduce further and phase out. Using pain relief is only part of a short-term fix. Longer term it is going to be a bigger issue in the meat side as well as wool. This issue has largely been left up to other parts of the wool industry to address.

These issues are continually highlighted to AWI by local wool producers during AWI's national tours, but it appears that such feedback is never considered with definitely no change in attitude.

AWI rarely shows a willingness to work with the rest of the industry on a wide range of issues and projects. In fact, at times it appears AWI relishes on-going fighting between themselves and MLA, Sheep CRC, WoolProducers etc instead of wanting to work for the good of the sheep industry. Cross-RDC collaboration appears to be almost non-existent.

Even Livestock SA has felt the mistrust from AWI when we have offered to assist in promoting their local activities in this State, often to ensure that there are good attendances and input for these.

Extension is another area that needs more funding. Current programs are doing a reasonable job, but there are lots of regions that only see workshops every couple of years.

Given the current good state of the wool industry, there also needs to be more 'blue sky' research. Previously AWI was involved in looking at alternatives to shearing. Now would be an ideal time for some cutting-edge innovative research into this issue, particularly given the continuing difficulties of finding shearers and other staff, and the associated relatively high cost.

Governance

There is a lack of transparency in the use of proxies in the director election, but at least there are real elections. MLA by contrast only gives a choice of accepting or rejecting candidates.

There needs to be an independent chair for selection of candidates.

Consideration should be given to limiting how long someone can be a member of AWI's Board of Directors. Possibly three terms is sufficient.

WoolPoll

Currently there is a democratic vote of all eligible levy payers at WoolPoll every three years. This needs to be questioned – is this still needed, and if so, should it be less often? At the very least, Livestock SA has continually called for a review. Livestock SA's policy is for the wool levy to be extended to five/ten years with a provision for a 500-signature requirement to trigger a levy vote.

WoolPoll is an expensive exercise, with little participation (either attending the roadshows or in actually voting). The dairy industry is doing away with a similar poll, while MLA has a five-year funding cycle.

Other issues

From feedback Livestock SA has received from the Livestock SA Board and members:

- difficulty in finding results of research and joint RD projects on the AWI website
- the use of a grey type colour. Older producers find many AWI documents hard to read – a clear black type would be preferable.

Appendix 1: South Australian sheep levy

At a meeting between representatives of the AWI Review Team and Livestock SA held on April 23, a request for details on the South Australian sheep levy was made from the AWI Review Team.

The South Australian sheep levy was established in 1999 following the proclamation of the *Primary Industry Funding Schemes Act 1998*. This legislation provides South Australian primary industries with a legislative based ability to raise funds within their sector, so they can favourably position themselves in the national and international marketplace. Section 4 of the *Primary Industry Funding Schemes Act 1998* allows for regulations establishing a fund for a particular sector of primary industry. All existing Regulations under the Act are administered by the Minister for Agriculture, Food and Fisheries. Primary Industries and Regions SA (PIRSA) acts as the Minister's agent for the administration of these funds.

The Sheep Industry Fund is established by the *Primary Industry Funding Schemes (Sheep Industry Fund) Regulations 2014*. Under these regulations, all sheep owners in South Australia contribute \$0.55 per head to the Sheep Industry Fund when 5 or more sheep are sold for \$5 per head or more.

The Sheep Industry Fund is currently used for controlling diseases (specifically Ovine Johne's disease, footrot and sheep lice), implementation of the National Livestock Identification System – Sheep and Goats program, maintaining the dog fence, supporting the Biteback wild dog program south of the Dog Fence, the Enhanced Abattoir Surveillance Program, supporting the operation of Livestock SA, and producer and allied industry education programs, including SheepConnect. Those producers who request a refund of contributions are not entitled to any service or benefit from the fund for two years if they receive a refund. And this includes members