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ABOUT WOOLPRODUCERS

WoolProducers is the peak representative body for wool growers in Australia, and was formed in July 2001. WoolProducers represents over 14,000 farmers whose primary business is growing wool.

We are the national voice on behalf of producers, advocating their interests to both the Federal Government and internationally.

WoolProducers represents and supports the industry on issues as diverse as trade, animal welfare, research and development, marketing, accountability of grower funds, the environment and industrial relations.

We are the only national organisation that can speak on behalf of the mainstream wool industry and represent the concerns and hopes of wool producers.

WOOLPRODUCERS VISION

The WoolProducers vision for the industry:

“To deliver outcomes to our members that contribute to their wool business profit and social wellbeing.”

WOOLPRODUCERS CONTACTS

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EXECUTIVE AND STAFF

An Executive made up of woolgrowers from around Australia sets the policy direction of WoolProducers on behalf of its members.

Five members of the Executive represent state farm organisations, while another three are directly elected.

The existence of democratically elected independent members gives anyone involved with wool growing the opportunity to be a part of the leadership team.

This sets WoolProducers apart from other grower groups and gives it the mantle of the true democratic voice of the Australian wool industry.

President	Robert Pietsch
Senior Vice President	James Kennedy
Treasurer	Don Hamblin
Committee	Geoff Fisken Walter McLean Charlie Merriman (<i>from 7 October 2005</i>) Geoff Power Rosemary Stobart Alix Turner (<i>until 7 October 2005</i>) Max Watts (<i>from 7 October 2005</i>)
Executive Director	Greg Weller
Research and Administration Officer	Lauren Wallace



Standing: (left to right) Don Hamblin, Jed Matz, Geoff Power, Walter McLean, Liz Allen, Geoff Fiskin, Rosemary Stobart, Seamus Hoban, Nick Steel, Max Watts and Angus Dixon.

Front Row: (left to right) Robert Pietsch, Greg Weller, Lauren Wallace, James Kennedy and Alix Turner. (Absent Charlie Merriman)

PRESIDENTS REPORT



I am pleased to be able to present this report on the activities that WoolProducers has been involved in as the peak national woolgrower representative organisation, over the past 12 months.

This year has been a very challenging and busy one, with WoolProducers involvement in a wide range of key industry areas, including animal health and welfare, animal activists, NLIS, trade, Sheep Industry CRC, shearing programs, Industry Partnership Program and the ongoing lack of demand for wool.

People for the Ethical Treatment of Animals

Over the past 12 months, WoolProducers has been very active on behalf of the Wool and Sheep Industry Taskforce. As WoolProducers President, and with my role on the Taskforce, I undertook two visits to retailer groups in the UK and the USA in June and September 2005, along with a delegation of Taskforce representatives.

There were several objectives for these visits, including to explain to retailers the continued commitment of Australian woolgrowers to animal health and welfare best practices and to highlight grower commitment to AWI research and development programs.

As a result of meetings with the British Retail Consortium (BRC), it was agreed that representatives of both groups would sign a Compact on behalf of the Australian wool industry and retailers. A Declaration of Commitments by the Australian wool industry was also provided to the National Retail Federation (NRF) in the USA. AWI Chairman, Ian McLachlan, and I signed both documents on behalf of the industry.

I would like to take this opportunity to especially thank Les Targ and those Federal Government representatives stationed overseas, for their part in securing these two outcomes.

Throughout the year, WoolProducers participated in government and parliamentary member briefings, attended grower and industry meetings and addressed public interest groups on PETA ideology and the Taskforce's strategies to defend the Australian sheep and wool Industry. The attempted boycott by PETA against retailers has been a constant issue that the Taskforce has managed. Woolgrowers responded very early, in a very proactive way, to concerns of retailers regarding mulesing.

At an Industry Forum in November 2004 the commitment was given to phase out mulesing by 2010. In late April 2005 a second industry forum was held to discuss the implementation of an accreditation requirement for mulesing operators.

With the support of AWI funding, Norm Blackman (immediate past president of the Australian Veterinarian Association) was engaged to undertake this process. As a result, we will soon have the National Mulesing Accreditation Programme in place.

In December WoolProducers and the State Farmer Organisations were proactive in providing woolgrowers with information on how to become co-applicants to the AWI legal case against PETA. While the legal case was seen by some as controversial, it is worth noting that since this action was undertaken, PETA has ceased intimidatory action against Australian retailers.

Animal Health

Animal health continues to consume considerable amounts of WoolProducers time and resources. An area of key activity is the policy of how Industry Codes of Practice will be developed and reviewed into the future. Codes presently under review and development include the Mulesing Code and the Sheep Transport Code.

WoolProducers participated in the development of the Australian National Animal Welfare Strategy and is currently involved in the implementation of the livestock industry's responsibility under this strategy.

Over the past year, WoolProducers has participated in workshops in regards to the management of Foot and Mouth Disease (FMD) to ensure that in the event of an outbreak in Australia, the wool industry is well prepared to manage this threat, under the Emergency Animal Disease Response Agreement.

Ovine Johnes Disease (OJD) is still an area of some controversy. A challenge for the sheep and wool industry continues to be how it can better manage the ABC Credit Scheme, abattoir surveillance and invest in further research and development.

WoolProducers, as part of the Livestock Export Standards Advisory Committee (LESAC), has been involved in advising the Minister and his Department on the standards for live exports. Presently the committee is undertaking a review of these live export standards, to be completed by the middle of next year.

WoolProducers has also continued to be involved in a number of other Animal Health Australia forums.

Trade

With the world increasingly looking to free up trade through the World Trade Organisation (WTO), and with China now importing between 55-60% of Australian wool production, trade is an important part of our daily agenda.

Development of a Free Trade Agreement (FTA) with China is a primary focus of WoolProducers, and in September this year, Geoff Fiskien and I travelled to China on behalf of wool growers as part of an AWI trade study tour.

As these trade talks progress it will be absolutely imperative that wool remains a high priority in these negotiations between the Australian and Chinese Governments.

Sheep Industry CRC

Since our last AGM, Jim Kennedy on behalf of WoolProducers, has been actively involved as part of a steering committee looking at the future for the Sheep CRC. The Committee's objective is to develop an application for Commonwealth funding for a new Sheep CRC.

The present term of the Sheep CRC will be to June 2007 if this bid is successful. However if unsuccessful the Sheep CRC will continue to run until June 2008.

Industry Partnerships Program

During 2005 the Department of Agriculture Fisheries and Forestry (DAFF) approached WoolProducers to participate in the Industry Partnerships Program.

The object of this project is for the Australian wool industry to take stock and set directions for the next 15 years.

WoolProducers, in conjunction with Hassall and Associates, has undertaken wide consultation with all sectors of the industry. This process has raised several key issues that need to be rectified in order to improve the viability and profitability of the Australian wool production industry.

Several challenges were identified with four major challenges being:

1. To increase demand;
2. Greater collaboration for common goals;
3. Supply chain – pipeline integration; and,
4. Information flow and production efficiencies.

The challenge now is for the industry to develop solutions and strategies for the issues identified. Due to the obvious importance for the future viability of the Australian wool industry, these issues will be high on WoolProducers agenda in the coming year.

Sheep Identification (NLIS)

Over the past year WoolProducers has participated in the National Working Group for NLIS Sheep, which has had the responsibility of developing requirements for future national sheep identification.

As the implementation date of 1 January 2006 draws closer, it is important to note that livestock agents and sheep abattoir principals have been quite vocal in their opposition to the way the scheme is to be implemented.

For the sheep industry not to have a credible trace-back system to help protect food safety and disease management is foolish. It is imperative that the opposition to this scheme is resolved, to maintain credibility with our customers.

Ongoing Lack of Demand

Over the last two years WoolProducers has played a pivotal role in facilitating discussions on how best to improve demand for Australian wool. This issue has generated significant debate over the last 12 months, but with little resolution.

The objective of all industry must be to work towards increasing demand with improved sustainable wool prices. Initiatives to date include the decision at the IWTO Conference held in Hobart this year, for a global test marketing pilot to be funded by AWI along with funds matched from other sectors of the industry.

Hopefully this program, to be managed by The Woolmark Company, will achieve a favourable outcome, thus providing to the industry the information it needs to assist in future investment decisions aimed at creating demand.

AWI has also been active working with retailers to develop new products that meet the requirements of today's consumers. I believe that innovative research, development and targeted marketing, along with total industry collaboration, will be the catalyst that will create this demand.

However, for this success to continue, when demand has been re-established from the market share that has been lost over the past few years, the wool industry must learn from its past mistakes and develop balanced programmes that continue to deliver consistent direction and responsive strategies, so as to maintain ongoing demand for Australian wool.

Other Key Issues

The ongoing discussions on how AWI and TWC may integrate or merge to create a more dynamic business to achieve greater efficiencies have lacked commitment and resolution.

WoolProducers has continually asked both companies to put forward a plan for growers to consider. Disappointedly, a response to this request has not been forthcoming. This issue must be resolved with urgency.

With the ever continuing rising costs associated with shearing and the current shortage of trained shearers and shed staff, Don Hamblin has participated as part of the AWI Advisory Committee, to help address these critical areas. The program's objective is to deliver cheaper wool harvesting methods and increase the availability of component shearers and shed staff.

WoolProducers continues to be represented on other industry bodies - which includes The Federation of Australian Wool Organisations (FAWO), Australian Wool Testing Authority (AWTA), Australian Wool Exchange (AWEX), Animal Health Australia (AHA) and the National Farmers Federation (NFF).

All these industry bodies have an important role in delivering positive outcomes for our members in areas such as standards, testing, information, industrial, economic and environmental matters.

Operational Issues

Over the past year WoolProducers have seen the appointment of a number of new staff. Our previous Executive Director, Sharon Turner, resigned in March and was replaced by Greg Weller prior to our Executive meeting in Hobart in April. Greg has stepped into the role admirably and has had an enormous learning curve, having not come from the sheep and wool industry; however he has managed the issues facing WoolProducers with great vigour and unbiased intelligent contribution.

We also welcomed and farewelled Melanie Anderson during the year and I must place on record, our thanks, for the role that she played in managing the office during the transition of Executive Directors. Lauren Wallace has joined the staff in early July and now plays an important support role to Greg.

WoolProducers would like to take this opportunity to thank Greg and Lauren for their dedication and commitment working on behalf of woolgrowers.

My personal thanks to my Executive and fellow office bearers for their tireless efforts on behalf of wool growers and the industry.

I would especially like to acknowledge outgoing member of the WoolProducers Executive, Alix Turner. Alix has been a tireless worker for WoolProducers on behalf of growers and his contribution will be missed.

There are many challenges ahead for the coming year, and we look forward to taking them on again on behalf of the industry.

Robert Pietsch
President
WoolProducers

EXECUTIVE DIRECTORS REPORT



Alongside the many achievements on behalf of the industry outlined in this years President's Report, the past year has also been a very active one in an organisational front for WoolProducers.

As mentioned, I was given the opportunity to join WoolProducers this year, and I look forward to contributing to the ongoing work of representing the interests of wool growers at a national level. Following is an overview of some of the key issues that have made up this last year at the WoolProducers office.

WoolProducers Election

Every two years it is up to wool growing members of our affiliated state farmer organisations to elect three independent Executive members to the leadership team of WoolProducers. Any levy payer in Australia is entitled to contest these positions, strengthening WoolProducers mandate as the one true national voice of the entire industry.

2005 was such a year when an election was required, and it was duly conducted in accordance with the Constitution and Regulations of WoolProducers. A strong group of contenders nominated for the election, illustrating that despite pessimism from some quarters there is still a real interest in the future of our industry and its leadership. This sentiment was also reflected in voting, through an exceptional response from growers, with almost one quarter of eligible wool growers having their say.

The election proved a tight contest, with Senior Vice President Jim Kennedy (from Victoria) retaining his position, while Max Watts from Western Australia and Charlie Merriman from New South Wales were both welcomed onto the Executive.

The WoolProducers' team recognises the support of Alix Turner, who will be leaving the Executive, as a solid contributor to our activities and a regular and welcome visitor to the office.

Communication

This year saw the launch of the WoolProducers' website *woolproducers.com.au*. The website has proved invaluable in providing an online resource for people seeking to find out more about the wool industry and the work of WoolProducers.

With such an emphasis being placed on the defence of the industry against animal activists, the website has also provided a platform for WoolProducers media campaigns.

Another key initiative during the year was the introduction of the WoolProducers weekly electronic newsletter, which is distributed each Friday. This new communication tool has been designed to compliment the graphics of the website, and has proved a success in distributing news and messages to the broader industry and key decision makers.

Resourcing

Like many other commodity groups and farming organisations, funding the wide range activities undertaken on behalf of the industry by WoolProducers remains a challenge.

Unlike other commodity groups, WoolProducers receives no industry based funding to conduct its ordinary activities, so a major challenge for the year ahead will be to ensure that resources are available to continue to work on behalf of the industry at a national level and provide sound advice to the Federal Government and agencies on behalf of wool growers.

The support of our sponsors is therefore invaluable, and I would like to thank Australian Wool Testing Authority Ltd for their ongoing support of WoolProducers and their contribution to this years annual report.

Governance and Structure

WoolProducers has continued to place a strong focus on governance and operating procedures again this year. This has included a review of procedures within the office, the development of comprehensive staff policies and protocols and the decision by the Executive to move to an accrual based reporting system.

Most recently, the Executive of WoolProducers has also determined to change the corporate structure of the organisation and become a company limited by guarantee.

This is a positive move, which will further strengthen corporate governance, more clearly define the roles and responsibilities of Executive members and provide a structure that will carry the organisation forwards into the future.

Such a change in legal structure will also require a variation in name for WoolProducers, but that's something to watch out for in the New Year!

I would like to thank the Executive of WoolProducers, which has continued to give their full commitment and support this office.

Likewise to the staff of our respective state farmer organisation members, who regularly go above and beyond the call of duty to make sure that the industry has the resources and advice that it needs at a national level.

Finally would like to thank the staff of WoolProducers throughout 2005, Melanie Anderson and Lauren Wallace for their support and dedication.

Greg Weller
Executive Director
WoolProducers



AWTA Ltd is pleased to present to the members of WoolProducers a review of performance from the company for the 2004/05 season.

It is perhaps worth restating AWTA's Corporate Objectives, given that they focus so clearly on the provision of services to woolgrowers, namely:

- To maintain a national and international reputation for technical expertise, commercial independence and professional integrity;
- To provide accurate, impartial and efficient sampling, testing, data processing and certification services as required by the wool, other fibre and textile industries at minimum cost; AND,
- To enhance the profitability of the Australian Wool Industry by encouraging the optimum application of objective measurement.

Financial Performance

The performance of AWTA Ltd during 2004/05 improved significantly when compared with the preceding year. During 2004/05 wool production stabilised and even increased slightly after it had fallen to its lowest level in 50 years. This had a positive impact on AWTA Ltd's revenue, with an increase of 3.5%.

AWTA's largest testing expense is the cost of labour and hence it is critical to improve labour productivity to control expenditure. An improvement in sampling productivity and an even more substantial improvement in testing productivity has been achieved in 2004/05, enabling an overall reduction of 1.7% in raw wool testing expenditure despite the increased workload.

Raw Wool Testing Workload

During 2004/05, the total presale bales sampled increased by 1.6% to 2.75 million bales, but the average number of bales in each presale test decreased marginally from 6.06 in 2003/04 to 5.96 bales. Hence, the increase in Presale Yield & Diameter tests conducted, up 3.2% to 461,500 tests, was greater than the increase in the number of bales sampled.

The proportion of Yield & Diameter tests also tested for Length & Strength is referred to as the Adoption Rate. During 2004/05 the Adoption Rate was maintained at 68.9%, and, consequently, the number of Length & Strength tests increased by 3.2% to 318,100 tests, consistent with the increase in Presale Yield & Diameter tests.

Testing Fees

Raw Wool Testing Fees were maintained at 2003/04 levels for 2004/05. Hence, the increase in presale testing income was a direct result of the increased presale testing workload. It is worth noting the fact that since 1994, the actual cost of the Company's key raw wool testing services has declined by 11%, whilst the CPI increased by 33%.

Profit and Loss

With revenue up and expenditure down, the final result for 2004/05 was approximately \$1.5 million better than it was last year. The net loss for the year was \$0.361 million, providing ongoing financial stability for the Company while continuing the deliberate strategy of minimising the fees AWTA Ltd charges its customers. This is one of the major benefits to the wool industry of AWTA's 'not for profit' structure as a Public Company Limited by Guarantee utilising its unappropriated profits to offset any such losses.

New Initiatives

TEAM-3

AWTA Ltd wool test results provide processors with information that lets them predict how the wool will process. This information is packaged into a set of formulae called TEAM (Trials Evaluating Additional Measurements). The original TEAM trials were conducted in the 1980's and were in need of updating to cater for current processing technologies and practices. Therefore, AWTA Ltd funded and recently completed a major international processing trial to update these formulae. Called TEAM-3, 34 mills from 12 different countries participated in the trial. These new TEAM-3 prediction formulae have been approved by IWTO and will be incorporated into the IWTO Staple Test Regulations from 1 July 2006.

It is important for woolgrowers to note that such information to processors is only available on Australian wool, giving us a lead on other wool-producing nations.

TOPMARK

TEAM-3 not only allowed new prediction formulae to be developed, but also enabled each mill to confidentially benchmark its performance against the other participating mills. Such was the mill enthusiasm generated by this benchmarking information that AWTA Ltd has created a new, free service available to mills called TOPMARK – Global Benchmarking for Topmakers.

TOPMARK is a free benchmarking service for processing mills and topmakers around the world. Participation is very simple, with mills providing AWTA Ltd with greasy wool test information on their batches as well as their own processing test data.

AWTA Ltd will collate the data from all participating mills and determine 'benchmarks' for all the major processing results. These benchmarks will allow one mill to confidentially compare its performance against the average of all the other mills participating in this program. It is planned that regular reports will be provided to mills detailing their performance against key characteristics such as Hauteur, Romaine, Top & Noil Yield, and Core/Comb Fibre Diameter. Such a service allows the users of Australian wool to continue to improve their performance.

Dark & Medullated Fibre Contamination

AWTA Ltd is actively involved with other research partners to investigate various aspects of dark & medullated fibre contamination in merino wool, given the international industry concerns raised about this issue. These include:

- Random testing of 1% of farm lots (AWI, AWTA Ltd). This random testing program has been running for 12 months and has been extended into the first 6 months of 2005/06. As well as establishing the existing levels of contamination that can be detected by the current test, it is providing information to validate the risk categories within the Dark & Medullated Fibre Risk Scheme;

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- Dark & Medullated Fibre Risk Scheme – AWTA Ltd calculates the Risk ratings from information provided by the woolgrower and publishes this information on the Test Certificate, for use by the international wool trade. Such ratings, used correctly will give additional assurance to clients about the management practices of the wool that they are purchasing;
 - Automation of the dark and medullated fibre test (AWI, AWTA Ltd, CSIRO). This program is aimed at automating the counting process in the existing test by using image analysis; and,
 - Various Research projects including better quantifying the degree of medullation responsible for faults in dyed fabrics (AWI, AWTA Ltd) and developing a relationship between dark and medullated fibre counts in greasy wool and the corresponding counts in wool sliver (AWI, AWTA Ltd, SARDI).

Staple Crimp Measurement

Staple Crimp has been shown by CSIRO to have quantifiable effects in downstream processing but is still not directly provided in commercial testing.

During 2004/05 three prototype Staple Crimp Meters were built by AWTA Ltd and installed on ATLAS machines in order to trial their ability to measure crimp. These trials proved successful and a paper was presented at the Hobart meeting of IWTO. The next stages in this project are a between laboratory trial and the incorporation of the testing hardware and software into a redeveloped ATLAS machine.

Communications & Publications

AWTA Ltd continues to invest in the provision of various information designed for woolgrowers, wool traders, wool processors and wool researchers. Such publications include newsletters, technical reports, industry briefings, fact sheets, FAQ's and Key Test Data Summaries, just to name a few.

AWTA Ltd's internet site www.awta.com.au contains a wealth of free information and WoolProducers Members are encouraged to visit the site. Further, regular, brief email newsletters are available upon request via awtainfo@awta.com.au .

Michael Jackson
Managing Director
Australian Wool Testing Authority Ltd



The NSW Farmers' Association Wool Committee comprises eight grower members elected by the Association's Executive Council, its policy setting body.

The Wool Committee is classed as an 'Advisory Committee' to Executive Council as it can only advise on policy to Executive Council and cannot form NSW Farmers' Association policy in its own right. The Committee is geographically spread across all wool growing regions of the state giving solid representation of the issues facing wool growing members of the Association.

The Committee contributes at a national level through WoolProducers and at a state level in close coordination with other Committees of the Association, particularly the Sheepmeat Committee and the Animal Welfare Committee. During 2005, the Wool and Sheepmeat Committees held their first full joint face-to-face meeting to discuss those issues of common significance. This is going to become a regular event for these 'Sheep' Committees. Another new initiative for the Wool Committee in 2005 has been the decision to have a formal reference group which can be used as required to gain feedback from a wider producer/specialist base.

Some of the state based activities that the Committee were involved in during 2005 include animal welfare, Wool 4 Wealth program, alternative marketing methods for wool, NLIS Sheep, OJD and the Rationalisation of wool selling centres. More information is provided on these issues below.

Animal Welfare

With the ever increasing focus on animal welfare issues due to PETA's recent attacks on the Australian wool industry, the NSW Farmers' Association Wool Committee has adopted animal welfare as one of its priority issues. Strategically, animal welfare is a global and evolving market issue and is largely dependent on changes in societal attitudes.

In order that the industry can demonstrate its welfare credibility, the Wool Committee has adopted strategic policies ensuring a more proactive stance on animal welfare issues. The Committee has been discussing animal welfare with other livestock industries, particularly intensive industries which have traditionally had the greater exposure to animal welfare pressures. Through learning from the experiences of these other industries, the Wool Committee will continue to pursue the objectives of market reassurance and sustainable animal welfare improvements.

Another emerging issue for the Wool Committee associated with animal welfare is the rapid increase in interest in 'Animal Law'. This is an emerging legal specialty – well established in UK and USA – that is a threat to producers and government. Over a 5 year period, 40 animal law courses commenced in USA and there are now two courses offered in Australian Universities (one in each of NSW & QLD). Currently there is a lack of domestic and international academic papers justifying livestock production, which the Committee is seeking to have addressed by AWI through WoolProducers. This is critical as currently the 'animal rights' philosophy dominates the available literature and correspondingly students' attitudes.

Wool 4 Wealth

Wool 4 Wealth is an education, extension and adoption project that aims to increase the profits of NSW wool producers through the development and adoption of business and production skills of owners, managers and their families. Australian Wool Innovation Limited has invested \$1.8 million in this training and adoption project which is based around groups of 12–20 sheep

producers and farm businesses, with each group having an organiser/secretary and an experienced, professional farm consultant.

Alternative Marketing Methods for Wool

There have been increasing calls for a longer term price determination tool to overcome the impacts of Australia's wool industry's reliance on exports and the dominance of China on the world market. Associated with this there has also been a greater emphasis on risk management strategies and a desire for price certainty.

The NSW Farmers' Association Wool Committee is looking at alternatives to the auction based marketing system and wishes to explore options surrounding the use of longer term supply contracts. The results of the New Zealand Merino Company study of alternative demand chain models for the Australian wool industry will be useful in this regard as will exploration of systems used for other commodities such as oil and gas.

NLIS Sheep

In conjunction with policy input to the State Advisory Committee, educational presentations have been held in sheep producing regions outlining to growers the requirements and principles behind NLIS Sheep, which is being introduced in January 1 2006.

OJD

The Wool Committee has been working within the current control program (2002-2006) to facilitate a smooth transition to a deregulated market and have been involved with negotiations in the lead up to the new program to ensure that deregulation is delivering a workable and robust system.

Rationalisation of Selling Centres

This has arisen as a issue recently with the future of the current Yennora site (and more broadly a Sydney selling centre) past its current lease expiry in 2007 uncertain due to proposed rent increases under any new lease agreement and questions surrounding the ability of industry to locate/construct a viable alternative.

Due to the increasing awareness of the need for greater competitiveness within the wool industry supply chain, the NSW Farmers' Association Wool Committee has adopted policy supporting the rationalisation of wool selling centres if that is dictated by commercial forces.

Don Hamblin
Chair
NSWFA Wool Industry Committee

VICTORIAN FARMERS FEDERATION



The Victorian Farmers Federation's Wool Committee has had a busy year on account of the turbulent climate of the wool industry. The Committee has worked to progress the major issues affecting the profitability of VFF wool growing members. In 2004 the VFF Wool Committee held five wool marketing debates in Hamilton, St Arnaud, Lismore, Euroa and Stratford. Across Victoria and Australia, wool-growers indicated they would support their levy being used to fund an increase in product marketing, if evidence could show a clear return on investment.

From this, VFF Livestock (through WoolProducers) requested AWI and AWS to conduct a business case for grower funded marketing and promotion.

The Wool Committee were disappointed with the lack of response from AWI and AWS in the first half of the year, however are now satisfied that the request has been actioned through the development of the IWTO test-marketing program.

The VFF Wool Committee played its part in avoiding the de-stabilisation of the AWI board at the company's November Annual General Meeting recommending levy payers support the current board members who had put themselves up for re-election.

A significant achievement for the Wool Committee in the past year was instigating a review of wool bale labels. The Committee was concerned that the bar-code system was not being used in the supply chain and therefore placing un-due costs onto producers.

AWEX have recently completed a review of the bale label system and are due to release their findings and recommendations shortly.

In 2003, the Wool Committee lobbied AWI to fund a program aimed at addressing the declining number of shearers and wool handlers.

This program has come to fruition with a range of initiatives well underway. The VFF Wool Committee has representation on both the national and state committees overseeing the roll out of this program.

Other actions/achievements for the committee over the past year included;

- Averting a threat from the Australian Workers Union to impose mandatory sedation of heavy sheep;
- Assisted in the AWI legal action against PETA by collecting expressions of interest from woolgrowers wishing to join the action;
- Contributed to the development of the VFF policy for the introduction of NLIS sheep;
- Provided input into the development of a mulesing accreditation program and associated code of practice; and,
- Lobbied agents to display the dark and/or medullated fibre risk (DMFR) score at store sheep sales.

The main priority for the Wool Committee in the coming year will be to monitor the changes taking place within AWI and The Woolmark Company to ensure that any new structure benefits woolgrowers, particularly with regard to marketing and promotion.

Other priorities include monitoring animal welfare issues and providing input into the 2006 Wool Poll process.

VFF members on the 2005 Wool Committee were James Kirkpatrick (Deputy Chairman), Russell Coad (chairman until August 2005), Alan Bowman, James Kennedy, Bryan Tehan, Cathy McGowan, Rosemary Irving, Russell Finch, and I would like to thank them all for their commitment and support throughout the year.

Geoff Fiskien
Chair
VFF Wool Committee



AgForce Queensland has continued to play a key role in the national affairs of the Australian wool industry, through membership of WoolProducers.

By supporting and being part of a strong national organisation that is focused entirely on the issues that are important to wool growers - such as animal health and welfare, animal activists, research and development, trade and increasing the demand for wool – AgForce can add further value to members and influence the decisions that are being made on our behalf.

I am pleased to be able to take this opportunity to not only acknowledge the role of our national organisation, but also to highlight a number of the key achievements of AgForce on behalf of our members.

Wild Dog MOU

AgForce Sheep and Wool played a pivotal role in the securing of a breakthrough against the wild dog problem that costs Queensland livestock producers in excess of \$18 million a year through predation. The signing of a Memorandum of Understanding (MOU) between AgForce, the State and Local Governments at the Charleville Community Cabinet meeting in February will bring effective wild dog control a step closer. The MOU aims to provide a good understanding of the responsibilities of all parties for wild dog management, coordinated baiting services and access to those services and higher landholder participation in wild dog control.

Leading Sheep

The Leading Sheep project is unique and innovative project that brings together stakeholders AgForce, Australian Wool Innovation (AWI) and the Qld Department of Primary Industries and Fisheries under one umbrella project. AgForce Sheep & Wool have been closely involved in the development of the project and has given a commitment to utilise its network of producers for the delivery of the project. The objective of Leading Sheep is to achieve an increase in productivity for the sheep industry in Queensland, and will be achieved by focusing on five outcomes that have been identified as the key constraints on productivity and profitability for the wool industry. The outcomes are reduced predation, higher reproduction rates, increased value of wool and meat, more effective parasite control and improved resource management.

QLD Sheep & Wool Innovation Forum

AgForce Sheep & Wool co-hosted the highly successful Queensland Sheep & Wool Innovation Forum in Blackall in March. The forum saw the launch of the Leading Sheep project, wild dog discussions and showcased the latest industry technologies and quality Queensland genetics.

Shearer and Wool Handler Training

AgForce Training has delivered over three thousand hours of Shearer, Wool handler and Learner/Improver training under the AWI Shearer and Wool Handler Training Initiative over the past year. Under the instruction of AgForce Trainers, who are some of Australia's best shearers, the on-the-job training is designed to refine techniques and skills, improve efficiency, work quality and, most importantly, occupational health and safety.

Sheep NLIS

AgForce Sheep & Wool has worked closely with DPI&F to ensure that Queensland's Sheep National Livestock Identification System (NLIS) is practical and flexible and can be easily incorporated into existing systems. Sheep NLIS is designed to underpin the integrity of the

Australian lamb and sheepmeat markets and will facilitate rapid animal identification and traceability in case of a food safety issue or and exotic disease outbreak and ensure domestic and export consumers continue to have confidence in Australian sheepmeat and lamb.

Food and Fibre Trail

Members of AgForce Sheep and Wool spoke to thousands of South-East Queensland primary school children about the sheep and wool industry at the Royal Queensland Show in August and Rural Discovery Day in April. As part of the Food and Fibre trail, students were provided with information on where their food and fibre comes from and the important role that producers play in their everyday lives.

Walter McLean

President

AgForce Sheep & Wool



As all people involved in the wool industry would know this year has been extremely turbulent politically due to the continual pressure from animal rights groups. Continuing low prices for wool, a tough summer and decreased live export activity for much of the year have resulted in another tough year financially for many wool producers.

Despite limited resources, the SAFF Livestock Committee has endeavoured to represent its wool members on the pressing national issues throughout the last year which include:

Support for Legal Action against PETA

South Australia wool producers were encouraged by SAFF to show their support for the court case undertaken by AWI against PETA. Over 100 South Australia producers registered their interest in becoming a co-applicant, a decision which has been vindicated by the decision by Justice Hely of the Federal Court of Australia to accept AWI's application to serve proceedings on PETA and people associated with it in the United States.

Wool Industry Restructure

Discussion papers prepared by the SAFF Livestock Committee were circulated to WoolProducers and other state members, progressing further the SAFF policy that the industry requires immediate review of its service providers. This policy is driven by our members indicating that more marketing is required to increase the demand for wool. The SAFF believes to enable increased marketing changes are required to the industry structure.

Mulesing Accreditation

The SAFF Livestock Committee worked tirelessly with other states, AWI and WoolProducers on the development of a national Welfare Code of Practice for Mulesing and a mulesing accreditation program. Whilst it is imperative that our welfare standards enable us to access international markets, the effect on producers must also be considered when imposing regulations on an industry. With increasing investment in developing alternatives for mulesing, the welfare code and credible mulesing accreditation programs, producers should be able to continue to access internal markets and continue to promote Australian wool as a safe, clean and animal friendly product into the future.

Shearer & Wool Handler Training

The SAFF continued to provide representation for producers on the development and continuation of training programs undertaken by TAFE and under the AWI training program.

Geoff Power
South Australian Farmers Federation

TASMANIAN FARMERS AND GRAZIERS ASSOCIATION



The past year has been as exciting as it has been challenging for the wool industry in Tasmania, no doubt as it has around Australia.

I was pleased to be given the opportunity earlier this year to represent the members of the Tasmanian Farmers and Graziers Association at a national level on WoolProducers.

Likewise, it is pleasing to be able to report to our interstate colleagues on the achievements of the TFGA during the year.

I would also briefly like to acknowledge the TFGA Wool Committee Chair, Marcus McShane, who I am replacing on WoolProducers after Marcus stood down earlier this year, and I look forward to following on in his footsteps and the excellent work of representing Tasmanian woolgrowers on the national stage.

Working in Wool Program

The 2005 'Working in Wool' program was another huge success for the industry, stakeholders and the 13 young students who participated.

'Working in Wool' is a partnership with industry to increase the number of young people choosing a career in wool. The program provides young people with a safe and positive experience of the types of work, opportunities and career pathways available in our industry.

The 'Working in Wool' program will be running again in 2006, and we are hoping for between 15-20 students next year. One of the outcomes from this year, which will help in 2006, is the kits that are available for the stakeholders to follow.

Review of Animal Welfare Act

A number of regional producer forums were held by TFGA at Smithton, Ulverstone, Scottsdale and Bothwell to give producers a chance to have their say on the Review of the Animal Welfare Act. The meetings included informing producers about the proposed amendments to the legislation and outlining the process adopted for the review of the Act.

The main points among producers were the proposed increase powers of officers, duty of care, ownership and the role of the RSPCA. All these opinions will be summarised into a submission paper to go to the Tasmanian Government for early October.

Improving Safety in the Wool Industry

Primary Employers Tasmania (PET) and TFGA Wool Council, as a joint initiative, have combined to address the issue of Workplace Health and Safety in respect of shearing and crutching operations.

Arising from several meetings between PET and the TFGA Wool Council, a small committee of experienced woolgrowers was formed with the task of developing a Standard Operating Procedure and Induction Manual for persons engaged in the shearing and crutching industry.

The induction manual can be purchased through PET for \$30 (PET members) and \$175 (PET non-members). It will be available free of charge to all PET members at the start of 2006.

Shearer and Wool Handlers Project Advisory Panel

TAFE Tasmania has been awarded training funds from the Office of Post Compulsory Education and Training (OPCET) for the next three years. Training funds will be given to TAFE Tasmania for two trainers to deliver Shearer & Wool handler training.

Australian Wool Innovation will also fund the following programs this year (2005/06):

- Wool Handler Workshop;
- Shearer and wool handler novice / assessment school;
- Regional coaching superfine wool handlers; and,
- Professional shearing and wool handling workshop.

Launceston Wool Sales

TFGA Wool Council staged its annual cocktail party to coincide with the Launceston wool sale week in mid-February this year. The highlight of the function was an address by Mr Andrew Rich on possible future uses of wool in surf and leisure wear.

Andrew was a founder of the surf wear company Mambo, and although no longer involved in the industry, he has been commissioned by AWI to research the uses of wool in this huge market for younger consumers.

The cocktail party, held this year at the "Clarendon" property at Nile, allows wool growers, brokers and exporters to meet in an informal atmosphere at the conclusion of the sales.

Memorandum of Understanding

On Saturday 17th September 2005, TFGA Wool Council Chairman, Marcus McShane, signed a historic Memorandum of Understanding between Elders, the Sunshine Group and TFGA Wool Council. The MOU outlines the clear intent of these parties to work together to increase demand and recognition of Tasmania's superior merino wool to the world.

All wool entering this program will carry a 'Tasmanian Certificate of Authenticity', issued by the State Government of Tasmania. These quality worsted fabrics and garments, produced from Tasmanian merino wool, will then be branded and marketed domestically and to the top fashion houses of the world.

Rosemary Stobart
Tasmanian Farmers and Graziers Association

ANIMAL HEALTH SUBCOMMITTEE



During the past year the Animal Health Sub Committee has focused on Ovine Johne's Disease, animal welfare, industry codes of practice and other national issues in conjunction with Animal Health Australia and the Department of Agriculture Fisheries and Forestry.

Following is a summary of some of the key issues and outcomes for the year.

Ovine Johnes Disease

Following the completion of the six year National Ovine Johnes Disease Program, the industry is now over half way through the next two year stage of addressing the management of the disease.

Discussions as to how to proceed as of 1 July 2006 have already commenced through the national Industry Advisory Panel and other relevant bodies. Among other things there is a continuing interest in ensuring that future research and development needs concerning OJD are adequately addressed.

At a recent workshop held by Animal Health Australia, a clear endorsement was given by industry to continue with a national approach.

Animal Welfare and the Adoption of Minimum Standards

Heightened levels of public interest relating to animal welfare have translated into the need for our industries to be seen to be adopting and complying with appropriate standards of animal welfare and husbandry. During the year, WoolProducers has remained at the forefront of the development of appropriate codes and standards for animal husbandry.

It is of particular importance that any adoption of mandated welfare practice can be reconciled with sound grass roots animal husbandry. WoolProducers remains committed to ensuring sensible animal welfare outcomes are achieved, which balance these two outcomes

Joint Animal Health Sub-Committee

WoolProducers attaches significant importance to strengthening links with the sheepmeat industry and to the adoption of holistic policy for the sheep industry where that is appropriate for animal health and welfare outcomes. As such, the moves towards re-establishing a joint animal health committee have continued during the year with WoolProducers seeking to employ a dedicated animal health officer.

Disease Awareness and Monitoring

WoolProducers is actively involved in programs involving awareness, preparedness, and general monitoring of disease related issues

These activities range from simulations involving the incursions of exotic diseases such as FMD and avian influenza, procedures to address possible incursions of screw worm fly, and the importance of continuing to demonstrate freedom from BSE (mad cow disease) in particular.

Alix Turner
WoolProducers Animal Health Subcommittee



Australian farmers have had an unprecedented number of agricultural issues on the national agenda in 2005.

The National Farmers' Federation (NFF) and its member organisations have been at the forefront of a number of debates which are crucial to the future of Australian farms and rural communities, including drought reform, rural telecommunications, native vegetation and biodiversity management, water reform, industrial relations reform, trade agreements – the list goes on.

There has also been mounting pressures on Australian farmers on a range of fronts – including animal rights, the environment, labour shortages – and NFF has worked closely with its State farming organisation and national commodity council members, including WoolProducers, to defend our industries and positively promote Australian agriculture.

Rural Telecommunications

The telecommunications package approved by Federal Parliament in September addressed NFF's requirements for quality, affordable telecommunications services for farmers and rural communities now and into the future. NFF has maintained strong pressure on the Government over a number of years to ensure that farmers and people living in rural Australia have access to quality and affordable telecommunications services that they need to live and work in rural areas and to compete in world markets.

The legislation delivers on a number of crucial guarantees that NFF has sought on behalf of rural Australia, in particular:

- An independent and regular service adequacy review, to be held every three years and to be linked to funding from the \$2 billion Communications Fund.
- A tightening of the Customer Service Guarantee (CSG), a legislative tool that requires timely connection and repair of basic phone services.
- A strengthening of the Network Reliability Framework (NRF), a legislative tool that requires Telstra to maintain and improve the reliability of the network.

NFF believes that the legislative package, associated funding and assurances from Government in regard to programs and other matters, will secure quality affordable telecommunications services now and into the future for farmers and rural Australians, irrespective of the ownership of any provider.

Fuel Costs

Soaring fuel prices continue to impact heavily on farmers, with farmers' fuel costs increasing by \$500 million, or 25 per cent, over the past two years.

NFF welcomed the Federal Government's announcement on 20 September that, as advocated by NFF, the Government will fund the Cleaner Fuel Grant from the Budget, rather than impose a new fuel tax of 0.06 cents / litre from 1 January 2006.

NFF is also urging the Treasurer to bring forward the affordable fuel excise reforms which were announced in the Government's Energy White Paper in 2004. Given the massive impact that fuel prices are having on farm incomes, NFF is urging the Treasurer to bring forward these fuel excise reforms which are currently not due to take full effect until 2012.

Drought

While welcome rains enabled farmers in many of Australia's cropping areas to plant winter crops, many livestock producers endured another winter of hand-feeding in 2005.

NFF has been pressing governments to deliver genuine and meaningful reforms for a number of years. Progress on drought through the Primary Industries Ministerial Council has been painstakingly slow, however facing a dire seasonal outlook, in late May the Federal Government responded to a number of NFF's key drought reform priorities, when the Prime Minister announced the 2005 Federal Drought Package.

Farmers can benefit from an increase in the allowable off-farm income by \$10,000 and the new more generous off-farm assets limit of \$435,000 for Exceptional Circumstances (EC) business assistance. These more flexible EC criteria are likely to mean that significantly more farmers in EC regions will now be eligible for assistance.

NFF will continue to push for fundamental reforms to Australia's drought policy, in particular for the Federal Government to take full control of the EC program.

Native Vegetation

The costs of native vegetation controls to agriculture have been quantified at up to \$1.3 million per farmer by an economic study of farms in western and central New South Wales (NSW) by the Australian Bureau of Agricultural and Resource Economics.

ABARE has shown that in the region studied alone, 50 per cent of farms have forgone cropping development worth more than \$35,000 per farm and in the top five per cent of farms, the costs has exceeded \$1.3 million per farm.

NFF maintains that there are smarter policy options available that can harness the willingness of farmers to protect threatened plants and animals, while giving them the ability to improve their productivity.

ABARE findings also point to the damaging effect that inflexible native vegetation regulations are having on farm competitiveness. NFF hopes that this survey will help raise awareness of some of the absurdities in the native vegetation regulations and prompt the State Governments to help put Australian farms onto a sustainable basis.

Workplace Relations

The Australian Government has announced sweeping changes for industrial relations reform. The reforms will be far ranging and are a step in the right direction to remove some of the more cumbersome and unwarranted third party interference in how farmers' and their employees wish to organise working arrangements.

NFF has worked with the Government in relation to the detail of the reforms to maximise the opportunities for Australian farmers, and has achieved significant results with key changes to the legislation being secured.

Rural Labour Shortages

In September, NFF launched a Labour Shortages Action Plan designed to help farmers resolve chronic labour shortages that inhibit productivity growth.

Through the Action Plan, NFF hopes to facilitate a holistic approach to resolving labour shortages, identify gaps, and provide recommendations that NFF can drive at a national level either through policy development or by facilitating action at a local level.

NFF has secured the services of an out-posted Department of Immigration and Multicultural and Indigenous Affairs officer, Ms Quinn Tran, to provide farmers with information about migration of skilled labour to help resolve labour shortages. Ms Tran is based at the VFF office in Melbourne, but will be able to attend meetings throughout Australia and is available to any Australian farmer seeking assistance about skilled migration matters.

Trade

Trade remains a key priority of NFF and in recent times we have seen a plethora of Free Trade Agreement (FTA) negotiations being announced by the Australian Government. NFF's number one trade priority remains the World Trade Organisation (WTO) Doha Round. An NFF delegation undertook a trade visit to Geneva, Brussels and Washington in this year to drive home the message to the WTO key global players that agricultural trade reform is long overdue.

The trip was timed ahead of the WTO Ministerial Conference in Hong Kong, to ensure that key players recognised that the Conference must deliver the fundamental reform of agricultural trading rules that farmers were promised when the Doha Round was launched in 2001.

Australian and Cairns Group farmers will stand for nothing less than an outcome which delivers substantial and commercially-meaningful new and improved market access for all products, substantial cuts to domestic support spending and the quick elimination of all export subsidies.

Animal Welfare

NFF continues to work with Australia's livestock industries to combat the misleading campaign which has been promoted by animal rights activist organisation People for Ethical Treatment of Animals (PETA) in a bid to shut down our industries.

Elements of the current debate on animal welfare, fuelled by misleading claims by activists such as the People for Ethical Treatment of Animals (PETA), are deeply offensive to farmers. The bottom line is that farmers care a great deal for their livestock.

NFF will continue to work closely with the Australian Wool and Sheep Industry Taskforce and WoolProducers to combat PETA's misleading campaign on mulesing and live exports.

Campaign for Australian Agriculture

NFF announced in July 2005 the development of an ambitious, long-term Strategy to positively promote Australian agriculture and bridge the country-city divide. The 'Campaign for Australian Agriculture' will address a range of growing pressures on Australian agriculture, including animal rights extremists, the environment, rural labour shortages and more.

The preliminary concepts for the Campaign have been approved by the NFF Policy Council and work on the detailed strategy is now underway.

Peter Corish
President
National Farmers Federation