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AWI to undergo Federal Government performance and governance review



Agriculture Minister David Littleproud

AUSTRALIAN Wool Innovation will undergo a new independent review of performance and governance, the Minister for Agriculture and Water Resources David Littleproud has announced this morning.

Minister for Agriculture and Water Resources David Littleproud said the review would be conducted over the next six months, ahead of WoolPoll 2018, and will examine AWI's performance, as well as additional matters of public interest raised over the past year.

The announcement came just hours before AWI was due to appear before

another Senate Estimates hearing in Canberra, scheduled to run from 11:50am-12:10pm.

AWI chief executive officer Stuart McCullough said he welcomed the independent review of performance.

"This is a normal part of our business cycle as an opportunity for our stakeholders to see the benefits delivered for wool growers," Mr McCullough said.

However, although the minister's release also states that the review is part of AWI's normal statutory reporting requirements, Sheep Central understands the review will examine AWI's performance under its current Statutory Funding Agreement with the Federal Government, which is not due for renegotiation until 2020.

AWI is due to commission its own review of performance against its 2016-2019 strategic plan, but this does not normally involve an in-depth examination of governance issues.

Sheep Central believes the Federal Government review will also examine issues raised in the media and Senate Estimates hearings relating to AWI chairman Wal Merriman's behaviour, governance and expenditure by AWI on executives and staff, and its use of replaceable rules under corporate law. These issues include Mr Merriman's uninvited attendance and covert observation of a Merino breeders' focus group, ex-gratia payments to redundant staff and Mr McCullough's attendance of a six-week Stanford Executive Program.



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In a Senate Estimates hearing last October, AWI chairman Wal Merriman admitted he had breached AWI's Code of Conduct and damaged the standing of the company. He also admitted he could hold up to half the votes in an AWI director election as proxies.

Mr Littleproud said wool levy payers had the right to expect their industry body to work hard in the interests of wool growers.

"This review gives all parties the ability to be fully informed.

"To keep this at arms-length my department will engage an independent reviewer," he said.

"AWI stakeholders, including wool grower representative groups, will have the opportunity to participate in the review.

"The findings will be made available to levy payers ahead of the industry's WoolPoll this year to inform their vote."

WoolPoll is held every three years and gives wool growers the opportunity to have a say in the strategic direction of the industry. WoolPoll 2018 voting will take place over a six-week period between September 17 and November 2 2018.

"At AWI we are always striving to deliver best performance for our woolgrowers and we believe that our governance procedures and operations are appropriate for our funding and business model, however we are more than happy to have this tested through our triennial performance review process," Mr McCullough said.

WoolProducers Australia welcomes review

The announcement of an independent review into AWI has been welcomed by peak industry body WoolProducers Australia.

WPA said the review appeared to be an enhanced part of normal statutory reporting requirements for AWI, aligning with AWI's business cycle.

WoolProducers chief executive officer Jo Hall said the body had previously called for more independence in AWI's Review of Performance process, "so we welcome this announcement."

Following last year's AWI Annual General Meeting, WoolProducers stated that we expected the AWI Board to improve their governance practices which had been demonstrated to be lacking in recent times, she said.

"WoolProducers has been calling for more accountability and transparency to wool growers from the industry's research, development and market body.

"As the representative of the single largest body of wool growers in the country, we will certainly be taking the opportunity have input into this process."



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Ms Hall said WoolProducers also believed the AWI board must improve consultation, communication and collaboration with industry.

'We look forward to seeing the Terms of Reference for this review and being involved in the process.' Ms Hall said.

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