

PRIVATE TREATY WOOL MERCHANTS OF AUSTRALIA INC



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Submission to the Australian Wool Innovation Performance Review 2018

Thank you for the opportunity to provide a Submission to the above Review. We note the nine questions asked by Ernst Young.

Private treaty wool merchants and the Private Treaty Wool Merchants of Australia have little direct contact with Australian Wool Innovation (AWI), but they do have a good knowledge of its role and the issues that they are involved in. Private treaty members operate, both outside the and within the auction system. They are also close to their wool grower clients; and are very familiar with the issues that are important to them in the successful conduct of their wool growing enterprises.

However, we shall not be commenting on Governance issues and other grower related matters. They are more appropriate issues for levee payers.

Planned Outcomes (Question 3)

With regard to Planned Outcomes, we believe AWI is successfully funding some very important projects, both on-farm and off-farm.

Three areas that are proving more difficult are Wild Dog Control, Shearing and Animal Welfare.

Wild Dog Control

Wild dogs have been an issue since the start of the industry. Once, the ability to employ larger staff numbers provided a resource that helped control the wild dogs. This “large” resource is no longer available.. We are aware that AWI invests significant funds in improving wild dog control. We believe that success in this work is one of the key issues for the future of the industry. It is only 15-18 years since much of Queensland’s once thriving sheep and wool industry collapsed because of wild dog predation. It is good to see that there has been a recent small return of sheep to their former areas.

Shearing

Similarly, it is forty years since research aimed at developing robotic shearing was initiated in Western Australia. Although this work was not successful, it was followed by a number of other initiatives that have met with limited success or lack of widespread adoption. There is a common concern that this is a major issue for the industry. We commend AWI for its investment in this area and support its continuation.

Animal Welfare

Animal Welfare is an issue that is attracting increased awareness in the wider community. While not forgetting issues associated with the live sheep export trade, mulesing is an issue of great relevance to wool growers. AWI has invested many millions of dollars in blowfly control. There has been considerable progress in moving towards a mules-free wool industry. The development of pre and post-operative pain-relief products and the breeding of less susceptible sheep have been great advances. But, they may not be enough to satisfy future animal welfare requirements. The importance of this work cannot be under-estimated and is worthy of the high priority given to it by AWI. This is particularly so given the awareness of some contracts for wool from non-mulesed sheep being directed away from Australia because of negative connotations associated with mulesing.

WOOLQ

The WSSR and the subsequent development of WOOLQ has attracted comment that ranges from “*Why, the Industry is already very competitive*” to those of “*support, often citing the Open Cry Auction as in need of revision or replacement*”.

Irrespective of this range of views, private treaty merchants note that the cost benefit analysis commissioned by AWI forecast a \$39 million to the industry over a 15 year period. This is very small, equating to approximately \$1.50 per bale per annum, which is insignificant when compared with average value of a bale of wool at between \$1,950 and \$2,000 per bale in the current market.

Yours sincerely



Neville Armstrong
President



Peter Morgan
Executive Director