24th of February 2015

Wool Selling Systems Review
Australian Wool Innovation
GPO Box 4177
Sydney NSW 2001

To Whom It May Concern

Dear Sir/Madam

The Pastoralists and Graziers Association of WA (Inc) (PGA) is aware that AWI is seeking responses to its Issues Paper on wool selling systems.

The PGA is a non-profit industry organisation established in 1907, which represents primary producers in both the pastoral and agricultural regions of Western Australia.

The PGA makes the following general comments on wool selling systems;

➢ The individual owners of Australian wool assume the financial risk for the sale of their product. Any selling system must efficiently send price signals to those sellers, by rewarding those who present the best product for market, or who are willing to assume the most risk.
➢ Whilst woolgrowers continue to be distressed that they are not adequately rewarded for their efforts, the PGA points out that this is not necessarily the fault of the market selling systems.
➢ Consequently, competition between different selling systems should be encouraged to return the best value to Australian woolgrowers.
➢ With respect to Phase 6, the Export Process, and the issues paper reference to an industry owned and/or managed dumping facility, the PGA hopes that this refers to an industry joint venture between private partners. The PGA’s preference is that levy payments are always used for research and development, and not for so-called industry owned corporations.

We strongly believe that over time, the market itself will develop the best selling system for wool. Previous experience has shown the dangers of well intentioned but unsound intervention.

The Australian wool industry must avoid that “fatal conceit’, that men can order things better than the market.

Yours Faithfully

Digby Stretch

Chairman       PGA Livestock Committee