

AUSTRALIAN SUPERFINE WOOL GROWERS' ASSOCIATION INC

ABN: 41 338 467 905 REG. No. A00190055

UNIT 9 / 42 - 46 VELLA DRIVE, SUNSHINE WEST VIC 3020, AUSTRALIA

T: 03 9311 0271

E: aswga@woolindustries.org

F: 03 9311 0138

www.aswga.com



3 September 2015

Mr John Roberts
Executive Officer
Wool Selling Systems Review
GPO Box 4177
Sydney NSW 2001

By email : wssr@wool.com

Dear John,

Re Follow-Up Submission

The Australian Superfine Wool Growers Association thanks the Panel for the important review of our industry's selling systems. Members have reviewed the July 2015 Discussion Paper and been represented at the Melbourne workshop.

Attached is a brief summary of our position in relation to the major points raised in the Discussion Paper and on which we consider it appropriate to comment.

The Association looks forward to the release of the final report.

Yours sincerely

Simon Cameron
President

The WSSR Discussion Paper is comprehensive and valuable reading for all woolgrowers and other industry participants. The Panel's finding that there are no institutional impediments to preventing opportunities from being progressed is most encouraging. ASWGA continues to support the review process.

The heterogeneous nature of wool produced and the differing requirements of buyers of different types of wools must continue to be recognised. However there are aspects that are common and will benefit from an industry-wide approach. The Association endorses many of the Panel's recommendations and views including:

- that there is a case for supporting R&D to scope the technical and commercial developments in measurement, testing and associated logistics and their applicability to wool. The appropriate place for this is with AWEX and AWTA to capitalise on existing expertise and established networks.
- growers having greater flexibility to store wool on farm and then market their clip with certainty of measurements via whatever selling system they chose
- greater transparency of post-sale costs that allow woolgrowers to base decisions on total broker charges (pre-sale plus post sale)
- that the choice of selling only by description or not must remain with the woolgrower. There are constraints to sale only by description for superfine and ultrafine wool categories. Two major ones are inadequate and unreliable descriptors for crimp frequency and, secondly, the substantial cost to have a full range of tests completed that include a colour test. The requirements of buyers also need to be taken into consideration. For those for whom visual inspection continues to be an essential part of the buying process this facility must continue to be made possible. Even if the buyers requiring this, include those who purchase traditional superfine and other important wool styles. These are the ones participating in the high profile sector of our industry that contributes more than most to the positioning of wool as a special fibre.
- additional measurement technologies may be available or in development that have application to better describing wool characteristics that could be applied to wool. Tests must accurately identify and describe the quality within each individual objective measurement category. Research into the development and/or application of measurement technologies that improve the efficacy and lower the costs of testing would be beneficial.
- the vulnerability of the industry due to its reliance on Talman and the need for this to be addressed.
- the development of the Wool Exchange Portal (WEP) - but while recognising the challenges such a project will represent including the education of wool growers in its use and their ability to be able to adequately access it given the phone and Internet limitations in many regional areas.

Related to the WEP concept is the importance of the use of technology for increasing the efficiency of information and transaction flows within the industry. This incorporates improving pre-sale access to wool data as well as post sale activities including all commercial documentation.

The ASWGA recognises that while further centralisation of auction sales may provide benefits for some wool producers this is not believed to be the case for those represented by the Association. It will remove a very important yet difficult to quantify information gathering and exchange opportunity for growers who become more distant from their selling centre.