



17 February 2004

Wool Senate Inquiry “Kangaroo Court”

AWGA welcomes supplementary report into AWI Senate Investigation

The Australian Wool Growers Association, AWGA, today welcomed the finalisation of the long drawn out Senate Inquiry into the administration and operation of the Statutory Funding Agreement dated 28 December 2000, between the Commonwealth of Australia (represented by the Minister for Agriculture, Fisheries and Forestry), Australian Wool Innovation Pty Limited and Australian Wool Services Limited.

However the AWGA was disappointed to find that the report tabled contained a supplementary or dissenting report from Committee Member Senator John Cherry.

Senator Cherry states in his supplementary report “This Inquiry is about the administration and the operation of the Statutory Funding Agreement between the Commonwealth and AWI, and the expenditure and application of funds under that agreement. It is not supposed to be an exercise in denigrating former or current employees or directors of AWI.”

“While I am happy to sign up to the recommendations in the majority report touching on the public administration issues raised by AWI’s brief history, and recommendations referring the evidence to the relevant authorities for investigation, I am not happy to sign up to ‘sweeping conclusions’ that reflect adversely on the performance of individuals based on incomplete evidence.”

“To make findings based on incomplete evidence affects the credibility of the Committee’s report, leaving its report unbalanced and vulnerable to assertions of it being a ‘kangaroo court’. Natural justice and due process should dictate that the Committee either complete its investigations or make no adverse findings.” #

The AWGA would agree with these sentiments. It is apparent from reading the final report that the findings are based primarily on the unsubstantiated allegations of political opponents of the former board of AWI, a disgruntled former board member, and the findings of a Price Waterhouse Coopers Internal Audit.

To rely on this primary evidence alone, especially the PWC audit and associated letter to Shareholders which clearly stated that the audit was reliant upon information given by AWI and no effort had been sought to verify information with relevant stakeholders, smells of a ‘political’ approach.

“The current board campaigned for election on an issue of corporate governance and on gaining election have demonstrated a desire to conduct an ongoing witch hunt.’ says AWGA. “The release of the Senate Findings would indicate that this Pauline Hanson style political trial, witch hunt is far from over.”

Had the Board of AWI referred their concerns to the corporate watchdog initially, as recommended at the time by the Australian Wool Growers Association, the issues alleged could have been addressed and any action if required taken.



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“It is disappointing that the cost associated with the conduct of this inquiry, borne by tax payers, and the efforts to provide ‘evidence’ funded by wool levy payers, has failed to deliver definitive outcomes. “

The report has recorded disagreement over any future investigations, should the Australian Securities and Investigation Commission be involved, seeking to determine breaches if any of corporation’s law, or should the Federal Government take responsibility due to the compulsory levy according to the Statutory Funding Agreement.

It is apparent that the politics surrounding AWI will not go away despite the Senate Inquiry, says AWGA. Whilst the Senate Inquiry will, Yes Minister style, satisfy those firmly in the Wool Council political camp, very little conclusive or actionable recommendations have resulted.

“It is disappointing to all grassroots growers that so much time, effort and resources have been spent on this exercise, when the realities of managing drought, declining wool prices, shortage of shearers, live sheep exports and declining flock numbers are the real issues that need to be addressed.” says AWGA.

ENDS

Source: Rural and Regional Affairs Legislation Committee AWI Report February 2004 Page 83

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