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## NEW YEARS RESOLUTION – GET WOOL MARKETING RIGHT

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The opportunity at WOOLPOLL 2006 to improve Australian merino wool's marketing has never been better according to AWGA Chairman Martin Oppenheimer. Woolgrowers across the nation are desperate for more action and innovation in building the image and desirability of Australian merino in the eyes of consumers.

Woolgrowers will have the opportunity to decide the level of levy for the next 3 years at WOOLPOLL 2006. Currently 2% is provided to service provider AWI. AWGA is proposing to continue the 2% levy, with woolgrowers given the additional option at WOOLPOLL of allocating the levy, with 1% for Research and Development and 1% for Innovative Marketing.

“Why is marketing wool being seen as a war without end? Woolgrowers have been asking for better marketing for years now, and wool processors decided to push the issue at the IWTO conference at Hobart last year” said AWGA chair Martin Oppenheimer.

“The positive result is a new “test marketing campaign” to be launched during 2006. The negative result is we have a new levy of \$1.50 on every bale sold in Australia, to raise \$2.5 million. This concept was proposed and dismissed in the 1999 Wool Task Force Report, because it would in effect be passed on to growers.”

“Frankly I am embarrassed that the Australian wool industry has again been forced into action by others, this time by our wool customers who are alarmed by declining demand. I am also frustrated that we have another wool levy when woolgrowers have over \$100 million funds at AWI.”

Interestingly the levy was approved by the Australian Competition and Consumer Commission (ACCC), which was “satisfied that the proposed arrangements were likely to improve the international demand for wool, resulting in increased exports of wool.”

AWGA sees the problems with funding marketing have resulted from confusion at Woolpoll 2000, and the writing of the funding agreement with the Federal Government. Woolgrowers never ruled out marketing in 2000, and the projected income and expenditure have proved to be different to reality. Best industry advice to AWGA shows that there are sufficient funds with a 2% levy to produce effective R&D and Marketing programs.

Martin Oppenheimer says, “All we are asking is to give woolgrowers the opportunity to decide what happens with their money at WOOLPOLL 2006. Woolgrowers need the choice of 1. How much levy? 2. How to split the levy between R&D and Marketing?”

“Too many recent decisions have been made without consulting those who pay the bills.”

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