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WOOLPOLL TO RESCUE AWI FUNDING SHORTFALL

The Australian Wool Growers Association (AWGA) rejects Australian Wool Innovation's (AWI) call for an increase in wool tax to 2.5% at WOOLPOLL 2006.

AWGA is calling the 2.5% option a lazy solution by a desperate AWI Board to cover the current funding shortfall, largely caused by the expensive and ongoing legal action in the Federal Court. AWI income is falling as wool prices have declined 15% to 25% since the McLachlan Board gained control of the company in November 2002.

The legal action against animal rights lobbyists began in November 2004 with the political stunt of serving papers on TV's 60 minutes program. Currently the case is in the "discovery phase" where information is collected from all the applicants, who are apparently covered personally by woolgrowers' funds. The case is now expected to start in about 6 months time.

AWGA Chairman Martin Oppenheimer said "The cost of the legal action is 10 to 15 million dollars per year, with no end in sight. AWI is simply gambling with woolgrowers' money, in the hope of a positive result. Now they want another increase in wooltax to cover the AWI budget black hole."

"The advent of a new \$1.50 export levy for a "test marketing campaign" earlier this year, without grower consent was enough. Woolgrowers need more incentives to build their wool growing business. More tax will simply drive more out of the industry."

"Woolgrowers should reject any increase in tax at this year's Woolpoll. The fact that AWI is asking for another 0.5% for "additional marketing" is obscene when they are spending a similar amount on legal action that simply promotes animal rights claims."

"AWI is wanting more for "additional marketing" when the funding agreement with the Federal government, which dictates how the funds can be spent, still confuses the allocation between Research and Promotion. Growers want better marketing and promotion, less waste and duplication, and an immediate end to fruitless and never ending legal action."

A simple solution proposed by AWGA for growers to vote at Woolpoll 2006;
1% to AWI for Research
1% to WOOLMARK for Marketing & Promotion

AWGA has repeatedly called for better ways to deal with threats, including improving animal welfare practices and promoting the many positive attributes of Australian Merino as a natural and renewable fibre.

Related Links

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