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## WOOLPOLL MODEL IS WRONG

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Woolpoll 2006 will lead to further contraction of the Australian wool industry, regardless of the result in November, according to the Australian Wool Growers Association (AWGA).

AWGA Chairman Martin Oppenheimer states “The model is wrong. Previous woolpolls in 2000 and 2003 failed to give growers the ability to direct their levies towards either Research or Marketing. The McLachlan model from 1999 based on innovation has failed to lift production and prices, or reduce costs. The mistakes from past Woolpolls look to be continued for another 3 years.”

During the past 3 years there have been repeated calls from growers, processors and retailers to increase spending on marketing and targeted promotion. But despite growers desire to fund marketing programs, they are only given the choice to do this with an increased levy, after funding Research, Administration and litigation activities.

“Research is the new ‘Sacred Cow’ that Australian Wool Innovation (AWI) always puts before Marketing, and refuses to give growers the choice to re-direct their levy towards a balanced portfolio including Marketing and targeted Promotion. Why is funding for Marketing activities always seen at Woolpoll as an extravagance at 3% or 4% levy after funding research?”

“AWGA policy has reflected woolgrowers desire to split funding between Research at 1% and Marketing at 1%. Unfortunately AWI is now putting the levy from woolgrowers in doubt as many will vote zero in protest. Anyone who thinks growers can increase the levy above 2% to fund marketing is clearly out of touch with the commercial reality of wool production at present.”

There is added confusion with (AWI) Chairman Ian McLachlan stating on ABC radio on 9 August 2006 that “AWI is not the world’s marketer of wool, we are not in the business of marketing wool to the world.” But CEO Len Stephens stated at the 2005 AGM “the AWI business is now a combination of research, innovation and marketing.”

Growers are also concerned about the proposed merger of AWI and Australian Wool Services without any details released before Woolpoll. “It is arrogant and unrealistic to expect growers to ignore any structure of the future wool companies, yet blindly decide future funding. Growers smell another AWRAP.”

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