



AWGA - News Update

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AWGA call for WoolPoll info

The Land



THE Australian Wool Growers Association (AWGA) is calling for Australian Wool Innovation (AWI) to immediately release its three-year spending projections to give farmers ample time to make an informed decision on which levy rate to support in WoolPoll.

AWGA acting chairman Shane Edwards said AWI needed to declare how much money each of the levy options – set at 0 per cent, 1pc, 2pc, 2.5pc and 3pc - would raise, and how it would be spent.

AWGA also wanted growers to vote on how levy money was divided between marketing and research and development.

“At the moment, AWI is not forthcoming enough with information,” he said.

“We want the projections now, not the week before the WoolPoll roadshow.

“AWI has about \$100m in cash reserves and still has a problem expending all the money. By 2013, could they have \$150m in reserve? We are in danger of having a new stockpile of funds.

“AWI has said they are happy for stakeholders to debate the figure, but AWI must be part of the debate.”

In a statement to Fairfax Agricultural Media, an AWI spokesperson said the organisation’s audited reserves were \$95.6m, as published in the 2010-11 annual report.

That number would grow modestly before the end of the financial year but should also have the Woolmark brand (\$10m) intangible asset deducted.

“However it is important to note AWI is obliged to hold a certain level of reserves (\$37.4m) for a potential exotic disease response and to expedite an orderly closure of the company including projects and operating costs should a 0pc levy vote be returned at WoolPoll,” the spokesperson said.

“These deductions are well documented in every AWI annual report provided to all shareholders.”

The amount held in AWI’s reserves was determined by its board. A drawing down on reserves had been budgeted for in 2010-11 and 2011-12, but not because of higher wool prices and subsequent growth in the levy revenue figures received.

“The board will provide a clear position on the company’s expenditure of its expected annual revenue and reserves for 2013-14 to 2015-16 as part of WoolPoll,” the spokesperson said, and it was of “paramount importance” to the company that there was “an orderly growth in project expenditure” over the next three years.

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