



13 October 2005

The General Manager
Adjudication Branch
Australian Competition and Consumer Commission
PO Box 1199
DICKSON ACT 2602

e: adjudication@acc.gov.au

**Submission in Support of the Application for Interim Authorisation lodged by
The Federation of Australian Wool Organisations**

This submission is being made by the Australian Wool Exchange Limited in support of the application for authorisation lodged by the Federation of Australian Wool Organisations. This submission is in support of interim authorisation with respect of this application.

The Australian Wool Exchange Limited is a not-for-profit company established in 1993. The Australian Wool Exchange is a member based organisation which includes Wool Brokers, Wool Growers, Exporters, Private Treaty Merchants and Wool Processors as its members. The principal functions and activities of the Australian Wool Exchange are the facilitation of trading of Australian wool, the development and maintenance of industry standards in relation to the preparation of wool and the provision of independent wool market information.

The application before you is in support of a proposal to introduce a levy to assist in funding of a test marketing campaign for the promotion of Australian wool.

The test marketing campaign is an initiative which has received wide support from the wool industry. The Australian Wool Exchange Limited has considered the merit of the campaign independently and being satisfied of its potential benefits has committed a one off contribution towards the campaign. The Australian Wool Exchange Limited Board felt that the basis of the contribution would be a benefit not only to Australian Wool Exchange Members but the Australian wool industry as a whole.

Public Benefit

With respect to the public benefit of this application the following is submitted:

Increased demand for Australian wool

The proposed test marketing campaign targets apparel wool which is largely produced by Australia. A well planned and executed marketing plan which has been developed will directly benefit and increase demand for Australian wool.

Increase efficiency in promotion of Australian wool

The proposed campaign has identified target markets and with appropriate analysis will enable the identification of future markets and better use of funds.

Australian Wool Exchange Limited

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International competitiveness of the Australian wool industry

The Australian Wool Exchange Limited believes this promotional campaign will result in a more robust and competitive Australian wool industry internationally as it competes against other fibres.

Increase in net exports

Wool is an export industry. The flow on effect of an effective promotional campaign should be a net increase in exports.

Higher employment

An effective promotional campaign should deliver increased benefit to the Australian wool industry and this in turn should increase production of Australian wool. The Australian Wool Exchange has approximately 25,000 woolclasser clients who are directly employed in the wool industry. Increased wool production will increase their employment opportunities.

The Australian Wool Exchange is supportive of the FAWO application for interim authorisation. The funding of this test marketing initiative is acknowledged as being vital to the Australian wool industry.

Sincerely yours,

A handwritten signature in black ink, appearing to read 'Mark Grave', is written over a white background.

Mark Grave

Chief Executive Officer