



Reference: 05/16559

31 OCT 2005

Mr Jason Byrne
Acting Assistant Director
Adjudication Branch
Australian Competition and Consumer Commission
PO Box 1199
Dickson ACT 2602

FILE No:
DOC:
MARS/PRISM:

Dear Mr Byrne

Application for authorisation lodged by the Federation of Australian Wool Organisations to implement a levy on sale of wool

I refer to your letter of 27 September 2005 in regard to an application for authorisation under the *Trade Practices Act 1974* lodged by the Federation of Australian Wool Organisations to implement a levy on each bale of wool sold at auction or private treaty.

It is understood that the interim levy of \$1.50 per bale of wool sold is for the purpose of raising funds to a level of US\$2.8 million for a test marketing campaign for the promotion of the Australian wool industry.

The authorisation is supported because it appears that the funds raised by the levy that will be used for an international consumer test marketing campaign will result in significant public benefits and particularly economic benefits to the Australian wool industry.

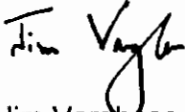
The Queensland Department of Primary Industries and Fisheries (DPI&F) is an economic development agency that has a simple single mission – to ensure profitable primary industries.

The benefits sought by the levy should result in a significant improvement in the profitability of the Australian wool industry. There is a clear need for improvements in the demand for wool and in the net export position of Australian wool. There also appears to be little or no anti-competitive elements to the proposal.



Thank you for the opportunity for DPI&F to provide comment. I have nominated Mr Harold Brown of the Strategic Policy business group as this Department's nominee to handle any further inquiries in respect of this matter. Mr Brown can be contacted on telephone 07 3239 3211 or email harold.brown@dpi.qld.gov.au.

Yours sincerely

A handwritten signature in black ink that reads "Jim Varghese". The signature is written in a cursive style with a large, looped 'V'.

Jim Varghese
Director-General