

To: The Senate Committee for Rural Affairs and Regional Transport Committee
Attention: The Chairman of the Legislative Committee
The Chairman of the Reference Committee
Cc: Chairman of The Productivity Committee.

5.12.2010.

A call for an enquiry into WoolProducers Australia (WPA) and their June 2010 Productivity Commission Submission. A request to assess the questionable claims of “wool peak body status”; their skills based board selection process; and potential conflicts of interest.

Dear Sirs,

I am writing on a matter of public concern. My families' interests include wool growing, prime lamb production, cattle production, stock feed manufacturing, salt mining, various family company directorships, and am a democratically elected board director of Australian Wool Innovation. My family also has interests in animal pharmaceutical products, including pain relief products for farm animals. I also acknowledge that I was a former Chairman of the independent woolgrower organization, the Australian Woolgrowers Association (AWGA).) This document is my sole initiative.

In June 2010, a report was submitted to the Australian Productivity Commission by the group “WoolProducers Australia” (WPA), a group funded by several State Farming Organizations and the Australian Federal Government. In this report, there are claims made and certain omissions that require sunlight.

1. WPA states on their webpage, and in their preamble to The Productivity Commission , “ ***WPA is the only national voice that can speak on behalf of the mainstream wool industry and represent the concerns and hopes of woolgrowers***”. They continue, “ ***WPA maintains a close working relationship with Australian Wool Innovation as the voice on behalf of their shareholders***”
2. In 2005, WPA and Ian MacLachlan (Chair of AWI at the time)signed a “Compact” with the British Retail Consortium (BRC), therein claiming to have a mandate for the entire Australian wool industry. To quote from this Compact, “ ***The Australian Wool Industries signatories to this Compact have the necessary mandate on behalf of Australia’s woolgrowers to enter into and deliver against the commitments stated herein.***”. This agreement is still a living document.

3. WPA sits on the Animal Health Australia (AHA)Committee, to quote from the WPA webpage.” ***WPA is the sole wool industry member of AHA, and as such, carries a significant responsibility for decision making on behalf of the industry. WPA also provides advice to AHA on behalf of the wool industry on a day to day basis through its representation on national animal health and welfare committees.***” WPA has received significant funding on an annual basis from Animal Health Australia ,over \$900,000 in federal funding since 2005.
4. In point 8 of WPA’s June 2010 submission to the Productivity Commission, WPA recommends, “ ***use government funding solely for R&D and related extension purposes and not for any marketing, industry representation or agri – political activities.***” They also state, “ ***implement board selection processes that result in boards with an appropriate balance of relevant skills and experience, rather than a balance of representative interests***”.

5. WPA states in their web address about WPA’s directorship elections:

“ Democratically elected independent members gives anyone involved with wool growing in Australia the opportunity to be part of the leadership team. This sets WPA apart from other grower groups and gives it the mantle of the true democratic voice of the Australian wool industry.”

However, in a WPA press release 25.9.2009, titled “Peak body calls for Nominations for Directors”, the prerequisites for becoming a director on WPA are: “ ***1. Have paid the 2% wool levy. 2.be a member of a state farmer organization that is affiliated with WPA : and 3. Be eligible to act as a company director.***

6. There are major wool industry representative organizations that have no affiliation with WPA in any form, in fact, are opposed to WPA’s agri - political agenda.

DISCUSSION.

The public claims made by WPA as being the “wool industry national peak body” and “the sole voice of woolgrowers” seem evidently spurious when the majority of Australian woolgrowers (50,000) are opposed to the philosophies and actions of WPA. Rank and file woolgrowers have clearly demonstrated their opposition to WPA strongly at national AWI board election process on three occasions.

Since the clear defeat of WPA backed AWI board candidates, in 2008 and 2009, WPA has begun an electoral reengineering process of changing the way AWI board elections take place, by such written attempts to the Productivity Commission submission, and lobbying to the Federal Government.

As WPA can not secure the confidence and trust of the majority of woolgrowers through a proven and fair democratic system, their only option is to try for a political backdoor solution, such as lobbying for a “nomination and selection committee”, a process that challenges the freedoms of the democracy that we all enjoy in Australia, as demonstrated under all Federal and State government elections. Why should the Australian wool industry not continue to enjoy the same freedoms?

Under the suggested WPA model of AWI board election process, they would have a key role in helping to select suitable candidates for growers to elect to the board, which opens the door to selective discrimination.

Nowhere in the WPA submission to the Productivity Report does WPA declare their interest at their continual failure to secure board positions for their own prospective AWI board candidates.

QUESTIONS ON NOTICE.

1. Respectfully request that the Senate examine the claims made by WPA , that it is” the peak national wool body for woolgrowers”, which is clearly at odds with the majority of the Australian woolgrowers who do not belong to any state farming body or indeed have no affiliation with WPA.
2. That WPA’s role as the sole representative on the Animals Health Australia welfare committee is reviewed, in light of their “peak national wool body” claims and potential conflict to ban mulesing.
3. That WPA’s role and connection with AWTA be examined in light of their claims to be the sole voice of the Australian woolgrower.
4. That the WPA report submitted to the Productivity Commission in June 2010, is examined for its failure to disclose the following:
 - a. That WPA has fielded its own candidates unsuccessfully to stand for AWI elections, in the past, failing to adopt a politically neutral position as required under any Government funding arrangement.
 - b. That WPA has failed to properly disclose its perceived conflict of interest by its unpopular philosophy that the Australian sheep industry bans the practice of surgical mulesing at the end of 2010, even with the scientific knowledge that 3 million sheep per annum would die from breech fly strike with out proven or adequate breech surgical protection.
 - c. That WPA still has an active agreement in place with the British Retail Consortium (BRC) to end mulesing in 2010.
 - d. That WPA has no skills based criteria or process in place for its own board or executive members.
 - e. That WPA has claimed to be the national peak body representing all Australian woolgrowers, at the deliberate exclusion of other significant mainstream wool representative bodies.
5. That the Senate questions the further roles that WPA plays in the Australian wool industry, in particular with:

- a. Its directorships on the board of Australian Wool Exchange (AWEX), and the relation to AWEX securing \$164,000 of taxpayers funds to spend on traceability issues with non mulesed wool through the AWEX auction system, and whether any conflict exists.
- b. The WPA involvement with the Sheep CRC executive and 2 WPA directorships, and the funding of non-mulesed programs utilizing further taxpayer funds, and if any conflict exists.
- c. Examine their board credentials and what legitimacy exists to advise Animal Health Australia on behalf of every woolgrower , with proposed new animal welfare codes.
- d. What contractual obligations exist between WPA and the BRC, and what legitimacy WPA had to sign such a document, and whether the ACCC should be notified to investigate such overarching claims in the market place.
- e. What ethical and practical steps does the WPA membership have in place to protect their sheep from breech fly strike to avoid the cruelty of allowing sheep to die of breech fly strike by the cessation of surgical mulesing on their properties.
- f. The implications for the wool industry of WPA signing such a contract with the BRC , and what further representations have been given by WPA to overseas stakeholders supposedly on behalf of the wool industry.

List of Wool Industry representative bodies not affiliated with WPA.

Australian Association of Stud Merino Breeders
 Australian Wool Growers Association
 Australian Superfine Wool Growers Association
 Australian Wool Innovation and board.
 Australian Wool Handling Association
 Federation of Australian Wool Organizations
 Inland Wool Brokers
 Australian Wool Testing Association
 Private Treaty Merchants of Australia
 The National Council of Wool Selling Brokers of Australia
 Majority of SME wool growing enterprises.
 Large independent wool growing organizations.
 Pastoralists and Graziers Association of WA.

Yours truly,

Charles (Chick) Olsson. BEc. MAICD.