

Milestones – a brief history of the Australian wool industry

1788 - 1838

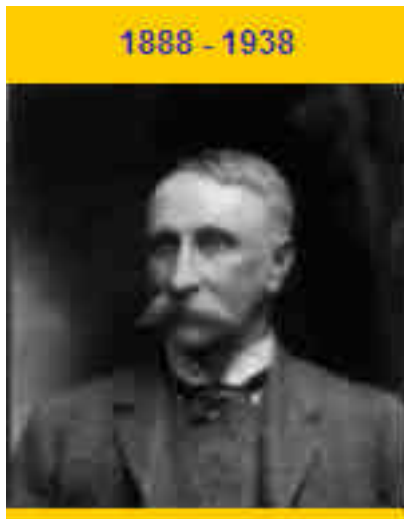


- The first fat-tailed sheep into Australia arrive in 1788 with the First Fleet.
- The first 13 Spanish Merinos arrive in 1797.
- Some of these sheep are sold to John Macarthur and Samuel Marsden, who begin selective breeding by crossing their Merinos with other breeds in the colony.
- On his arrival in 1800, Governor King sees the potential and benefit to the colony in producing wool. His vision leads to the establishment of a textile industry with the setting up of the first wool mill at Parramatta.
- The first auction of Australian wool is held at Garraway's Coffee House in London in 1821 and brought \$2.27 per kilogram.
- To gain higher prices on the London market, sheep are washed before shearing, clean wool is packed in bales for shipment.
- Saxon and Vermont Merinos are imported, together with English breeds such as Lincoln, English Leicester and Border Leicester. From these breeds, sheep are evolved to suit the Australian climate.
- Within 50 years of settlement sheep have moved into every colony, the annual wool clip is over two million kilograms, and wool has become Australia's main export.

1838 - 1888



- Woolgrowers experience boom periods and depressions. At one stage, when prices fall drastically, it is more profitable to boil down sheep to extract tallow and tan their hides for leather.
- Wool auctions begin in the 1840s, but the bulk of the wool clip is still sold on the London market.
- George Peppin assembles a Merino flock in the Riverina. The Peppin Merino strain which emerges becomes the most numerous and productive wool growing sheep in the world.
- Land transport for wool includes riverboats which are used along the Murray, Darling, Murrumbidgee and Lachlan Rivers. Camels are also used in the hot, dry inland.
- Wool is shipped to England and Europe via the Cape of Good Hope by fast wool clippers. But the days of the clippers come to an end with the opening of the Suez Canal and the introduction of steamships. Wool is first shipped to China in 1875 and in 1885 a Use More Wool campaign was introduced and consideration given to opening mills in China in response to disastrous prices and competition from cotton.



- Shearers form unions to seek a uniform rate for shearing and better working conditions. After years of conflict between pastoralists and shearers, the early unions unite in 1894 to form the Australian Workers Union.
- The first shearing machine is invented by Frederick York Wolseley. Wolseley establishes his own company in England and his design remains the basis of all subsequent shearing machines until well into the next century.
- From 1895 to 1903, during one of the most severe droughts in the history of European settlement, sheep numbers fall by almost half. It takes nearly 30 years for flocks to build up to the previous record of 106 million.
- When pastoralists begin to spread further inland away from river frontages, the practice of washing sheep before shearing has to be discontinued. Most of the clip is now exported as greasy wool.
- By the mid 1920s, nearly half the wool clip is still bought by Britain, but Japan and the United States are emerging as major buyers at auction sales throughout Australia.
- By the 1930s, wool represents over 62% of the total export value of primary products. Australia's fine wool is in great demand worldwide.

- In 1936, at the request of woolgrowers, legislation is passed requiring them to pay a tax on all wool produced and sold in Australia. The proceeds are devoted to wool promotion. The Australian Wool Board is established.



- At the end of the Second World War the stock of Australian, New Zealand and South African wool in the ownership of the United Kingdom Government is 10.4 million bales. At a meeting of officials from each country held in London in April-May of 1945, the four governments form a joint organisation called, UK Dominion Wool Disposals Limited to market and sell the stockpile, together with future clips, in an orderly fashion to ensure the stability of wool prices. By the end of 1951, all the stockpile is sold, as well as the wool bought in by the organisation at the floor price.
- In June 1945 the Wool Consultative Council is established for the purpose of providing advice on issues concerning the wool industry in Australia. The Council is replaced by the Australian Wool Bureau in July 1953.
- Scientists in Europe and United States develop instrumental methods for measuring mean fibre diameter, wool's most important characteristic. The projection microscope emerges and in 1947 the Airflow instrument makes an appearance.
- Prosperity in the wool industry peaks in 1950-51, when the average greasy wool price reaches 144.2 pence per pound.
- Over the next 20 years, wool prices generally continue to fall until 1970-71, when the price falls to 60 cents per kilogram.
- In 1957, at the request of Wool Exporters, the Statutory Australian Wool Testing Authority (AWTA) is formed to test scoured wool exported from Australia.
- The Commonwealth Scientific and Industrial Research Organisation (CSIRO) establishes the Divisions of Protein Chemistry, Textile Physics, and Textile Industry in 1958. With the formation of these divisions research on developing objective systems for specifying wool characteristic begins in Australia.
- A Wool Marketing Committee of Enquiry enquires into present systems of marketing and promotion and reports on the merits of other systems or improvements to the existing system.
- Progress in developing standard sampling and testing systems for greasy wool continues. In the late 1960s, sampling and testing procedures for measuring Wool Base, Vegetable Matter Base and Mean Fibre Diameter are developed and approved by the International Wool Textile Organisation (IWTO).

- The Australian Wool Board replaces the Australian Wool Bureau in May 1963.
- The Australian Wool Commission (AWC) is created in November 1970.
- The Australian Objective Measurement Project (AOMP) is set up in 1970. All branches of the wool industry are represented, including the AWC, and CSIRO is responsible for providing facilities for the program's research. The objectives are to investigate the technical and organisational aspects of introducing pre-sale testing as an aid to marketing.
- Sale-by-sample is introduced as an optional marketing method for the 1972-73 season, after trials and demonstrations to acquaint all parties with the new techniques.
- In January 1973, the Australian Wool Commission is replaced by the Australian Wool Corporation (AWC).
- In 1974 a minimum reserve price is introduced to provide growers with a guaranteed minimum price for their wool. The scheme is funded by a proportion of the tax paid by growers on the value of shorn wool, and is administered by the AWC, which purchases all wool not meeting the minimum reserve price at auction. This wool is later sold during periods of higher prices.
- During the 1970s proportion of wool sold by sample increased to over 95%.
- The availability of relatively inexpensive tests, based on Airflow, for samples drawn from rams encourages growth in the application of this technology by wool growers to accelerate their breeding programs.
- As a result of a Federal Government initiative, the statutory AWTA is wound up in 1982 and AWTA Ltd, a company limited by guarantee, is formed.
- In the early 1980s, CSIRO and AWTA Ltd collaborate to develop sampling and measurement systems for determining staple length and strength. The Sale with Additional Measurement (SAM) trials are carried out and the Trial Evaluating Additional Measurement (TEAM) project commences.
- During the 1980s exceptional seasons and high demand leads to wool production increasing to over 1000 million kilograms.
- With the support of a five-cent per kilogram premium provided by the AWC within the reserve price scheme, pre-sale Staple Length and Strength Measurements are introduced to sale by sample. Over the next decade the proportion of wool certified for Staple Length and Strength continues to increase.
- The price-setting authority for the Reserve Price Scheme is handed over to the Australian Wool Council, in consultation with the Australian Wool Corporation as a part of the general policy of reforming the statutory marketing authorities. The Australian Wool Council, again in consultation with the Australian Wool Corporation is made responsible for apportioning the wool tax between market support, promotion and research.
- Wool production increases and the price indicator soars to 1000 cents per kilogram. The reserve price is increased from 640 cents per kilogram to 870 cents.
- The USSR, a major purchaser of Australian Wool, can no longer afford to maintain its imports.

1988 - today



- The wool market collapses and in February 1991 the reserve price scheme is suspended when the size of the AWC stockpile reaches 4.7 million bales. The Government, with the agreement of the industry, decides that the scheme can no longer be maintained.
- In 1991, the functions of the AWC are divided between three newly established entities - the Australian Wool Realisation Commission (AWRC), the Australian Wool Corporation [II] and the Wool Research and Development Corporation (WRDC).
- New technologies for measuring Diameter Distributions of greasy wool, Sirolan™ Laserscan and OFDA100, both developed in Australia, are described to the industry at IWTO.
- In July 1993, the Wool Industry Review (Garnaut) Committee presents its recommendations on disposal of the wool stockpile, wool marketing and organisational arrangements in the wool industry.
- In December 1993, Wool International replaces the Australian Wool Realisation Commission to manage the stockpile. The Australian Wool Research and Promotion Organisation (AWRAP) is established, merging the activities of the AWRC and WRDC. In 1994, the activities of the Australian Wool Research and Promotion Organisation and the International Wool Secretariat are also merged and governed as one organisation under the control of AWRAP.
- Throughout the 1990s wool prices remain flat as the stockpile is sold down and wool production falls.
- In 1997, The Woolmark Company Pty Ltd is established. The company is initially a subsidiary of the Australian Wool Research and Promotion Organisation but later becomes a subsidiary of Australian Wool Services Limited.
- Test methods based on Sirolan™ Laserscan and OFDA100 are approved by IWTO. AWTA Ltd announces that it has selected the Laserscan technology to replace Airflow in July 2000.

- In 1998, grower discontent results in a new inquiry into the industry – the McLachlan Future Directions Taskforce. The Taskforce releases its report, which results in another restructuring.
- In October 1998, the Government announces its intention to privatise Wool International and pass ownership and control of the wool stockpile to shareholders. Parliament legislates a freeze on stockpile sales until 30 June 1999 and appoints an Interim Advisory Board to facilitate a smooth transition from government to private ownership
- In July 1999, Wool International is privatised and Woolstock is formed.
- In July 2000, AWTA Ltd replaces Airflow with the Sirolan Laserscan for certification of Mean Fibre Diameter of raw wool.
- In January 2001, Australian Wool Services Limited (AWS) is established. The Australian Wool Research and Promotion Organisation is converted into a corporations law company, limited by shares. AWS is the holding company for two subsidiary companies - Australian Wool Innovation Pty Ltd and The Woolmark Company Pty Ltd.
- Australian Wool Innovation Pty Ltd is established as a subsidiary of Australian Wool Services to manage the proceeds from the wool levy and outsource research and development and intellectual property management.
- In August 2001, the Government introduces legislation to bring forward the final cash distribution to woolgrowers from the sale of the stockpile.
- In April 2002, WoolStock donates the last bale in the stockpile to the Geelong Wool Museum.
- The 1990s are one of the driest decades on record. In 2002–2003 severe drought hits most wool growing areas.
- In 2004 wool production and sheep numbers fall to the lowest levels for 50 years.

(Source: <http://www.awta.com.au/education/history/history.htm>)