

History of the Australian wool industry

Mr Barry White

CEO, International Fibre Centre



AUSTRALIAN WOOL
TEXTILE TRAINING CENTRE



australian wool
innovation
limited



International Fibre Centre



John
MACARTHUR
(1767-1834)

Wool in Australia 1788-2005

- First fine-wool Spanish Merinos arrive in 1797 from the Cape of Good Hope.
- Selective breeding starts with John Macarthur and the Rev. Samuel Marsden.
- Governor George King first to recognise the market potential with setting up of a textile mill in Parramatta.
- First auction of Australian wool at Garraway's coffee house in London in 1821 - brought \$2.27 per kilogram.

Wool in Australia 1788-2005

- In 1814 the Rev. Marsden argued: 'We must have an export or the settlement will never prosper and this (wool) promises to be the first'.
- Half of the total national production of 30 tonnes was used by the Parramatta mill; the balance was exported to England.
- 1820s saw the push of the grazing industry over the Blue Mountains and destruction of Aboriginal hunting grounds.

Wool in Australia 1788-2005

- Deterioration of English wool quality and import duties on German wool provided a major increase in demand from the Yorkshire mills.
- English government fostered development of fine wool in Australia, imposing a duty of only a 1d per lb compared with 5d per lb for foreign wools, but this advantage was reversed in 1825. German imports into England increased from 7% to 66% of the total and threatened to destroy the Australian industry. Australia concentrated on very fine wool as a consequence.

Wool in Australia 1788-2005

- Wool auctions began in the 1840s but the bulk was sold on the London market throughout the 19th century.
- In the 1850s the Chirnsides established Werribee Park with 125,000 sheep and 267,000 acres. Thomas Austin introduced the rabbit!

Wool in Australia 1778-2005

- In 1870 Australia became the world's largest wool producer.
- In 1872 Europe and Australia were linked by cable enabling wool users and traders to deal more directly.
- In 1874 wool was shipped to Japan and in the following year a shipment was sent to Shanghai. The possibility of opening mills in China was considered and a Use More Wool campaign was introduced in 1885 in the face of competition from cotton.

Wool in Australia 1778-2005

- Shearers' Union formed in 1885 as a forerunner to the Australian Workers Union and the Australian Labor Party.
- Confrontation between shearers and pastoralists.
- By 1925 Britain was the largest buyer with 44%, and Japan and the US each bought around 10%. Other major markets were France, Germany, Italy and Belgium.

Wool in Australia 1788-2005

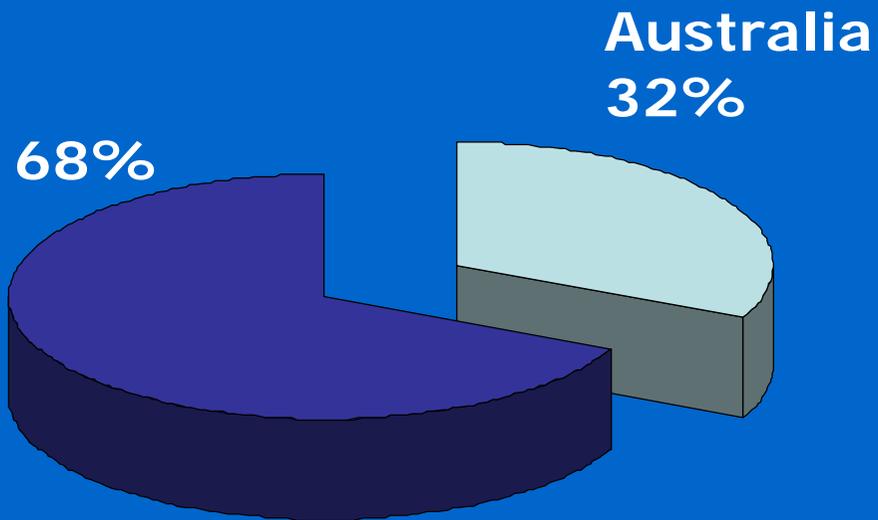
- In 1931 Australia, New Zealand and South Africa decided to jointly fund international promotion. It took five years to agree to funding based on a tax of 6d a bale.
- In 1936 the International Wool Secretariat (IWS), representing wool growers in the main exporting countries of Australia, New Zealand, South Africa (and later, Uruguay) was formed.
- The Woolmark was introduced in 1963.
- In 1974 a Reserve Price Scheme (RPS) was introduced to establish a 'floor' for wool prices. (It collapsed in 1991).

Wool in Australia 1788-2005

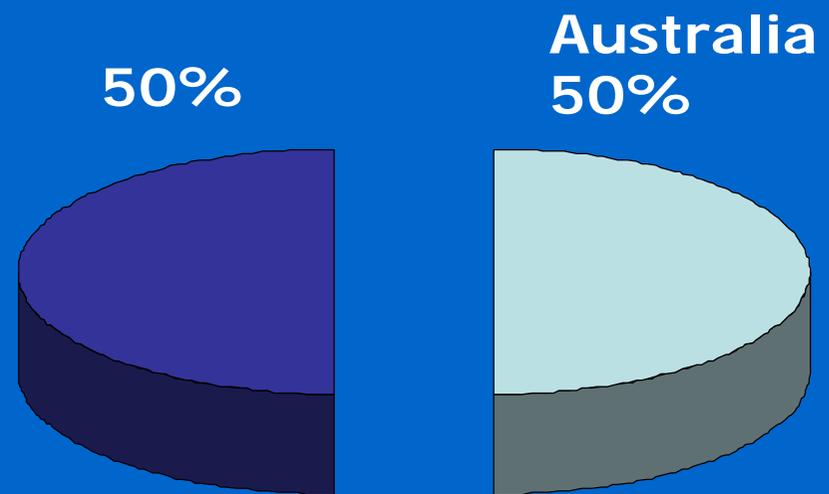
- In early 1970s objective measurement of wool was introduced and sale by sample revolutionised the way wool was sold.
- This development, together with the introduction of container shipping, led to rationalisation of the number of wool selling centres in Australia.
- Arguments about wool promotion continued after the RPS collapse. There have been around 66 major reviews and investigations of wool research and promotion since 1963. The debate continues!

Australia's share of world wool production

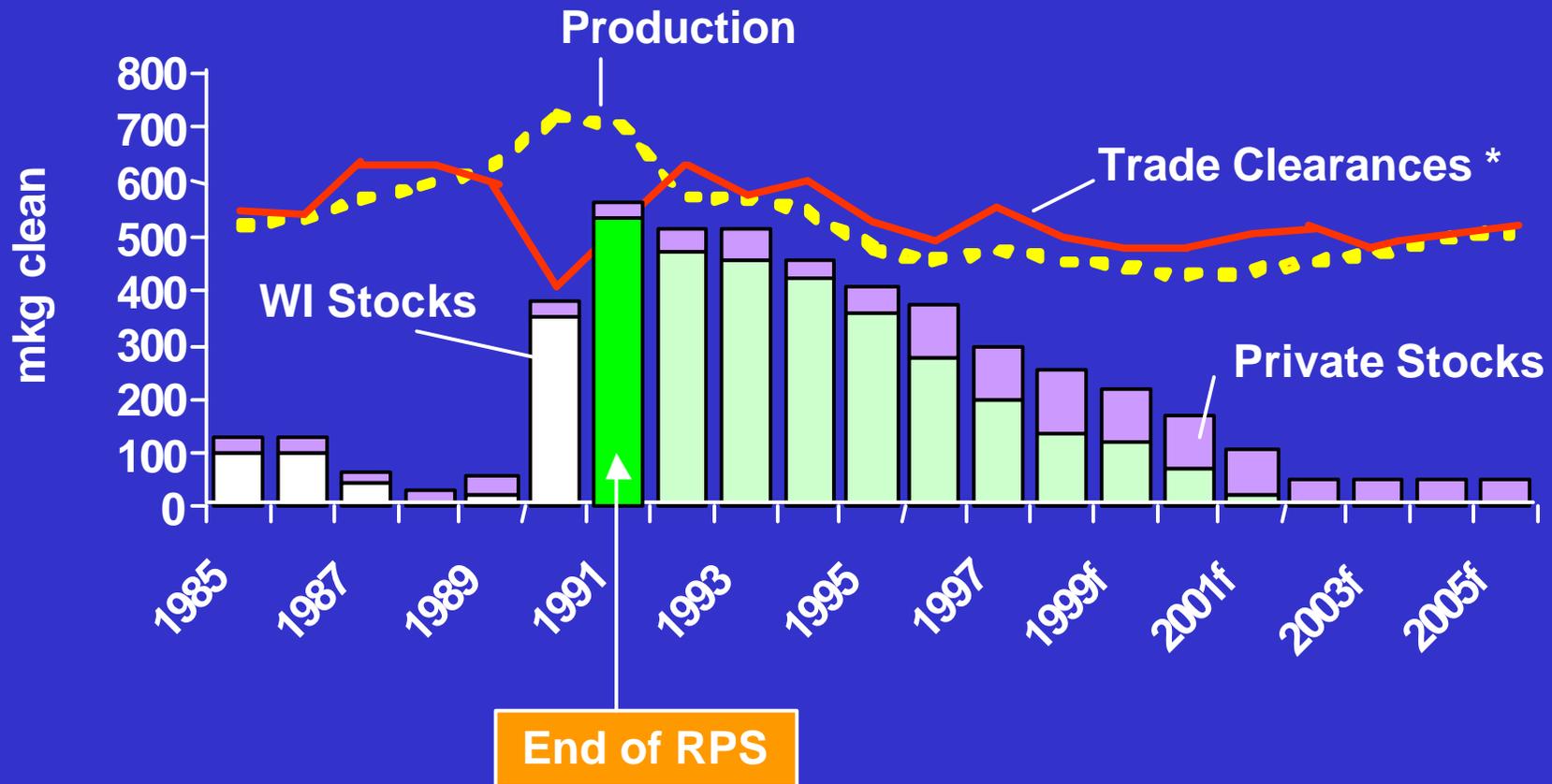
All wool



Apparel wool



Australian Wool Production, Trade Clearances and Stocks



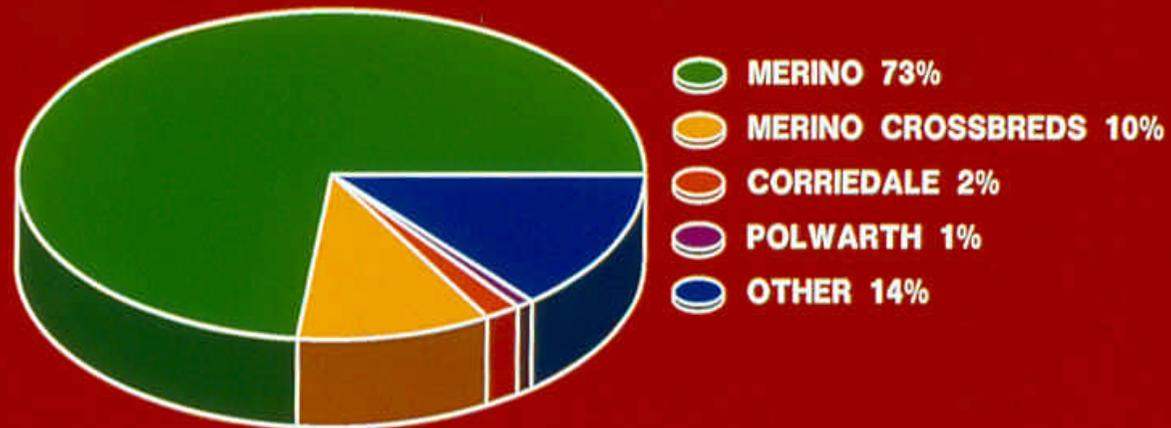
* trade clearances = production + change in stocks
 f = production forecast & trade clearance estimate

WOOL GROWING IN AUSTRALIA.



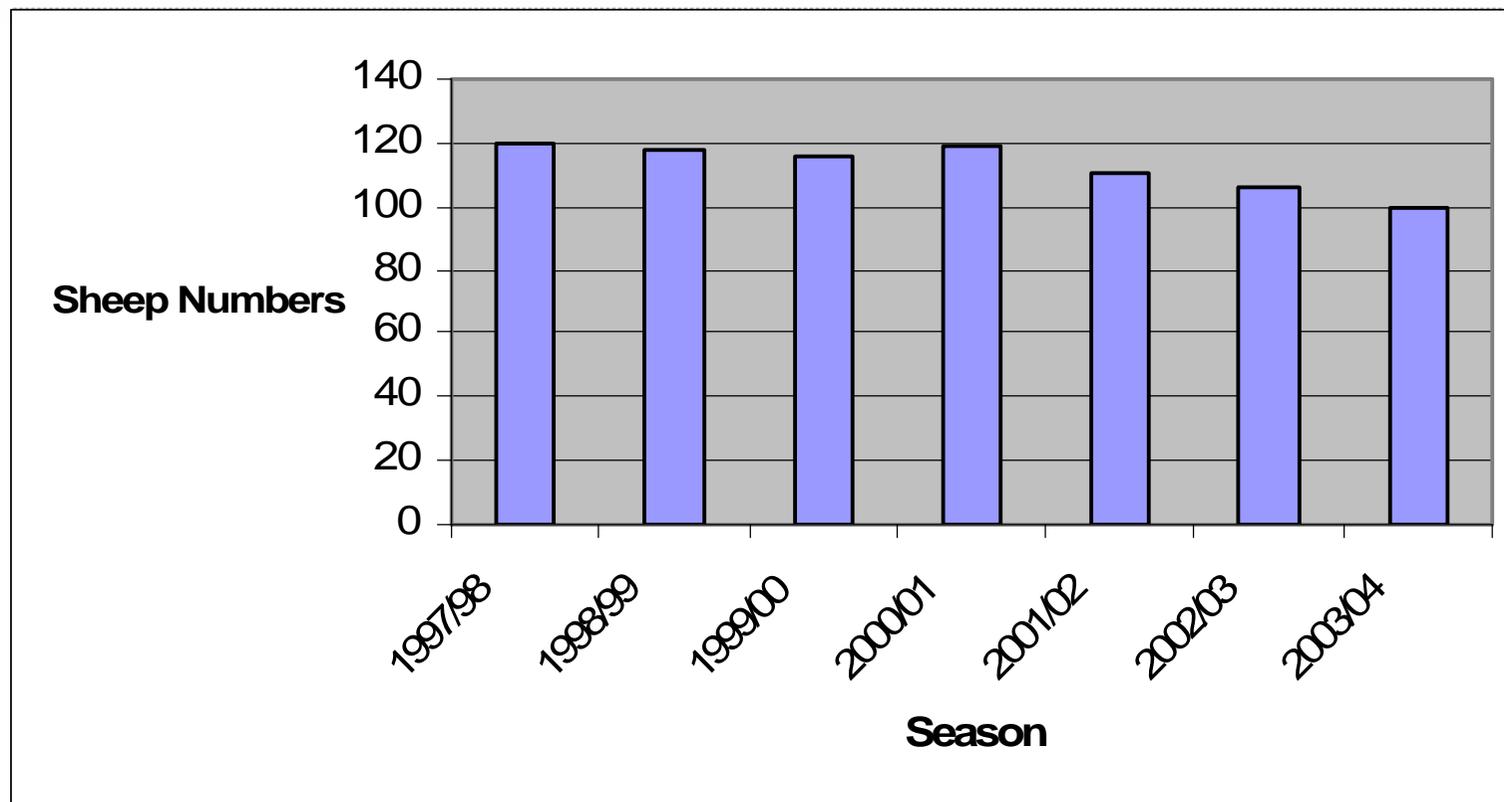


BREEDS OF SHEEP IN AUSTRALIA

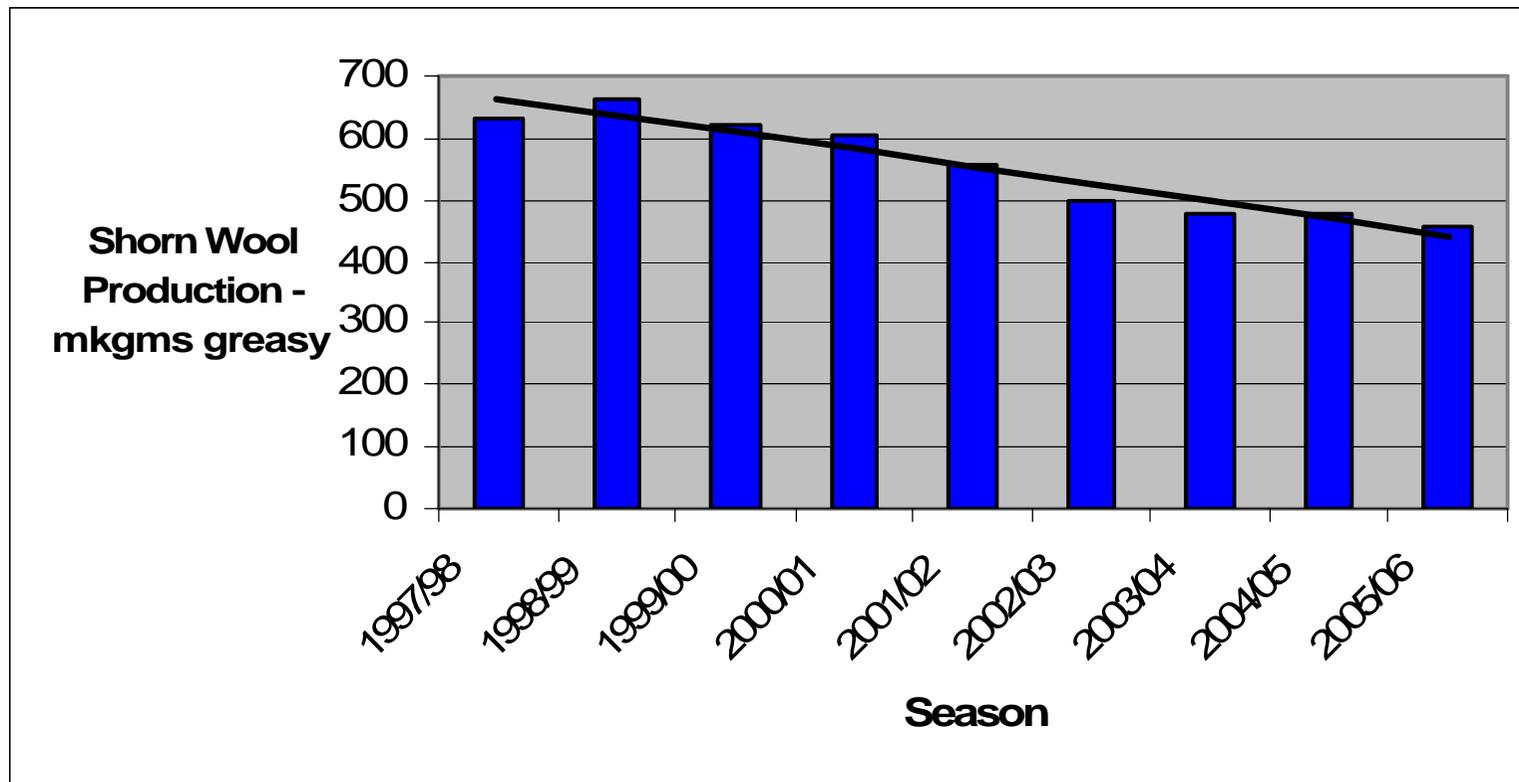


TOTAL NUMBER 1990: 175.2 MILLION SHEEP

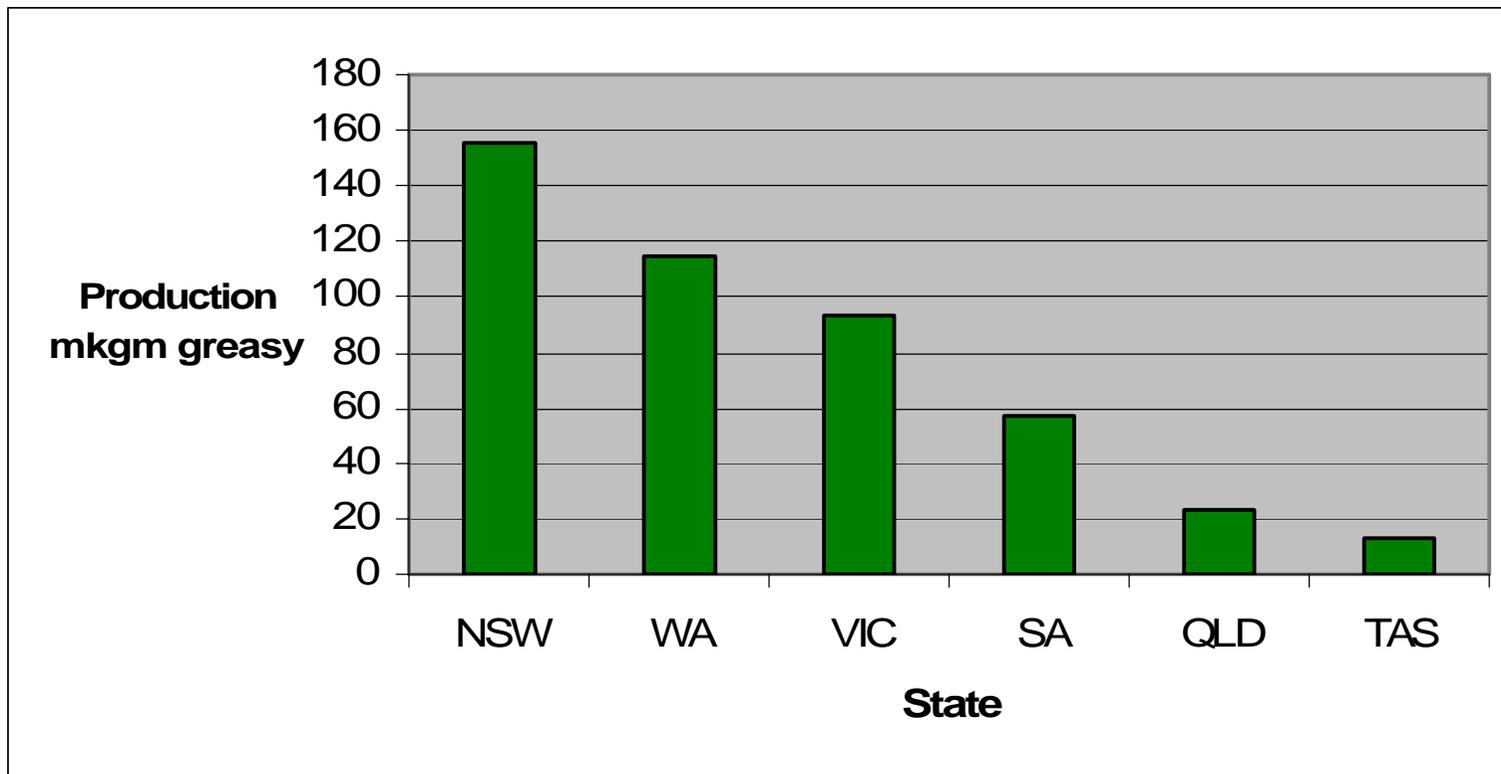
Australian sheep numbers 1997-2004



Australian shorn wool production (mkgms greasy) 1997-2006

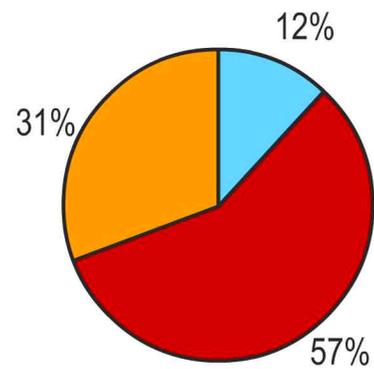


Shorn wool production by state (mkgms greasy) 2005-06

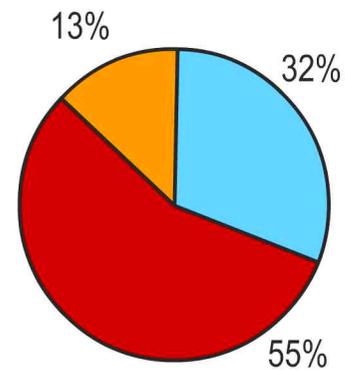


Micron profile

1992 - 92



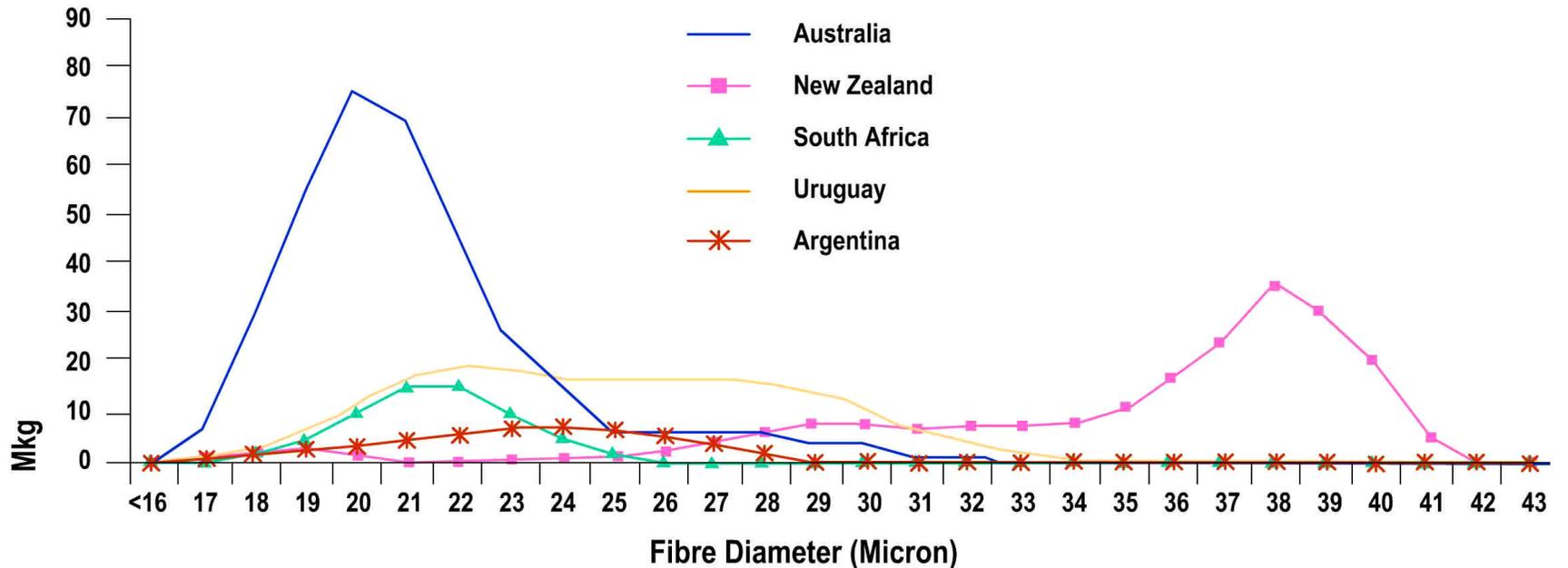
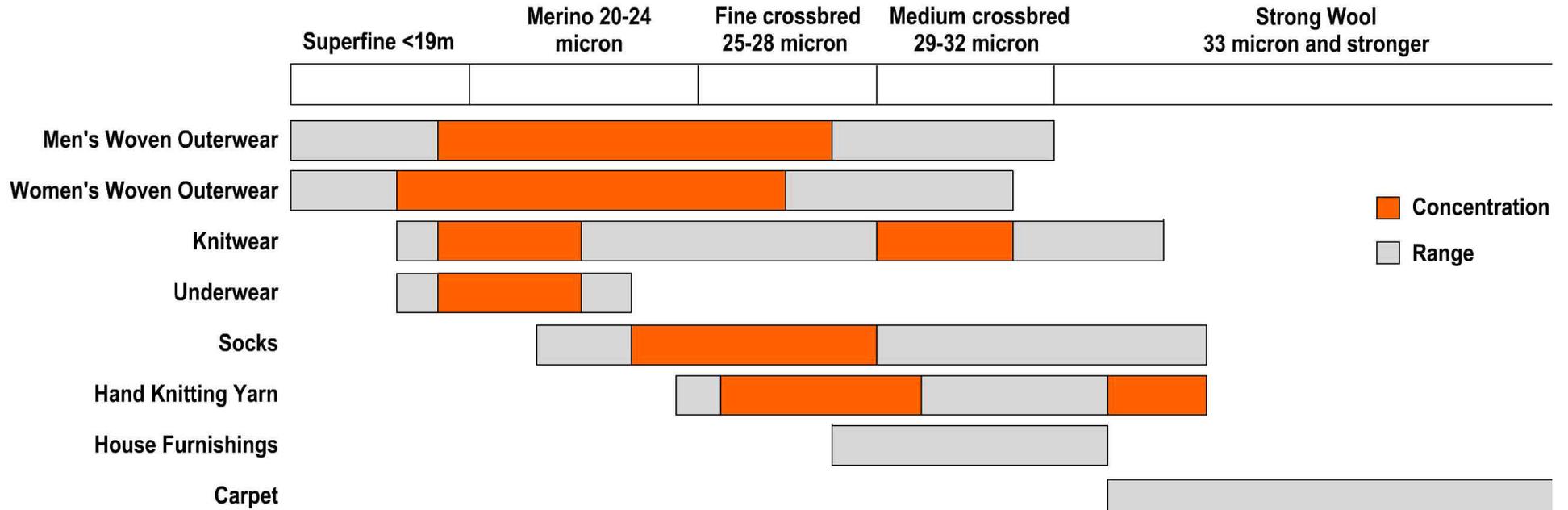
2005 - 06



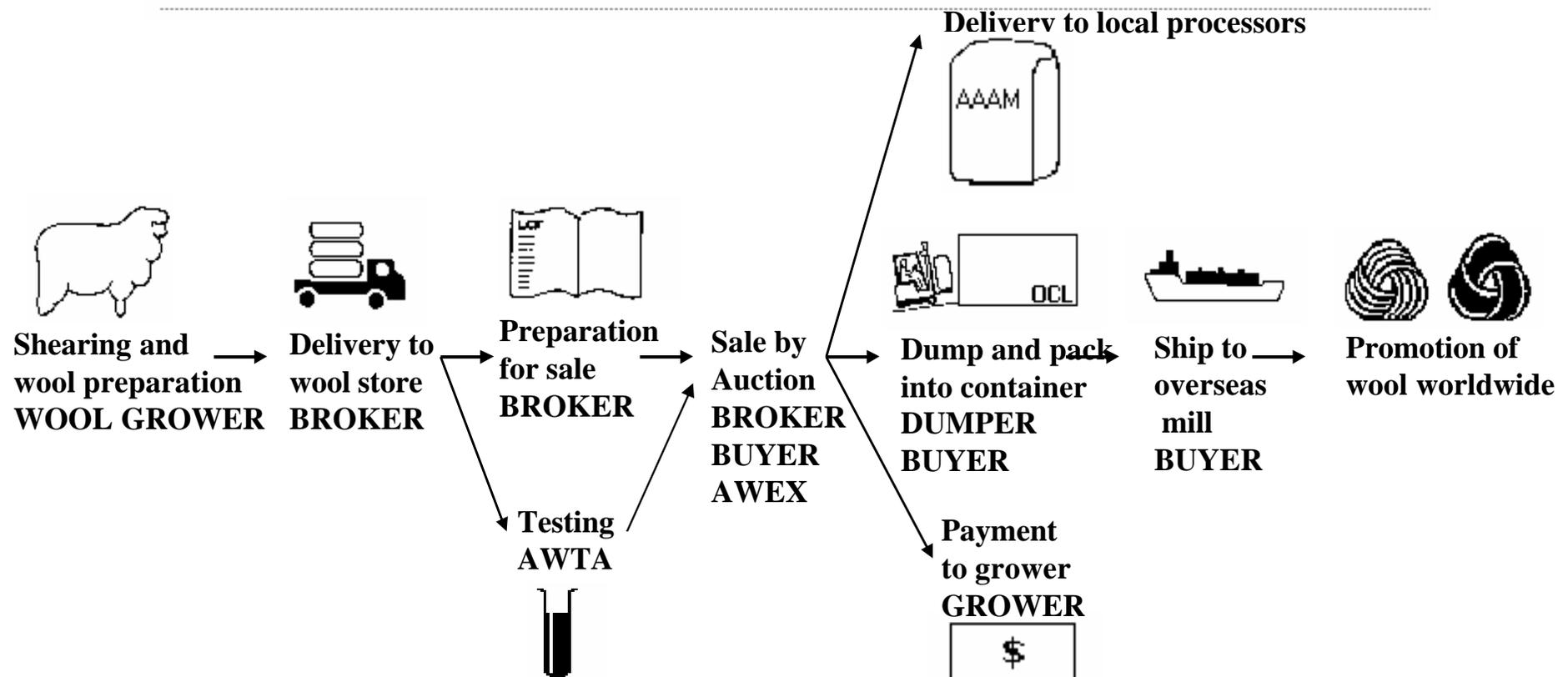
KEY

-  >23 microns
-  20-23 microns
-  <19 microns

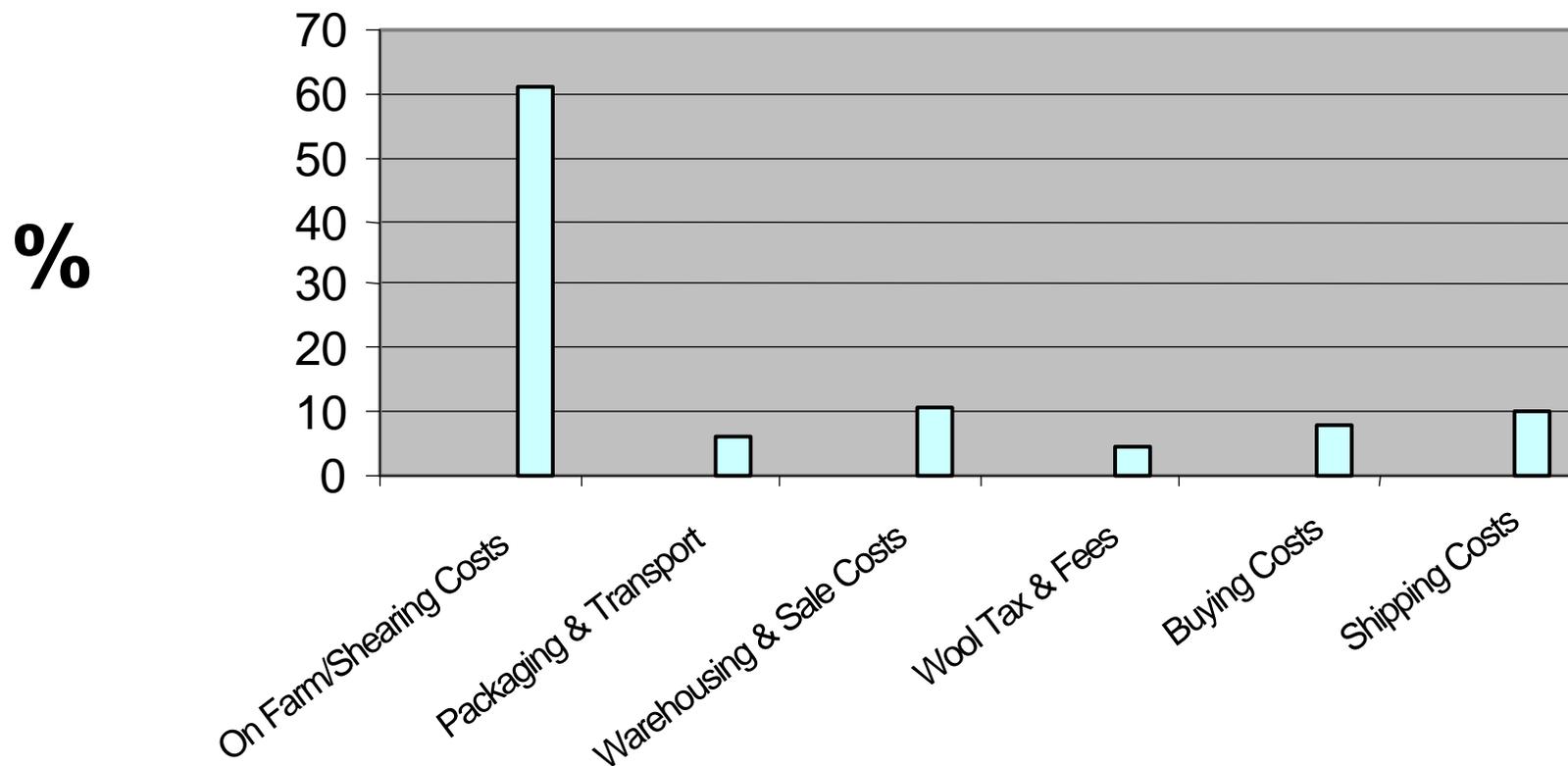
Micron Usage vs Product Category



The Australian wool industry



Harvesting, marketing and distribution costs for Australian wool 'sheep's back to mill' 2004-5



Organisations in the Australian wool industry

- WoolProducers
- State-based wool grower representative organisations
- Australian Wool Innovation (AWI)
- Australian Wool Services (AWS) incl. Woolmark
- Australian Wool Industry Secretariat (AWIS) inc.
- Federation of Wool Organisations

Organisations in the Australian wool industry cont.

- National Council of Wool Selling Brokers (NCWSB)
- Australian Wool Exchange (AWEX)
- Australian Wool Testing Authority (AWTA Ltd)
- CSIRO Textile and Fibre Technology Division
- International Fibre Centre (IFC)