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Premium

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Wool

Free-rider Principle

Produced for the CRC for Premium Quality Wool undergraduate program by;
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Scenarios

- One company invests in promotion or R&D, and competing companies who don't invest share in the benefits.
- The investment in promotion which leads to an increase in consumer demand benefits everyone in the pipeline, even though everyone hasn't contributed.

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Taskforce Report

- “...Australian woolgrowers are not able to “free-ride” on research conducted in other countries - as Australian cotton-growers, for example, can free-ride on US cotton research”
- “..it is not realistic for (R&D) to be funded only by wool processors..”

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Significance

- **compulsory levies**
 - grower vs. industry
- **wool vs. cotton**
 - cotton merchant contribution
 - c / bale
- **synthetics**
 - no free-ride?
 - developments protected by patents
 - brand promotion
- **textile processing innovation**

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