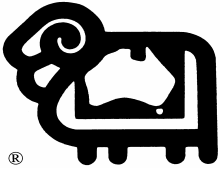


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AUSTRALIAN COUNCIL of WOOL EXPORTERS & PROCESSORS INC



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ACWEP-06-152

The Hon Bruce Baird MP
Chairman
House of Representatives Economics Committee
Parliament House
CANBERRA ACT 2600

By E-mail: sharon.bryant.reps@aph.gov.au

Dear Mr Baird,

Inquiry into Australia's Manufacturing Industry

I wish to provide further input on behalf of Australia's wool processors. The Australian Council of Wool Exporters & Processors' (ACWEP) written and oral presentations to your Committee contained a number of key strategic points which Members believe are essential in considering the future of Australia's wool processing industries.

One of those points related to the need for a local processing industry should Australia suffer an outbreak of a disease such as Foot & Mouth Disease, as occurred in the United Kingdom only a few years ago and also in the late 1960's. If such an outbreak occurred, there is little doubt that there would be a ban on the export of greasy wool, requiring it to undergo at least scouring before it could be exported. The hot water treatment in scouring kills most, if not all, such organisms.

In the case of the United Kingdom, China still insists that any wool imported from that country be scoured before arrival.

Australia had a minor example of the potential implications that can arise from a serious disease outbreak late last month. An isolated outbreak of Anthrax in New South Wales caused Thailand to impose an immediate ban on wool imports from that State. Thailand is Australia's sixth most important export destination for wool. Fortunately, AQIS officers were able to negotiate an easing of the ban. But, as a condition of that easing, exporters of wool to Thailand must declare that it came from an Anthrax free area. This is not the first time that issues have arisen with Anthrax.

We are aware, that Thailand is partly suspected of playing politics in imposing the ban. But, nevertheless, it does highlight the potential risks of a major disease outbreak to Australia's wool export industry and the need for a local processing industry.

Yours sincerely,



Peter Morgan
Executive Director