



Media Release

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AWTA Ltd Announces Impending Closure of Sydney Laboratory

Key Points

1. AWTA Ltd intends to close its Sydney Raw Wool Testing Laboratory by the end of the 2008/09 wool selling season.
2. The volume of Australian wool tested has almost halved since production peaked in the early 1990's.
3. The decline in Australian wool production means that it is no longer viable to operate three wool testing laboratories.
4. The work currently performed by the Sydney laboratory will be redistributed between the remaining two laboratories located in Melbourne and Perth.

AWTA Ltd announced today that it intends to close its Sydney Raw Wool Testing Laboratory by the end of the current 2008/09 wool selling season.

AWTA Managing Director, Mr Michael Jackson said:

"While AWTA Ltd has made many major changes to improve efficiency and reduce operating costs over the past 10 years, the significant and ongoing decline in the volume of Australian raw wool production means that it is no longer viable to operate three wool testing laboratories in Australia".

"AWTA Ltd will close the Sir William Gunn Laboratory, which is located at Yennora, NSW, at the end of the current wool selling season. The work currently performed by the Sydney Laboratory will then be re-distributed between the two remaining AWTA Ltd Australian laboratories located in Melbourne and Perth".

"The short to medium term outlook offers little prospect of a recovery in the volume of Australian wool production and so, for the foreseeable future, the two remaining laboratories will be able to cater for all Australian wool testing requirements".

AWTA Ltd anticipates that by the end of the current 2008/09 season it will have conducted approximately half the number of tests that it did when Australian wool production peaked during the late 1980's and early 1990's. During that period, testing volumes peaked at over 750,000 presale yield and micron tests nationally each year.

"I want to reassure clients located in New South Wales and Queensland that AWTA Ltd will make every effort to ensure that the current service standards will be maintained following the closure of the Sydney laboratory", Mr Jackson said. "AWTA Ltd already has an extensive freight network operating throughout the Eastern States of Australia. In addition, the current sampling department will remain in Sydney, along with a small administrative office".

AWTA Ltd currently employs 78 full-time, part-time and casual employees at its Sydney raw wool laboratory; most of these staff will be directly affected by this closure. The Sydney facility is also home to AWTA Ltd's Research & Development Division.

"It is indeed a sad day for AWTA Ltd having to make this decision. We have a team of loyal and dedicated staff in Sydney, many of whom have been with us for over 20 years. One bright spot on an otherwise bleak day is the decision to retain the AWTA Ltd Research & Development Division, which will relocate to Melbourne later in 2009", Mr Jackson said.

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Background Information

Brief Timeline of AWTA in Sydney

- 1957: AWTA commences operations (in Melbourne).
- 1959: AWTA establishes a condition testing facility (moisture content of wool) at 9-13 Young Street, Sydney.
- 1966: AWTA relocates to larger facilities at 10-14 Young Street, Sydney to handle greasy wool micron testing.
- 1969: AWTA relocates to 549 Harris St, Ultimo NSW.
- 1972: Presale testing and "Sale by Sample" commences in Australia.
- 1974: AWTA opens the Sir William Gunn Laboratory in Yennora to cater for the fast growing yield and micron testing (Yennora was also the location of the Australian Wool Corporation's massive wool warehouses).

Historical Yield & Micron Testing Volumes

