

# EXPORTING AUSTRALIA'S WOOL

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Australia no longer “Rides on the Sheep’s Back” as it was once described. Nevertheless, wool remains one of Australia’s most important agricultural exports, with a likely value of around \$3.6 billion in 2018/19. This will put it in third place after beef and dairy among rurally based exports.

Wool’s history in Australia goes back to the first fleet. Its growth as a major export industry to the United Kingdom and Europe; and later to Japan and countries from Asia, goes back to the early parts of the 19th Century.

Today, 78% of Australia’s wool exports go to China, 5.8% to India, 4.8% to Italy, 3.6% to the Czech Republic and 2.5% to Korea, with the remaining 5.3% spread across another 24 countries.

While the wool industry’s development was largely influenced by visionary men and women of the land, it could not have

achieved its ultimate success without developments and determination in the logistics side of the industry. As a former international wool industry leader once said “Wool is not sold until it walks out the shop door.”

Most of us have seen old photos of camels with a bale of wool strapped to either side; or of a horse, bullock or camel-drawn dray loaded with wool bales at some stage in our lives. It has been suggested that the first wool bales were specifically designed to sit either side of a camel. The wool was often delivered to an inland river port before finishing up on land transport. There are also photos of the inland river boats sitting on the river bottom when there was insufficient flow.

Over the years, the transport of wool evolved to local carriers in country towns carting wool bales from farms to the local railhead or coastal port, from where they were transferred by rail or ship to the nearest wool selling and storage centre. These were invariably associated with a major export port such as Darling Harbour in Sydney, Melbourne; or a major regional port such as Newcastle. This progressively included regional inland centres such as Goulburn and Albury as the wool industry expanded after the Second World War.

Most major wool stores were fed by rail spur lines within the port areas to avoid double handling.

Growth in the use of increasingly large road transport vehicles since the 1960’s led to the replacement of rail and sea transport by road transport that could deliver the wool directly and more economically to the wool stores. Wool growers were able to obtain cheap back-loading rates in areas where road transport was used to deliver supplies,

particularly to the developing and expanding mining industries.

The replacement of rail and sea transport coincided with the introduction of:

- Hydraulically powered wool presses in shearing sheds. These could press an average of around 180 kg of wool into a bale, compared with the average of around 100 to 110 kg possible with the previously used mechanical presses.

This was a major saving for the wool industry, as wool is a low density product for which freight rates were charged on a per bale basis, whether by road, rail or sea.

Exporters were able to defray some of this disadvantage by “dumping” (compressing) bales prior to shipment to overseas wool processors. This continued with the development of more powerful



“Wool Dumps.” But, the introduction of hydraulically powered wool presses in the shearing shed spread this saving further along the wool industry pipeline.

- Containerisation. Wool was ideally suited for containerisation. It has become a relatively straight forward process for the Wool Dumps to “dump” bales into units of three (known as Tri Packs) and to pack 100 to 120 bales into a 20 foot container to create a payload of around 20,000 kg (or more) of wool plus 2,300 kg for the container, without exceeding the maximum allowable shipping weight of 25,000 kg.

Containerisation and changing shipping patterns also changed the way wool exporters assembled consignments for export. Previously, they could buy wool in a number of wool selling centres/ ports for inclusion in individual consignments. Ships would progressively pick up bales as they moved from port to port around Australia.

Following the introduction of containers and the larger container ships, it has become a more normal wool buying practice for consignments to become the number of bales that will fit in a container (or multiple containers). The introduction



of containerisation also coincided with a progressive reduction in the number of wool selling centres from 14 to 3. Together, these changes have led to a greater tendency (but not entirely) to purchase all the wool for a consignment in a single wool selling centre. If not purchased in a single wool selling centre, the bales are amalgamated in the port where they will be dumped, containerised and shipped.

Two more recent changes with containerisation have resulted from the rapid growth of trade with China and particularly from the greater flow of goods from China to Australia, namely:

- There are many containers that would go back to China empty, creating access for Australian wool exporters to very competitive charges for shipping wool to China.

- Many of these containers are 40 foot which can be packed with the same number of bales that go in a 20 foot container, except that they can be packed in an un-dumped form, thus saving the cost of dumping. They are also easier to handle on arrival in China.

Further changes are on the way, including those arising from the use of electronic bale identification.



The Australian Council of Wool  
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