

4 December 2009

Victorian Wool Centre

At its meeting yesterday the AWEX Board made the decision that it will not renew the lease of the Victorian Wool Centre. In considering the current and forecast operating environment, the AWEX Board believes there is no longer a reasonable commercial basis under which the head lease could be sustained.

This decision provides Members and tenants of the Victorian Wool Centre with clear direction and eliminates any speculation on the future of the centre. The timing of this decision provides all parties with seven months to organise alternative arrangements.

This decision will deliver the industry with a single set of sales rooms in Fremantle, Melbourne and Newcastle. The AWEX Board has consistently held the view that single sale room(s) in all centres is in the best interests of all sectors. It is hoped that through this decision the industry will take the opportunity to work together to achieve this objective in all centres. This however is a commercial decision for each Seller.

The Victorian Wool Centre sales complex was first established in 1993 but with the decline in wool production over the past 16 years, the introduction of a second auction sales complex in 2004 and more recently some Sellers indicating their intention to offer at the Frederick Street complex has meant that the Victorian Wool Centre is no longer sustainable. The lease held by AWEX on the Victorian Wool Centre expires on the 30th June 2010.

AWEX wishes to thank tenants and Sellers who continue to support the Victorian Wool Centre for their commitment.

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