

David McKitterick Wool Buyer
64 Birchwood Road OHAI

Anthony Stewart
Senior Investigator
Commerce Commission
WELLINGTON

Dear Sir

In reference to the application from Cavalier Wool Holdings Ltd seeking authority to acquire control over New Zealand Wool Services Int Ltd wool scouring business I would like to register my formal opposition and disbelief that the Commerce Commission would even consider such an application.

The wool industry works on an auction sale basis which provides a top pricing system to the farmers of New Zealand wools. We have been in the industry for around 31 years and have for the last 15 years been dealing with NZWSI. The industry has benefitted from the work NZWSI has done with introducing new initiatives and working with the wool sector to advise what the overseas markets want allowing us to better inform the farmer of their requirements. Their work in the promotion and marketing of New Zealand wools has help to see a high quality produce become very sort after.

To allow Cavalier to take control and authority over any division of NZWSI I feel would hinder the scouring process and in turn undo some if not most of the confidence NZWSI has managed to build with its overseas clients.

Cavalier was given the go ahead to purchase Clifton Wool Scour which was closed and dismantled coursing job loss etc. Many of the employees where taken on by Kaputone Wool Scour in Belfast Christchurch which is one of the plants Cavalier are now looking at obtaining. This too will be closed and the scouring workforce will again be unemployed.

Are Cavalier planning to out source the scouring of New Zealand wools to China after creating a superstore which will make the auction system antiquated due to their control over the industry? How will this benefit anyone other than Cavalier?

The reason our business had not lodged an earlier letter of opposition is the belief that in doing so it would put our clients, us and our business in the firing line should Cavaliers request be granted.

Now I am extremely worried for the future of the wool industry and am sure there are many other members with very similar concerns. I only hope that the Commerce Commission will take all our concerns on board and NOT allow such a travesty to befall the N.Z. Wool Industry.

Yours faithfully
David McKitterick