MEDIA RELEASE

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Blackall takes on Beijing: Outback wool producers lead industry revival, return of local wool processing

Key points:

- QWool has A$775 million development vision to de-couple wool industry from China.
- Project green light with environmental approvals secured for Blackall scour.
- QLD leading wool industry revival plan with innovative scour design.
- QLD Government and local government support has accelerated project development.
- QWool's next milestone is the start of construction, scheduled for early 2027.

Environmental approvals clear the way for QWool to bring first-stage wool processing back to western Queensland. The proposal is part of a A$775 million Australia-Vietnam plan to enable wool producers to bypass Chinese wool buyers for the first time in decades, breaking China's near total control on Australian wool industry.

A small group of wool producers from Blackall, a small town in western Queensland, is about to challenge China's grip on the Australian wool industry. China now buys around 95 per cent of Australia's wool and is exported straight from the sheep's back (greasy), without any local value-adding.

With all required environmental and development approvals now in hand, QWool is set to bring early-stage wool processing, known as scouring, back to Australia. This allows wool producers to bypass Chinese processing mills for the first time in decades and open up a series of new, higher-value markets in countries such as Vietnam, Japan, Korea and Italy. These markets are currently supplied nearly 100% by China, using Australian wool.

About 95 per cent of Australia's wool clip leaves the country unprocessed, delivering Chinese processors an estimated A$1 billion a year windfall in value-adding revenues. QWool plans to keep more of that value in Queensland.

QWool Executive Chair John Abbott said innovation in the plant design and simpler supply chains were the key to competing with the world's largest wool processor.

"For thirty years, the industry has been told Australia can't scour wool at a competitive cost. Our plant design and integration with a topmaking plant that we will control changes that," Mr Abbott said.

"The wool scour we will be building will be quite different to past scouring operations in Australia. By rethinking the scouring process from the ground up and leveraging the natural resources available from the Great Artesian Basin in Blackall, we've delivered a step-change in the cost of production and a much simpler supply chain.

“For example, we have totally eliminated ongoing energy, water and waste costs, the key costs that made Australian scouring operations unviable 30 years ago. That means we can scour wool here in Blackall and compete with China on cost.”

Mr Abbott said scouring also unlocks a high-value byproduct – lanolin – which is re-imported to Australia at high cost after it is separated from Australian wool in China.

“Lanolin, the natural grease we remove from the wool, is a premium ingredient for the pharmaceutical and cosmetics industries. Today China captures that value. With QWool, it stays here.”

Blackall wool producer Graeme McDonald said producers had watched too much of the value of their wool go offshore for too long.

“We produce the best wool in the world, and then we let China capture most of its value in processing,” Mr McDonald said.

“QWool will let producers like us hold onto more of the value of what we produce. This isn't just about the next wool cheque, It's about building something our kids and grandkids can carry forward. That's the legacy we want to leave.”

“This vision may start in Blackall, but it will benefit the whole wool industry.”

Chair of the rural lobby group AgForce’s Sheep, Wool and Goats Committee Boyd Webb said returning early-stage processing to Australia was a long held ambition that would make whole sheep and wool industry more resilient and deliver much-needed confidence boost to wool producers about the industry’s future.

“When most of your clip goes to a single market, every producer carries that risk, whether they think about it or not,” Mr Webb said.

“Exporting greasy wool isn’t just a missed opportunity, it’s also a major risk. If we ever suffer an ovine disease like foot and mouth, we will lose market access to China overnight. Scouring wool onshore considerably reduces this risk.”

“QWool gives the industry more buyers and more options. Adding value to raw wool before it leaves the country is exactly the kind of diversification the sheep and wool industry needs.”

Queensland Minister for Primary Industries Tony Perrett said QWool reflected the ambition of the government's Primary Industries Prosper 2050 blueprint.

“We set an ambitious target to grow the value of primary production in Queensland to $30 billion by 2030, and initiatives like the Blackall Wool scour will help us get there, but beyond this it will drive future investment, create jobs, and unlock opportunities for producers,” Mr Perrett said.

“The Crisafulli Government fulfilled its election commitment to western Queensland and the wool industry by delivering a feasibility study into the Blackall Wool scour to support QWool’s vision.”

“I commend QWool on achieving the necessary environmental approvals, a key milestone in their mission to bring wool processing back to Australia and back to Queensland,” he said.

Member for Gregory and Assistant Minister for Primary Industry Development, Water and Western Queensland, Sean Dillon congratulated QWool for taking another key step forward in receiving the required environmental approvals.

“I welcome this opportunity for wool producers in not only Gregory but from all over Australia to value add to the product domestically. Investments such as these don’t only add value to producers; they create jobs and ongoing prosperity for regional communities,” Mr Dillon said.

Remote Area Planning and Development Board (RAPAD), the group that represents local government in the Central West, CEO Morgan Gronold said the project would deliver benefits well beyond the woolscour.

“Every job in a town like Blackall supports more jobs around it: at local shops in town, local rural businesses, and even the school and hospital,” Mr Gronold said.

“QWool will create 50 direct jobs and support that many again throughout the local economy. That gives Blackall and surrounding communities a real future, and gives young people a reason to stay, or to come home.”

QWool’s next milestone is the start of construction, scheduled for early 2027, with first wool scoured in Blackall expected in mid-2028.

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Renders of the Blackall Scour are available here.

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For background – the QWool story:

The Australian wool industry is one of Australia's great rural industries – much of modern Australia's prosperity is thanks to the export revenue generated by the wool industry. At its peak, Australia produced and exported 1 billion kilograms of high-quality merino wool accounting for 85% of global trade in fine wool.

The Australian wool industry was prosperous because it not only produced the world's best garment wools, it sold them as a value-added product to multiple markets.

In the last 30 years, the wool industry has become a shadow of its former self. It has lost virtually all of its local manufacturing capacity and sells to only one market: China. As a result, Chinese processors now control 95% of Australia's wool exports and therefore the price Australian wool producers receive.

In 2026, the wool industry will produce only 250 million kilograms this year, one quarter of its peak volume. It is no wonder why many once prosperous wool producing communities in rural Australia have been struggling for their survival.

Now totally reliant on Chinese processors, Australia's wool producers are terribly exposed to political trade intervention (which has already occurred across many Australian farm commodities), market loss from biosecurity risk (unprocessed wool cannot be exported if exposed to an ovine disease such as foot and mouth) or falling foul of incoming EU product traceability requirements, which many Chinese processors would struggle to comply with.

China now has a A$1 billion wool processing industry that has been built on the back of Australian wool producers. Value-add revenue from early-stage processing is now remaining in China, instead of returning to Australia's wool producers.

This situation is untenable for the future of the Australian wool industry and presents a global market disruption opportunity, this time in Australia's favour.

QWool was established by innovative wool producers to return early-stage processing to Australia and connect Australian wool producers to higher value markets – outside of China.

After five years of research and development, QWool's next milestone is the start of construction of its Blackall scour and top-making facilities, which will re-establish Australia's supply chain to the global textile industry. This represents the single largest investment in the Australian wool industry in generations.

Supported by $1.3 million in grants from Queensland Department of Primary Industries and the Australian Department of Foreign Affairs and Trade, QWool has detailed designs for what will be the most advanced wool processing plants in the world (scouring and topmaking), all required environmental approvals, and relationships with non-Chinese textile manufacturers that want direct access to Australia's high-quality merino wool.

QWool's innovation in factory design, combined with structural cost increases in global shipping costs and changes to global textile market dynamics now means Australian-based processors can compete with China.

As soon as the capital is raised, construction will commence on its first modern wool scour in Blackall QLD, delivering:

- Over 50 direct jobs and 50 indirect jobs (100 total) that will transform the once-thriving wool producing community in western Queensland.
- $50 million in value-add to the Australian economy
- A new future for 80,000 wool producers across Australia by connecting them to higher value markets beyond the Chinese processors that now control the industry.

Planning for subsequent plants in NSW will also accelerate.

QWool's vision is to develop a series of plants across Australia that can value-add up to one third of the national wool clip, which will have a total investment envelope over A$775 million.