

Australian Woollen Mills v The Commonwealth (1954) 92 CLR 424

<http://lawcasesummarries.com/knowledge-base/australian-woollen-mills-v-the-commonwealth-1954-92-clr-424/>

Facts

- The Australian Government announced that it would offer a subsidy to those who bought wool, in an attempt to stimulate the sector.
- They later discontinued the policy.
- AWM sued for breach of contract, because they had bought wool but not yet received the subsidy.

Issue

- Was there a contract between AWM and the Commonwealth?
- Was there an offer for AWM to accept?

Held

- There was no offer that AWM could have accepted in order to create a contract with the Commonwealth.
- The wool subsidy was a policy, not a contractual offer.
- Therefore there could be no breach.

Quote

- "What is alleged to be an offer should have been intended to give rise, on the doing of an act, to an obligation... in the absence of such an intention, actual or imputed, the alleged "offer" cannot lead to a contract: there is indeed, in such a case no true "offer"." (at 457)

Law case summary from www.lawcasesummarries.com