



# Australian Wool Education Trust

## ANNUAL REPORT - 2016/2017

### History

In July 1997, Australian Wool Testing Authority Ltd (AWTA Ltd) decided to donate \$3.0 million of its Unappropriated Profits to a trust vehicle named "The AWTA Ltd Wool Education Trust". The objectives, as set out in the Trust Deed were:

*"The Trustees shall hold the Sum upon trust for the application of the income for charitable purposes being the advancement of education in wool and wool textile science and technology including, without limiting the generality of the foregoing, in all or any of the following methods:*

- a) *to support the education of students, growers and others considered to be capable of contributing to the development of the wool industry, from the growing to the textile product stage, including in such subjects as:
  - i. *fibre science, including fibre and follicle development, fibre morphology and characteristics, and their effects on processing performance and product properties;*
  - ii. *wool production, including selection, preparation for sale and packaging;*
  - iii. *wool metrology, including testing technology, process control, Total Quality Management techniques and the prediction of processing performance;*
  - iv. *wool and textile marketing, including trading, processing and promotion of products made wholly or partially from wool;**
- b) *to fund attendance at educational conferences and to fund scholarships and prizes;*
- c) *to fund educational resources, educational conferences, educational programs and educational institutions and colleges; and*
- d) *to fund scientific research undertaken for the advancement of education."*

The Deed provided for the appointment of 5 Trustees - 3 by AWTA Ltd (the Founder) and 2 by the Federation of Australian Wool Organisations (FAWO).

In May 2003, the Deed was amended to broaden the objectives of the Trust to allow Trustees to fund education outside the University sector.

In 2004, Australian Wool Innovation (AWI) agreed to donate \$4.00 million to the Trust, subject to the Trust Deed being amended to provide for appointments of 3 Trustees by AWTA Ltd, 3 by AWI and 2 by FAWO. The new Deed came into effect on 25<sup>th</sup> June 2004, at which time the organisation was renamed "Australian Wool Education Trust" (AWET).

Being a not-for-profit trust, AWET is registered with and reports to the Australian Charities & Not for Profits Commission (ACNC). Registration was first required in 2012 and Annual Reports are provided to the ACNC at the end of each calendar year.



## Trustees – 2016/2017

For the period covered by this Report, the Trustees were:

### Appointed by AWTA Ltd

**Mr D. J. Ward OAM:** (Chairman of Trustees)  
Former Director, AWTA and Former Managing Director,  
AWTA Ltd  
(Retired 1<sup>st</sup> December 2016)

**Mr Gordon Dickinson**  
Deputy Chairman, AWTA Ltd  
Chairman of Rubicon Water Ltd and Mutual Trust Pty Ltd  
Director of Nareen Station Pty Ltd  
(Appointed 1<sup>st</sup> December 2016)

**Mr P. J. Sommerville:** (Secretary of Trustees)  
Former Corporate Development Manager, AWTA Ltd

**Mr M. A. Jackson:**  
Managing Director, AWTA Ltd

### Appointed by FAWO

**Mr J.W. Lewis:**  
Former Divisional Manager, AWTA Ltd Product Testing and  
Former Managing Director, Macquarie Textiles

**Mr G. Fiskén:**  
Woolgrower, Former President Australian Wool Producers  
and Former Executive Committee Member, FAWO

### Appointed by AWI

**Dr A. C. Archer AM PSM:**  
Former Principal, Tocal College and Chairman of the  
Primary Industries Education Foundation Australia

**Professor A. L. Vizard:**  
Principle Fellow, Faculty of Veterinary & Agricultural  
Science, Melbourne University

**Mr B. P. van Rooyen:** (Chairman of Trustees)  
Chairman Australian Country Spinners and Former Director  
of AWI.  
(Elected 1<sup>st</sup> December 2016)

## Investment Strategy

In February 2017 Trustees noted that over the previous 5 years for International Equities only 8% of actively managed funds had outperformed index tracking funds. Considering the Trust takes a longer-term view Trustees decided it would make sense for AWET to move towards lower cost index tracking funds, whilst maintaining the same risk profile.

However, they also agreed to examine a mix and match option, with perhaps 65% low cost index tracking funds and 35% carefully selected actively managed funds.

In May 2017 Trustees decided that

- subject to advice 90% of the Trust's capital will be invested in a selected group of indexed funds, with the residue in cash and alternatives;
- the indexed funds will cover US, Europe, MSCI, Emerging Markets and Indexed Fixed Interest;
- a strategic review will be conducted at 6 month intervals: and
- a full transition will be made during the 2017/18 financial year.

## Funding Strategy

The Trustee's investment strategy recognises that, to ensure that AWET has a long-term future and maintains its spending power, some earnings must be retained to offset the effects of inflation on its capital. In this regard, a target cap on total expenditure has been set at 51% of earnings over time.

Trustees aim to leverage funds by playing a catalytic, facilitation role whenever opportunities arise, with emphasis towards targets that will produce a large impact (preferably Australia-wide), rather than spreading available funds too thinly. In short, the Trust aims to make a significant difference.

Since 2005, Trustees have applied the following Funding Policy and guidelines.

#### **FUNDING POLICY**

To fund worthwhile projects that fully comply with the objects of the Trust Deed while:

- maintaining the purchasing power of the Trust's assets in perpetuity;
- committing to some long-term projects, without removing the ability to fund new projects in subsequent years; and
- concurrently, funding at least 2 major projects.

To achieve these objectives, Trustees have determined the following:

##### A) LEVEL OF FUNDING

On an annual basis, approximately 4% of the asset value of the Trust is expected to be available to be distributed to funded projects. (Note: This figure is calculated from the expected long-term nominal return on investment of 8% less CPI (2.5%), investment management fees (1.0%) and other administrative costs (0.5%).)

##### B) LENGTH & TIMING OF FUNDING COMMITMENTS

The following table represents the maximum funding commitments for future years:

	<b>Current Year</b>	<b>1 Year Out</b>	<b>2 Years Out</b>
% of Annual Funding Committed	100%	60%	30%

##### C) SIZE OF MAJOR PROJECTS

Typically, the Trust funds projects up to approximately \$50,000 per annum for up to 3 years.

These guidelines are applied with some flexibility, taking into account the specific details of projects being funded. They are not mandatory annual limits. However, the level of funding is regularly reviewed, given the lower rates of return that have persisted over recent years and the low CPI.

From its inception and up to 30<sup>th</sup> June 2017, AWET has spent 61.6% of its earnings on educational projects/programs. Whilst this is higher than the long-term Policy, it has been deemed acceptable given the relativity between rates of return and the CPI.

## **General Policy for Allocation of Funds by Educational Sector**

The objectives of the Trust Deed allow for funding across all educational sectors, but do not specify the proportion of funding to be allocated to each sector. The overall limit on funding is dictated by the Funding Policy and all decisions in apportioning funds are circumscribed by the Trust's Principal Objective, namely:

*"To support the education of students, growers and others considered to be capable of contributing to the development of the wool industry, from the growing to the textile product stage."*

The policy for apportioning funds is described as ranges per sector, rather than as finite targets, to ensure that it is not overly prescriptive.

Currently, the funding ranges for each sector are:

<b>Sector</b>	<b>Percentage Range</b>	<b>Percentage Mid-point</b>
Schools	2% - 5%	3.5%
VET - Production	5% - 10%	7.5%
VET - Fashion Schools	10% - 23%	16.5%
Undergraduate	65% - 80%	72.5%

The long-term percentage range applies over a 10-year funding cycle, but within any particular year these may be exceeded - depending upon the quality of funding applications received.

## **Assets Held by the Trust**

## Financial

As at 30<sup>th</sup> June 2017, the total equity held by AWET was \$10.354 million. This was higher than the \$10.032 million held at 30<sup>th</sup> June 2016, partly due to a sponsorship arrangement with the Western Australian Agricultural Authority.

Total revenue for 2015/2016 was \$0.641 million, significantly less than 2015/16 (\$0.871 million), reflecting the contracting returns in investment markets. Total payments to fund sheep and wool education were \$0.445 million, an increase on the previous year (\$0.368 million), reflecting a decision made by Trustees to support in partnership with Australian Wool Innovation, the development and delivery of wool processing courses in China, with the same material being available in Australia.

Operating expenses for the year, excluding pro bono accounting and legal services provided by AWTA Ltd, amounted to 1.68% of the equity. This was slightly higher than the previous year (1.48%) largely due to a once off redesign of AWET's website.

## Intellectual Property (IP) – Undergraduate Studies

### CRC for Premium Quality Wool Resources

AWET holds the educational resources created by the CRC for Premium Quality Wool, during its activities from 1993-2000. This resource consists of 2500 Microsoft PowerPoint presentations grouped into Subjects, Themes, Topics and Modules. The PowerPoint files are the modules and the subjects are:

- Wool Biology
- Wool Metrology
- Wool Production
- Wool Marketing
- Wool Technology

Each slide is accompanied by brief explanatory notes.

AWET owns and manages the Woolwise Website ([www.woolwise.com](http://www.woolwise.com)), which was established with its funding towards the end of the CRC for Premium Quality Wool. All the educational resources produced by the CRC can be downloaded from the site.

### Australian Sheep CRC Resources

The Australian Sheep CRC, which operated from 2000-2007, coordinated the development of 10 sheep and wool educational modules. In partnership with the CRC, AWET directly funded development of the 4 Wool Modules, with the remaining 6 Modules being funded by the CRC, AWI and Meat & Livestock Australia (MLA). The development of all modules was coordinated by UNE and delivery of courses utilizing the modules commenced.

In 2007, the Core Parties of the Australian Sheep Industry CRC assigned to AWET all IP rights in the CRC-owned Educational Modules and related Additional IP.



Since the inception of the Trust, AWTA Ltd has provided pro bono accounting and legal services, thereby ensuring that these significant costs are not a burden on the Trust's finances. The Trustees gratefully acknowledge this ongoing contribution by the Trust's founder.



The Educational Modules initially covered the following topics:

Item	Reference No.	Title
1	WOOL 412	Sheep Production
2	ANUT 300	Applied Animal Nutrition
3	RSNR 421	Sustainable Land Management
4	WOOL 472	Wool Biology and Measurement
5	MEAT 418	Meat Technology
6	WOOL 422	Wool Marketing
7	WOOL 482	Wool Processing
8	GENE 412	Genetic Evaluation and Breeding
9	ANPR 420	Sheepmeat Production and Marketing
10	ANPR 450	Managing Sheep Enterprises

The IP transferred to AWET also includes other materials produced by the CRC, namely:

- Farm, Fibre and Food: Sheep and Wool Industry Information Tool Kit;
- Internal Parasite Control in Sheep;
- Merino Sheep Breeding Trainer Guide;
- School to Industry Links: National Pack; and
- Video by Mongoose Productions covering wool production from farm to mill.

#### Australian Wool Textile Training Centre Resources

AWET also holds the resources produced for the former Australian Wool Textile Training Centre (AWTTC).

These resources cover the following topics:

- Introduction to the Australian Wool Industry
- Buying and Consignment Preparation of Australia Wool
- Wool Top making and Early Stage Processing
- Contemporary Wool Dyeing and Finishing
- Innovations in Wool Textile Technology
- Australian Wool – Knowledge for Designers & Retailers

#### AWET Resources

AWET has funded development of a set of case studies for use by educators.

##### Case Study 01: **Supply Chain Innovation**

The case reflects upon the Tasmanian Quality Wool's (TQW) experiences in developing supply chain alliances and direct links with overseas garment manufacturers for the supply of wool for higher quality garments. The re-designed supply chain was aimed at reducing costs, with the cost savings to be shared by the 3 key partners.

##### Case Study 02: **Wool Supply Chain**

This is a story about a joint venture arrangement in a wool supply chain, from Australian woolgrower to European weaver.

##### Case Study 03: **Going Finer**

This case study examines a wool producer's integrated management approach toward the production of finer wool.

##### Case Study 04: **Grower Price Risk Management**

This case study is about the marketing environment facing specialist woolgrowers and approaches available to the growers in dealing with volatile prices.



## Management of the IP

### Maintenance and Updates

In 2007, contiguous with the assignment to AWET of all IP rights in the CRC Educational Modules and related Additional IP, a Licence Agreement between the University of New England (UNE) and AWET came into effect.

This obliges UNE to continue to deliver, develop and maintain the Modules and also, pursuant to the Agreement, UNE must transfer to AWET electronic copies of all updates to the Modules undertaken during the term of the Licence Agreement. The Agreement is subject to AWET continuing to provide funding to UNE to support the delivery of the Modules to undergraduate students. Should this funding cease then the obligation on UNE to update and maintain the Modules would also cease.

AWET may from time-to-time, in its sole discretion, provide funding to UNE for the provision of prizes, scholarships, staff support or other incentives in connection with the Educational Activities, in such amounts and on such terms as are agreed by AWET, but nothing in the Agreement imposes any obligation on AWET to provide any such funding.

The original Licence Agreement was applicable for 2 years, with the option to renew. In the ensuing years, it has been updated and renewed regularly.

There have been several updates to the Modules undertaken by UNE since the Licence Agreement commenced. The current status is as follows:

Item	Reference No.	Title	Status
1	WOOL 312-412-512	Sheep Production	See Note 1
2	ANUT 300-500	Applied Animal Nutrition	Revised 2012.
3	WOOL 472-572	Wool Biology and Measurement	Revised 2012.
4	MEAT 418-518	Meat Technology	Revised 2013.
5	WOOL 322-422-522	Wool Marketing & Clip Preparation	Revised 2012.
6	WOOL 382-482	Wool Processing	Revised 2012. See Note 4
7	GENE 422-522	Genetic Evaluation and Breeding	Revised 2011.
8	ANPR 350-450	Sheep Management	Revised 2012.
9	WOOL 300	Fundamentals of Sheep and Wool	Created 2014. See Note 3
	ANPR420	Sheepmeat Production and Marketing	See Note 1
	RSNR421	Sustainable Land Management	See Note 2

Note 1 In 2012, supported by funding provided by AWET and MLA, the content of ANPR 420 was incorporated into an expanded WOOL 312-412-512 unit.

Note 2 RSNR 421, as developed by the CRC, is no longer offered by UNE. Under the terms of the Licence Agreement, the Trust can license this unit to other Universities. UNE has developed an alternative course, identified by the same code and title, but delivered in a different faculty. However, the Trust still holds the original unit documentation.

Note 3 WOOL 300 (Fundamentals of Sheep and Wool) was developed in 2013/14 for joint delivery by UNE and New England TAFE. It uses the content of the existing undergraduate modules licensed to UNE to provide a detailed introduction to the Australian sheep and wool industry and production systems. Specifically, it outlines the factors affecting production of sheep meat and wool and those factors a producer needs to take into account, including nutrition, genetics and environment. It also covers the marketing systems for wool and the importance of meeting consumer demands for sustainability.

Note 4 The original version of WOOL 382-482 consisted of 29 topics. In 2012, with funding provided by the Trust, the module was revised and reduced to 16 topics.

Note 5 The Trust maintains copies of the original modules and their subsequent revisions.



## **Delivery to Undergraduates**

Delivery of the Sheep CRC Modules is facilitated via the Trust's Research Agreement with UNE. Under this Agreement, the Trust has continued to provide funding to support delivery of the IP via a "Hub and Spoke Model", Australia-wide. This model provides for the inclusion of external students from other Universities in the courses offered by UNE.

Pursuant to this Research Agreement, the Trust's support has been both direct and indirect.

*Direct: Subsidisation of salary costs*

*Subsidisation of maintenance and updating of the 4 wool modules*

*Undergraduate Co-operative Scholarships*

Under this arrangement, UNE seeks co-funding from industry sources, so that the number of scholarships awarded each year (each worth \$6000 p.a.) can be maximised. This involvement guarantees work experience for the scholarship recipients and the industry co-funders gain the opportunity to consider employing them. AWET's annual commitment varies, depending on the scholarship duration, availability of industry co-funders and the recipients' progress.

*Indirect: Undergraduate Project Scholarships*

To attract enrolments in the Units offered by UNE, the Trust is continuing to fund up to 15 Undergraduate Project scholarships, each worth \$6,000, for students across Australia undertaking sheep and wool education via these Units. The scholarships are available for Honours students and other students engaged in 1-year projects within their Degrees.

*Subsidies to External Universities.*

To encourage enrolments from students at non-UNE Universities, the Trust pays those Universities \$1,000 per student for the first 10 students and \$1,200 for each additional student as compensation for their loss of income when students enroll externally in the Wool units delivered by UNE. These subsidies are paid directly to the Universities by the Trust, based on enrolment records provided by UNE.

The Research Agreement was renegotiated in 2010, 2013 and 2016. Whereas the early agreements were very specific with regard to how and where UNE invested the funds provided by AWET, the 2016 the Research Agreement with UNE is substantially less prescriptive, with:

- direct funding capped at \$150,000 per annum - UNE being free to allocate the funds to obtain the optimum outcomes;
- the Term of the Agreement being extended from 3 to 5 years; and
- AWET continuing its indirect funding and including Undergraduate Co-op Scholarships in this stream.

This restructuring has released funds for AWET to increase its support in other educational sectors, in particular, to provide wool education in Australia's Fashion & Design schools.

It has also enabled the Trust to explore other means to maintain delivery of Wool Processing education. With the demise of Australia's first and second stage processing capacity enrolments in this module at UNE have been very small. Consequently, the Trust has entered into a partnership with Australian Wool Innovation to conduct a pilot program, managed by Deakin University, delivering Wool Processing courses to selected Universities in China. The materials developed will also be available to deliver intensive courses in Australia.

The numbers of enrolments in each module, since the Licensing Agreement commenced, is tabulated below (NO = Not Offered, NA = Not Available).

<b>Title</b>	<b>2007</b>	<b>2008</b>	<b>2009</b>	<b>2010</b>	<b>2011</b>	<b>2012</b>	<b>2013</b>	<b>2014</b>	<b>2015</b>	<b>2016</b>	<b>2017</b>
Sheep Production	13	50	26	51	63	55	40	76	41	31	44
Wool Biology and Measurement	4	8	NO	10	7	9	4	18	13	12	23
Wool Marketing	13	23	9	15	20	15	24	15	12	8	10
Wool Processing	7	6	5	17	20	18	5	5	14	7	11
Fundamentals of Sheep & Wool	NA	NA	NA	NA	NA	NA	NA	13	34	40	21
<b>Totals: AWET Sponsored Units</b>	<b>37</b>	<b>87</b>	<b>40</b>	<b>93</b>	<b>110</b>	<b>97</b>	<b>73</b>	<b>127</b>	<b>114</b>	<b>98</b>	<b>109</b>
Applied Animal Nutrition	29	48	43	49	54	27	46	41	38	39	51
Sustainable Land Management	30	33	43	32	29	15	62	54	28	43	38
Meat Technology	15	31	26	36	23	19	20	19	21	21	15
Genetic Evaluation and Breeding	19	13	5	7	10	19	7	9	4	13	10
Sheep Meat Production & Marketing	NO	16	3	NO	NO	NO	NO	NO	NO	NO	NO
Managing Sheep Enterprises	NO	24	11	21	13	16	7	9	9	31	23
<b>Totals: Other Units</b>	<b>93</b>	<b>165</b>	<b>131</b>	<b>145</b>	<b>129</b>	<b>96</b>	<b>142</b>	<b>132</b>	<b>100</b>	<b>147</b>	<b>137</b>
<b>Totals: All Units</b>	<b>130</b>	<b>252</b>	<b>171</b>	<b>238</b>	<b>239</b>	<b>193</b>	<b>215</b>	<b>259</b>	<b>214</b>	<b>245</b>	<b>246</b>

However, AWET's direct funding actually commenced prior to 2007 and its cumulative investment in delivering the Wool Modules, including indirect funding, is \$3,238,372. The data tabulated below does not include \$282,000 invested by AWET to develop the Wool Modules, which occurred from 2002 to 2005.

<b>Year</b>	<b>Direct Funding</b>		<b>Indirect Funding</b>		
	<b>UNE Delivery</b>	<b>Undergraduate Scholarships</b>	<b>Honours Scholarships</b>	<b>Subsidies</b>	<b>Total</b>
2005/06	\$5,850	\$18,000	\$0	\$0	\$23,851
2006/07	\$3,533	\$23,250	\$25,000	\$0	\$51,783
2007/08	\$102,624	\$14,250	\$80,000	\$0	\$196,874
2008/09	\$243,336	\$45,750	\$55,000	\$0	\$344,086
2009/10	\$182,975	\$52,500	\$83,000	\$0	\$318,475
2010/11	\$276,546	\$69,000	\$60,000	\$32,000	\$437,546
2011/12	\$175,682	\$18,000	\$108,000	\$38,600	\$340,282
2012/13	\$162,223	\$18,000	\$82,500	\$38,400	\$301,123
2013/14	\$151,271	\$46,500	\$66,000	\$28,200	\$291,971
2014/15	\$176,484	\$22,500	\$78,000	\$68,000	\$344,984
2015/16	\$171,248	\$27,750	\$78,000	\$16,400	\$293,398
2016/17	\$155,000	\$30,000	\$105,000	\$13,000*	\$303,000
<b>Total</b>	<b>\$1,806,772</b>	<b>\$385,500</b>	<b>\$820,500</b>	<b>\$235,600</b>	<b>\$3,247,372</b>

\* Subsidies provided in 2016/17 are understated as some of the affected Universities did not invoice for the amount owed until after June 2017.

Since inception, AWET's total investment in supporting wool education is approximately \$5.068 million.



## General Availability of AWET'S IP

### IP Covered by the Licence Agreement

Pursuant to the Assignment Deed, the Trust provides copies of all the Educational Modules and the other materials produced by the CRC to interested parties, subject to acceptance of Terms of Use designed to ensure that there will be no breach of the Licence Agreement with UNE. In order to maximise the use of these resources, no charges are raised by the Trust.

Two (2) types of Licence are available, namely, an Academic Version and a Student Version.

The Academic Version provides all lecture notes and references, with lecture notes available in both PDF and MSWord format. This Licence is designed primarily for Tertiary Institutions wishing to incorporate material from the modules within their own courses.

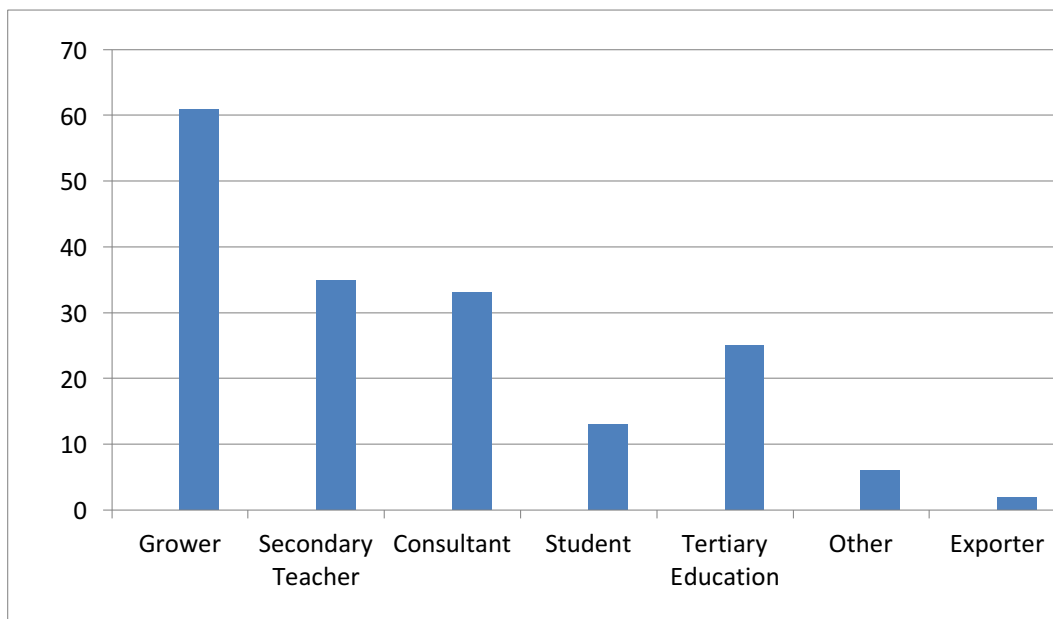
The materials supplied under this Licence include all versions of the modules since inception.

By 30<sup>th</sup> June 2017, a total of 20 such Licences had been issued.

The Student Version provides all the same material, except the MSWord versions, and all past versions. It is designed specifically for individuals who wish to use the materials for reference purposes.

As at 30<sup>th</sup> June 2017, a total of 175 such Licences had been issued.

The distribution of Licences by sector is shown in the following graph.



Until July 2017 this IP was distributed via DVD.

### Other IP

Other IP has always been accessible via AWET's website. However, the DVD's containing IP covered by the licence agreement with UNE also included all other IP, namely:

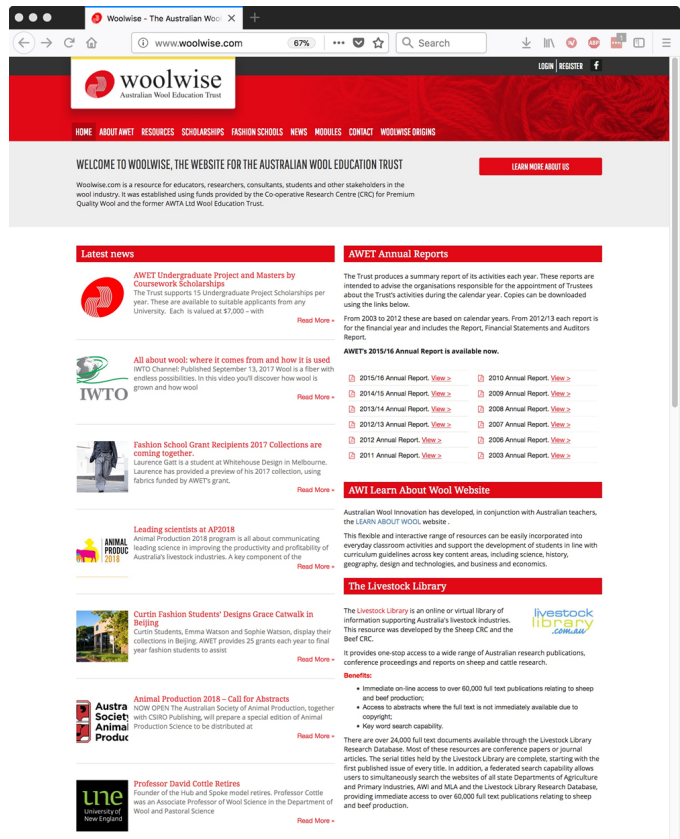
- CRC for Premium Quality Wool Resources
- Australian Wool Textile Training Centre Resources
- AWET Resources
- Other miscellaneous resources.

## Website Redevelopment

In February 2016 Trustees approved a proposal to redevelop the Trust's website (woolwise.com).

There were several reasons why woolwise.com needed to be modernised.

- The bulk of the Trust's educational materials were being distributed via DVD. This is expensive and in any event the medium is becoming redundant as the capacity for web based distribution systems increases and becomes less expensive
- Ensuring users' copies of Trust materials are current is a major task if they are distributed by DVD. Although USB's can be used as a substitute the same difficulties remain.
- The range of devices used to visit websites has increased. Most people use PC's, tablets and phones for this purpose. However, for this to work successfully a website must be "responsive". This means designing it so it can be satisfactorily rendered on all these devices. The current site was not responsive.
- Woolwise.com is a valuable resource but if it is not modernised its usefulness will diminish.



The redesign and migration of the website was completed by end of June 2017. The site went live on 11<sup>th</sup> July 2017.

All the Trust's IP can be downloaded from the new site.

IP subject to the Licence Agreement with UNE is provided via 3 levels of access:

- Visitor
- Member
- Educator

A **Visitor** is able to view the modules and topic synopses, but cannot access any of the module documents

A **Member** is a registered user and is only able to access PDF versions of the resources. Member access is provided for anyone who accepts the terms of use and registers on the site.

An **Educator** is a registered user wishing to utilise these resources as research and/or reference materials. An Educator can access MS Word versions of the resources as well as PDF versions. Educator access is provided to appropriate registrants by the site Administrator.



## Review of 2016/17

### Undergraduate Studies

Total investment in undergraduate studies during 2016/17 was \$313,398.

Whilst AWET funding for delivery of the Wool Modules is the major component of this, industry support for scholarships is also invaluable.

#### Undergraduate Cooperative Scholarships

In the year under review industry support for these scholarships was provided by:

- Australian Wool Network
- Nikke Port Phillip Scouring Ltd
- WoolProducers Australia
- Australian Council of Wool Exporters and Processors
- Roberts/Rural Co
- Australian Wool Testing Authority Ltd

Four (4) such scholarships were awarded for the 2017 academic year.

Five (5) scholarships from previous years are still

Scholarship holders are:

- Matthew Maunder, UNE 2014-2017, co-funded by Nikke Port Philip Scouring.
- Heather Earney, UNE 2014-2017, co-funded by Australian Wool Network.
- Peter Brooker, UNE 2015-2017, co-funded by Nikke Port Philip Scouring.
- Brian Ostini, UNE 2016-2017, co-funded by Roberts/Rural Co. (1/2).
- Felicity Brumpton, UNE 2016-2018, co-funded by Nikke Port Philip Scouring.
- Peta Bradley, UNE 2017, co-funded by AWEX
- Holly Laurence, USYD 2017, co-funded Wool Producers.
- Daniel Forwood, USYD 2017-2018, co-funded by AWTA.
- Kieran Smith, UNE 2017-2019, co-funded by Nikke Port Philip Scouring.

#### Undergraduate Project and Masters by Coursework Scholarships

There were 26 applications for the 15 scholarships offered by the Trust for 2017. Successful applicants were:

##### **Murdoch University**

##### **Ami Bowden**

This project will form part of a larger PhD project investigating the effects of mob size and feed of offer on ewe-lamb behaviour and lamb survival. Seven hundred twin-bearing Merino ewes will be allocated into one of four treatment groups at day 140 of pregnancy; high or low mob size and high or low FOO, and each treatment will be replicated three times. Ewe activity and behaviour will be monitored during lambing using sensors and/or video recordings. Lambs will be tagged daily and fitted with smart sensors in order to record ewe-lamb proximity. Lamb mortalities will be recorded each day and dead lambs will be collected for autopsy according to the procedure described by Holst (2004). The proportion of deaths due to dystocia (categories 1-3) and starvation in each treatment will be examined.

##### **Chad Averill**

This project is a pilot study to directly compare variation in fat deposition in Merino and Maternal type adult ewes fed at maintenance and ad libitum. The current industry standard for measurement of body fatness is based on the measurement of subcutaneous fat depot levels using ultrasound, but this technique may not be accurate for specific breeds and ages. Fat depth at the 'C-site' only explains 10-20% of the variation on fat in whole carcasses. Whole body fatness in this study will be measured using Computerized Axial Tomography, and we will examine potential proxy measures of whole body fat that could then be used in larger studies such as AWIs Merino Lifetime Productivity Project to quantify the genetic parameters for whole body fat and its importance to sheep breeding.



## Sydney University

### **Lydia Inglis**

The aim of this study is to quantify the effects of various combinations of analgesics on the relative pain and stress responses in Merino lambs to mulesing using novel measures of pain and also by quantifying positive changes in positive behaviours.

### **Alexander Clancy**

The aim of this project is to determine how animals modify their behaviour under different management conditions (low grazing intensity, 8 DSE/ha continuously vs high grazing intensity, 13 DSE/ha) and to what extent this influences their use of pasture systems.

### **Alyssa Woodland**

The expected outcome of the proposed research project is to address the knowledge gap with regards to the pharmacokinetics and therapeutic dose of intramuscularly and subcutaneously administered meloxicam in sheep. It is also expected that this project will provide information with regards to the duration of action and whether therapeutic dose of the anti-inflammatory drug differs between livestock species. Overall outcomes will benefit the sheep industry by providing knowledge to enable research and development into long-acting forms of the drug for more effective and efficient administration of meloxicam for on-farm pain management in sheep.

### **Anna Cooper**

The research project aims to compare the effect of the standard modified mules and a smaller "conservative" mules in merino lambs and weaners. In particular the research will look at wound size, healing of the wound breech parameters and breech strike risk factors. The project will compare the effect of mulesing on wound healing, wound size to body surface area ratio and breech parameters between lambs and weaners mulesed within the same season.

### **Augustus Jacobs**

The research aims to accurately and precisely identify the stages of growth and performance governed by management techniques commonly associated with prime lamb production. Walk over weighing will provide a constant and detailed picture of individual animal performance. The system also allows for a more thorough understanding of the effects of events such as weaning and shearing, along with the associated wool production where applicable.

### **Bethan Arthur**

This project will involve sheep IVF experiments to determine the usefulness of a specific compound (penicillamine) in reducing agglutination of ram spermatozoa during capacitation, and the subsequent impacts of reduced agglutination on fertilisation ability.

### **Kiri Farmer**

The project is based on the Isolation and effects of a specific protein within seminal plasma called "Binder of Sperm (BSP) Proteins" on ram spermatozoa.

### **Max Lloyd**

The proposed study aims to better understand the effect of synchrony and AI practices on the core temperature of the ewe, helping to focus future mitigation trials. Furthermore, it will use body temperature to assess stress levels in ewes during AI to ensure welfare standards are considered and met at all times. Ultimately, the proposed research centers on improving the furtherance of these reproductive technologies and thus is inherently linked to more efficient dissemination of genetics, less economic wastage and the betterment of the Merino Wool industry.

### **Phillippa Bruce**

The aim of this project will be to determine whether beta-cyclodextrin can be used as a cholesterol transporter in fertilisation media to stimulate the capacitation of spermatozoa and induce cholesterol loss from the plasma membrane. This knowledge will be used to improve



ovine IVF. This knowledge will be important for optimising vaccination programs in the 2nd year and minimising costs to wool producers

**Nicole Newsome** (Masters by Coursework)

Victoria has agreed to EID in sheep. This project will involve evaluation of effectiveness of data collection for the purposes of emergency disease control and traceback for antibiotic, pesticide and disease control.

**UNE**

**Heather Earney**

This project is expected to find a positive linear relationship between the pelvic measurements of a ewe, ease of parturition and lamb survival. In the analysis of data from this experiment it is anticipated that a ratio for lamb size to pelvic size can be estimated, identifying the critical pelvic measurement for successful parturition.

**Sarah Duffield**

The proposed research project is to develop a new method of identification of the Booroola mutation and better define its role in determining litter size and productivity in Australian Merino flocks. The current PCR-RFLP method of genotyping for FecB published in 2001 is cumbersome, expensive, patented and only offered commercially as a test in NZ. With the developments in real time qPCR and melt curve analysis a simpler one-step test to determine if a sheep carries the 0, 1 or 2 copies of the gene/mutation should be a comparatively straightforward task and will be developed and tested with the help of Dr Shubiao Wu at UNE.

**University of WA**

**Heydiyeh Tahghighi**

The outcome of this study will help to enhance the efficiency of breeding for boron toxicity tolerance in *T. subterraneum*. Increasing the tolerance of sub-clover to boron toxicity may have a significant benefit in areas with high boron levels hence the highest concentrations of boron occur in the subsoil. Additionally, plants with better boron toxicity tolerance may be able better exploit the water reserves in subsoil, which can be effective during the drought years

Alistair Mackenzie Scholarship

AWET co-sponsors this scholarship with WISS. The 2017 scholarship was awarded to Georgia Buchholz, who was raised on a sheep/cropping property south of Skipton in Victoria. The property is 15,000 acres, supporting superfine merino wool production (18 micron) from 600 weathers, approximately 50 cross bred ewes for prime lambs and growing a range of cereal crops.

**Delivery of the Wool Processing Education in China**

AWET Funding of Pilot Program in China

AWET Trustees were concerned that the low enrolments in the Wool Processing module at UNE meant that the maximum use of the materials was not being made. The Trustees decided to investigate delivery of wool processing education in China.

AWET, Deakin and AWI discussed the most effective way to progress this aim. AWET made an offer to AWI to fund a one year pilot program in China, to be overseen by AWI, where wool processing modules delivered by Deakin would be inserted into relevant degree courses at three universities, namely Wuhan Textile University, Xian Polytechnic University and Zhejiang Sci Tech University.

Implementation of the Pilot Program

Deakin University has reported that the programs had been delivered to the nominated Chinese institutions.

**Xian polytechnic University November 2016**

- 37 students over 2 weeks
- Wool Appreciation Class
- Wool Science Physics, Chemistry and Structure
- Wool Fabric Finishing



**Wuhan Textile University May 2017**

- 31 students over 3 weeks
- Wool Science Physics, Chemistry and Structure
- Top-making and Worsted Spinning



### **Zhejiang SCI-TECH University June 2017**

- Delivered to 11 students
- Wool Science Physics, Chemistry and Structure
- Wool Dyeing



#### Continuation of the Pilot Program

Continuation of the program will be considered pending a review of outcomes and further discussions between AWET, Deakin and AWI. Delivery of the courses as intensive courses within Australia is part of these discussions.

#### **AWI National Merino Challenge**

AWET contributed \$15,000 to the AWI National Merino Challenge (NMC).

The NMC is an Australian Wool Innovation (AWI) initiative designed to allow young people to engage with the Merino industry by developing their knowledge, skills and networks. It involves presentations and demonstrations by industry professionals. Students participate in seven 'mini-challenges' over 2 days, testing their knowledge of Merino fleece, production, breeding and selection.

Techniques from several well-known industry initiatives, such as MERINOSELECT, Lifetime Wool, Bredwell Fedwell and Visual Sheep Scores, are used throughout the NMC, giving students a realistic and practical insight into the tools available to growers to make more informed decisions.

AWET's grant was used to subsidise the travel costs of contestants.

#### **Schools**

The Trust's recent activity in the Schools sector has been via contributions to AWI's Wool4Skools Program. The contribution in 2016/17 was \$10,000.

#### **Vocational Education Training - Production**

The Trust offers VET sector scholarships, each valued at \$3,000, to students attending institutions in this sector. In 2016/17, three (3) of these were awarded to students at Tocal College in NSW. In previous years the WA College of Agriculture participated in this program but changes in funding arrangements has meant that the delivery of wool related activities is under review.

## Vocational Education Training – Fashion Schools

During 2015/16, AWET commenced a pilot program distributing grants to selected Fashion Design students, to facilitate purchase of wool-rich fabric for their final year design projects. That program was continued into 2017

25 grants are provided, allocated to RMIT, Whitehouse Design, UTS, QUT, TAFE SA and Curtin University.

The grants have been allocated to the pilot project participants as follows:

Institute	Program	Grants	\$
RMIT	Bachelor of Fashion (Design & Technology)	4	\$6000
	Bachelor of Fashion (Design) (Hons)	4	\$8000
Whitehouse Design - Melbourne	Bachelor of Design	3	\$4500
Whitehouse Design - Sydney	Bachelor of Design	3	\$4500
UTS	BA Hons Fashion and Textile Design	4	\$8000
QUT	Bachelor of Design	2	\$3000
TAFE SA	Bachelor of Fashion Design	3	\$4500
Curtin	Bachelor of Arts (Fashion)	2	\$3000

Hannah Tan Hannah Tan, a student at UTS and one of the recipients of the 2016 AWET fashion student grant, won the Australian Fashion Fund Scholarship/Internship Prize for 2016/2017, with the collection facilitated by the Trust's grant.

Winners of the Prize receive a USD\$20,000 grant and a 6-month internship with a global fashion powerhouse in New York City or Europe, and Hannah will intern at Calvin Klein.

*"The Australian Wool Education Trust Grant 2016, alongside ongoing support from The Woolmark Company, has been invaluable throughout my Honours experience. It was not only the financial aid that assisted in building the collection, but also the wealth of knowledge and advice from members of the company. It has truly been a great honour to have received the grant, creating visibility and success for my work."*

Meridith Bullen, another 2016 student from UTS was accepted for a Master's Degree at Parsons.

The creations of two students from Curtin University, Emma Watson and Sophie Watson were showcased at a fashion show in Beijing.

Video of the Beijing presentation is available on AWET's website:

<http://www.woolwise.com/fashion-schools/gallery-videos/>

Images of all students creations, and some selected videos of their formal presentations in fashion shows organized by the institutions are available on the website.

## Allocation of Funds by Educational Sector

Expenditure by sector for the year under review was:

Sector	%Range	Mid-point	\$ Available	\$ Invested	Actual%
Schools	2% - 5%	3.50%	\$14,045	\$10,000	2.2%
VET - Production	5% - 10%	7.50%	\$30,096	\$18,000	4.0%
VET - Fashion Schools	10% - 23%	16.50%	\$66,211	\$19,500	4.4%
Undergraduate	65% - 80%	72.50%	\$290,926	\$397,312	89.4%
			<b>\$401,278</b>	<b>\$444,812</b>	<b>100.0%</b>







## Consultative Mechanisms

Having initially focused on funding the establishment of a resource hub for Sheep & Wool education within the Sheep CRC/UNE space, Trustees remain keen to dispel any perception that this relationship inhibits the involvement of other Universities in reviewing and developing the Trust's investment strategies. To this end, the Trust funds an Annual Meeting with the "wool product champions" from all Universities incorporating Sheep & Wool components in their undergraduate Degrees.

The most recent Meeting was held in July 2017.

Due to the mutually beneficial outcomes of this consultation process, the Trust has adopted a similar strategy for annual consultation with the Fashion & Design Schools and AWI, to ensure that the resources provided are updated and remain relevant. This Meeting was also held in July 2017.

## Distribution

This Annual Report has been prepared for the Boards and Executives of those organisations that are responsible for appointing the Trustees, namely, AWTA Ltd, AWI and FAWO.

It is being distributed together with the Trust's Annual Financial Report for 2016/17 and the Auditor's Report.

The copy of the report is lodged on AWET's website, to conform with requirements of the Assignment Deed for the educational IP produced by the Sheep CRC.

As required a copy is also lodged with the ACNC.

A handwritten signature in blue ink, appearing to read 'M.A. Jackson', written in a cursive style.

M.A. Jackson  
ACTING CHAIRMAN

AUSTRALIAN WOOL EDUCATION TRUST  
ABN 12 886 519 613  
INCOME STATEMENT FOR THE YEAR ENDED 30TH JUNE, 2017

	Note	2017 \$	2016 \$
Revenue	2	641,040.80	870,705.60
Miscellaneous Income	2	237.86	435.31
Sponsorship		150,000.00	0.00
Education Funding Projects	4	(444,812.12)	(367,943.00)
Trustee Expenses		(49,253.00)	(48,074.00)
Insurance Premiums		(2,873.00)	(2,885.00)
Investment Management Fees		(63,655.00)	(67,505.00)
Secretarial Expenses		(30,464.00)	(24,803.00)
Other Expenses		(27,441.00)	(4,806.00)
Surplus/(Deficit)		<u>172,780.54</u>	<u>355,124.91</u>

The accompanying Notes form part of these financial statements.

AUSTRALIAN WOOL EDUCATION TRUST  
ABN 12 886 519 613  
**BALANCE SHEET AS AT 30TH JUNE, 2017**

	Note	2017 \$	2016 \$
<b>CURRENT ASSETS</b>			
Cash and Cash Equivalents	5	275,100.58	91,711.65
Receivables	6	51,852.98	57,552.96
Other Current Assets	7	<u>2,377.75</u>	<u>2,713.75</u>
<b>TOTAL CURRENT ASSETS</b>		<u><b>329,331.31</b></u>	<u><b>151,978.36</b></u>
<b>NON-CURRENT ASSETS</b>			
Financial Assets	8	<u>10,068,133.69</u>	<u>9,902,768.26</u>
<b>TOTAL NON-CURRENT ASSETS</b>		<u><b>10,068,133.69</b></u>	<u><b>9,902,768.26</b></u>
<b>TOTAL ASSETS</b>		<u><b>10,397,465.00</b></u>	<u><b>10,054,746.62</b></u>
<b>CURRENT LIABILITIES</b>			
Payables	9	<u>43,553.82</u>	<u>22,817.00</u>
<b>TOTAL CURRENT LIABILITIES</b>		<u><b>43,553.82</b></u>	<u><b>22,817.00</b></u>
<b>TOTAL LIABILITIES</b>		<u><b>43,553.82</b></u>	<u><b>22,817.00</b></u>
<b>NET ASSETS</b>		<u><b>10,353,911.18</b></u>	<u><b>10,031,930.21</b></u>
<b>EQUITY</b>			
Donations Contributed	1(e)	7,000,000.00	7,000,000.00
Retained Surplus		2,939,282.55	2,766,502.01
Reserves		<u>414,628.63</u>	<u>265,428.20</u>
<b>TOTAL EQUITY</b>		<u><b>10,353,911.18</b></u>	<u><b>10,031,930.21</b></u>

The accompanying Notes form part of these financial statements.

AUSTRALIAN WOOL EDUCATION TRUST  
ABN 12 886 519 613  
**STATEMENT OF CHANGES IN EQUITY FOR THE YEAR ENDED 30TH JUNE, 2017**

	Donations Contributed \$	Retained Surplus \$	Financial Assets Reserve \$	Total \$
<b>Opening Balance as at 1 July 2015</b>	7,000,000.00	2,411,377.10	528,314.90	9,939,692.00
Surplus/(Deficit)	-	355,124.91	-	355,124.91
Unrealised Gains/(Losses)	-	-	(262,886.70)	(262,886.70)
Impairment Charge and Write-Downs	-	-	0.00	0.00
<b>Closing Balance as at 30 June 2016</b>	<u>7,000,000.00</u>	<u>2,766,502.01</u>	<u>265,428.20</u>	<u>10,031,930.21</u>
<b>Opening Balance as at 1 July 2016</b>	7,000,000.00	2,766,502.01	265,428.20	10,031,930.21
Surplus/(Deficit)	-	172,780.54	-	172,780.54
Unrealised Gains/(Losses)	-	-	149,200.43	149,200.43
Impairment Charge and Write-Downs	-	-	0.00	0.00
<b>Closing Balance as at 30 June 2017</b>	<u>7,000,000.00</u>	<u>2,939,282.55</u>	<u>414,628.63</u>	<u>10,353,911.18</u>

**STATEMENT OF CASH FLOWS FOR THE YEAR ENDED 30TH JUNE, 2017**

	Note	2017 \$	2016 \$
<b>CASH FLOWS FROM OPERATING ACTIVITIES</b>			
Interest Received		823.07	626.94
Refund of Franking Credits		53,070.00	47,737.36
Sundry Income		237.63	435.31
Sponsorship		150,000.00	0.00
Refund of GST Paid		25,694.00	22,078.00
Payments for Education Funding Projects		(444,812.12)	(367,943.01)
Payments to Suppliers for Goods and Services		(101,623.65)	(105,012.47)
<b>NET CASH USED IN OPERATING ACTIVITIES</b>	10	<u>(316,611.07)</u>	<u>(402,077.87)</u>
<b>CASH FLOWS FROM INVESTING ACTIVITIES</b>			
Calls from Managed Investments - Pitcher Partners		500,000.00	450,000.00
Investments at Call		(180,000.00)	(40,000.00)
<b>NET CASH PROVIDED BY INVESTING ACTIVITIES</b>		<u>320,000.00</u>	<u>410,000.00</u>
<b>NET INCREASE/(DECREASE) IN CASH HELD</b>		3,388.93	7,922.13
<b>CASH AT THE BEGINNING OF THE FINANCIAL YEAR</b>		11,711.65	3,789.52
<b>CASH AT THE END OF THE FINANCIAL YEAR</b>	11	<u>15,100.58</u>	<u>11,711.65</u>

AUSTRALIAN WOOL EDUCATION TRUST  
ABN 12 886 519 613  
**NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 30TH JUNE, 2017**

**1. STATEMENT OF SIGNIFICANT ACCOUNTING POLICIES**

- (a) The trustees have prepared the financial statements of the trust on the basis that the trust is a non-reporting entity because there are no users dependant on general purpose financial statements. The financial statements are therefore special purpose financial statements that have been prepared in order to meet the requirements of the trust deed and the information needs of the trustees.

The financial statements have been prepared in accordance with the significant accounting policies disclosed below, which the trustees have determined are appropriate to meet the purposes of preparation. Such accounting policies are consistent with the previous period unless stated otherwise.

The financial statements have been prepared on an accruals basis and are based on historical costs unless otherwise stated in the notes.

The financial statements were authorised for issue on 29th November by the trustees.

(b) **Measurement Of Assets**

Assets of the trust have been measured at net market values after allowing for costs of realisation. Net market value of the units has been determined by reference to the unit redemption price at the reporting date. Unrealised gains and losses arising from changes in fair value of managed funds are taken directly to equity. Financial instruments are reviewed for a significant or prolonged decline in value to determine if an impairment has arisen. The trustees have deemed an impairment exists if an investment has been declining below its accounting cost for a minimum of 15 months, or if the market value of the investment is more than 30% below its accounting cost, based on valuations at the date of preparation of this report. Impairment losses are recognised in the income statement.

Short Term Deposits are valued at face value.

(c) **Income Tax Expense**

The trust is an income tax exempt charitable trust under Section 50-5 item 1.5 of the Income Tax Assessment Act 1997.

(d) **Revenue**

Interest revenue is recognised on a proportional basis taking into account the interest rates applicable to the financial asset. Dividend revenue is recognised when the right to receive a dividend has been established. All revenue received arises from the operating activities of the trust.

(e) **Donations Contributed**

The \$3 million Founder's Donation is considered to be a capital contribution. A further \$4 million donation was received from Australian Wool Innovation Limited on 25 June 2004.

(f) **Goods and Services Tax (GST)**

Revenues, expenses and assets are recognised net of the amount of GST, except where the amount of GST incurred is not recoverable from the Australian Taxation Office. In these circumstances the GST is recognised as part of the cost of acquisition of the asset or as part of an item of the expense. Receivables and payables in the balance sheet are shown exclusive of GST where the GST is recoverable from the Australian Taxation Office.

Cash flows are presented in the cash flow statement on a gross basis, except for the GST component of investing and financing activities, which are disclosed as operating cash flows.

(g) **Cash and Cash Equivalents**

Cash and cash equivalents include cash on hand, deposits held at call with banks and other short term highly liquid investments with original maturities of three months or less.

(h) **Comparative Figures**

When required by accounting standards, comparative figures have been adjusted to conform to changes in presentation for the current financial year.

AUSTRALIAN WOOL EDUCATION TRUST  
ABN 12 886 519 613  
**NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 30TH JUNE, 2017**

<b>2. REVENUE</b>	2017 \$	2016 \$
<b>Operating Activities:</b>		
Interest from Bank Bills & at Call	845.45	648.31
Income from Managed Investments:		
Interest from Preference Shares, Term Deposits and at call Cash	92,126.43	156,258.68
Distribution in Unit Trusts	464,429.10	495,723.38
Realised Gains	83,639.82	218,075.23
	641,040.80	870,705.60
<b>Non - Operating Activities:</b>		
Sponsorship	150,000.00	0.00
Miscellaneous Income	237.86	435.31
<b>Total Revenue</b>	791,278.66	871,140.91
<b>3. AUDITORS REMUNERATION</b>		
Remuneration of auditor		
- audit	2,550.00	2,450.00
	2,550.00	2,450.00
<b>4. EDUCATION FUNDING PROJECTS</b>		
Agricultural Colleges 1 Year Scholarships	9,000.00	9,000.00
Annual Scholarships for University Honours Students	105,000.00	78,000.00
Education for Schools - AWI School Uniform Design Competition	10,000.00	10,000.00
Education Institutes Meeting Expenses	4,912.12	4,545.00
AWI - NMC Travel Bursary Subsidy	15,000.00	10,000.00
Marcus Oldham College - Alastair Mackenzie Scholarship	10,000.00	10,000.00
Small Initiatives Grants	5,000.00	0.00
Subsidies to External Institutions	13,000.00	25,400.00
UNE Research Agreement	155,000.00	171,248.00
UNE/CRC Undergraduate Scholarships	30,000.00	27,750.00
AWI China Processing Course	65,400.00	0.00
VET Scholarships	3,000.00	0.00
School of Fashion & Textiles Grant	19,500.00	22,000.00
	444,812.12	367,943.00

AUSTRALIAN WOOL EDUCATION TRUST  
ABN 12 886 519 613  
**NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 30TH JUNE, 2017**

	2017	2016
	\$	\$
<b>5. CASH AND CASH EQUIVALENTS</b>		
Cash at Bank	15,100.58	11,711.67
Short Term Deposits at Call	260,000.00	80,000.00
	<u>275,100.58</u>	<u>91,711.65</u>
<b>6. RECEIVABLES AS CURRENT ASSETS</b>		
Debtors - Refund Due for GST Paid	0.00	4,425.00
Accrued Income	51,852.98	53,127.96
	<u>51,852.98</u>	<u>57,552.96</u>
<b>7. OTHER CURRENT ASSETS</b>		
Prepayments	<u>2,377.75</u>	<u>2,713.75</u>
<b>8. FINANCIAL ASSETS</b>		
Managed Investments (with Pitcher Partners):		
Investment Valuation at 30.06.2017	<u>10,068,133.69</u>	<u>9,902,768.26</u>
	<u>10,068,133.69</u>	<u>9,902,768.26</u>
The trust's investing activities are intended to be long-term and have therefore been classified as Non-current Assets. Investments in Unit Trusts can be liquidated at any time by the Trustees.		
<b>9. PAYABLES AS CURRENT LIABILITIES</b>		
Accrued Expenses:		
Audit Fees	2,500.00	2,500.00
Investment Management Fee	15,290.00	17,325.00
Bank Charges	30.00	40.00
Trustees' Fees	12,503.25	2,952.00
Creditors:		
Trade Creditors	2,957.67	0.00
GST Payable	10,272.90	0.00
	<u>43,553.82</u>	<u>22,817.00</u>

AUSTRALIAN WOOL EDUCATION TRUST  
 ABN 12 886 519 613  
**NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 30TH JUNE, 2017**

	2017	2016
	\$	\$
<b>10. STATEMENT OF CASHFLOWS - RECONCILIATION OF NET CASH USED IN OPERATING ACTIVITIES</b>		
Surplus/(Deficit)	172,780.54	355,124.91
Changes in Assets and Liabilities:		
Changes in Net Market Value of Investments	(665,365.43)	(480,719.82)
(Increase)/Decrease in Other Current Assets	336.00	(300.00)
(Increase)/Decrease in Receivables	5,699.98	(5,538.79)
Increase/(Decrease) in Payables	20,737.41	(7,756.88)
Impairment Writeback		
Increase/(Decrease) in Financial Assets Reserve	149,200.43	(262,886.70)
<b>NET CASH USED IN OPERATING ACTIVITIES</b>	<b><u>(316,611.07)</u></b>	<b><u>(402,077.87)</u></b>

**11. STATEMENT OF CASHFLOWS - RECONCILIATION OF CASH**

For the purposes of the Statement of Cash Flows, cash includes cash only. Cash at the end of the financial year as shown in the Statement of Cash Flows is reconciled to the related items in the Balance Sheet as follows:

Cash at Bank	<u>15,100.58</u>	<u>11,711.65</u>
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**12. PROJECTED FUNDING COMMITMENTS**

Contracted and Conditional Funding Commitments

Payable not later than 1 year:

- Undergraduate

85,000.00	<u>225,400.00</u>
85,000.00	225,400.00

Payable later than 1 year but not later than 5 years:

- Undergraduate

525,000.00	<u>600,000.00</u>
525,000.00	600,000.00

<u>610,000.00</u>	<u>825,400.00</u>
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These projected funding commitments are contracted, with payment conditional upon agreed outcomes being delivered.



AUSTRALIAN WOOL EDUCATION TRUST  
 ABN 12 886 519 613  
**NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 30TH JUNE, 2017**

	2017	2016
	\$	\$
<b>13. RELATED PARTY TRANSACTIONS</b>		
Remuneration of Trustees	43,363.63	43,276.00

Trustees who held office during the financial year were:

Mr A. C. Archer  
 Mr G. C. Fiskén  
 Mr M. A. Jackson  
 Mr J. W. Lewis  
 Mr P.J. Sommerville  
 Mr B. Van Rooyen  
 Mr A. L. Vizard  
 Mr D. J. Ward  
 Mr G. Dickinson

**14. TRUST DETAILS**

The principal place of business of the trust is 70 Robertson Street, Kensington, Victoria, 3031.

**15. SEGMENT REPORTING**

The trust operates in one business and geographical segment, being a provider of funding for advancement of education in wool and wool textile science and technology.

AUSTRALIAN WOOL EDUCATION TRUST  
ABN 12 886 519 613  
**DECLARATION BY TRUSTEES**

The Trustees declare that the trust is not a reporting entity and that this special purpose financial report should be prepared in accordance with the accounting policies outlined in Note 1 to the financial statements.

The Trustees declare that:

1. the financial statements and notes, as set out on pages 1 to 8, present fairly the trust's financial position as at 30th June, 2017 and its performance for the year ended on that date in accordance with accounting policies described in Note 1 to the financial statements;
2. in the Trustees' opinion there are reasonable grounds to believe that the trust will be able to pay its debts as and when they become due and payable; and
3. having reviewed the Trust's performance during 2016/17, the Trustees are satisfied that the Trust continues to comply with the Objects of its Deed and meets its obligations as a charitable entity.

This declaration is made in accordance with a resolution of the Trustees.



M.A. Jackson

TRUSTEE



P. J. Sommerville

TRUSTEE/SECRETARY

Dated this twenty ninth day of November, 2017



JTP ASSURANCE

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**INDEPENDENT AUDITOR'S REPORT TO THE MEMBERS OF  
THE AUSTRALIAN WOOL EDUCATION TRUST**

**ABN: 12 886 519 613**

**Report on the Audit of the Financial Report**

**Opinion**

We have audited the accompanying financial report, being a special purpose financial report of The Australian Wool Education Trust, which comprises the statement of financial position as at 30 June 2017, the statement of comprehensive income and statement of cash flows for the year then ended, notes comprising a summary of significant accounting policies and other explanatory information, and the trustees' declaration.

In our opinion the financial report presents fairly, in all material respects, the financial position of The Australian Wool Education Trust as at 30 June 2017, and its financial performance for the year then ended in accordance with the accounting policies described in Note 1 to the financial statements.

**Trustee' Responsibility for the Financial Report**

The directors of the trustee company are responsible for the preparation of the financial report and have determined that the basis of preparation described in Note 1 to the financial report is appropriate to meet the requirements of the trust deed and is appropriate to meet the needs of the members. The directors' responsibility also includes such internal control as the directors determine is necessary to enable the preparation of a financial report that is free from material misstatement, whether due to fraud or error.

**Auditor's Responsibility**

Our objectives are to obtain reasonable assurance about whether the financial report as a whole is free from material misstatement, whether due to fraud or error, and to issue an auditor's report that includes our opinion. Reasonable assurance is a high level of assurance, but is not a guarantee that an audit conducted in accordance with Australian Auditing Standards will always detect a material misstatement when it exists. Misstatements can arise from fraud or error and are considered material if, individually or in aggregate, they could reasonably be expected to influence the economic decisions of the users taken on the basis of the financial report.

As part of an audit in accordance with the Australian Auditing Standards, we exercise professional judgement and maintain professional scepticism throughout the audit. Further information about our responsibilities can be found at <http://www.auasb.gov.au/Home.aspx>

We communicate with the trustees regarding, among other matters, the planned scope and timing of the audit and significant audit findings, including any significant deficiencies in internal control that we identify during our audit.

**Basis of Accounting**

Without modifying our opinion, we draw attention to Note 1 to the financial report, which describes the basis of accounting. The financial report has been prepared for the purpose of fulfilling the trustees' financial reporting responsibilities under the trust deed. As a result, the financial report may not be suitable for another purpose.

*JTP Assurance*

**JTP Assurance  
Chartered Accountants**

*Gus Svenson*

**GUS SVENSON  
Partner**

Signed at Melbourne this *19<sup>th</sup>* day of *December* 2017