



Australian Wool Education Trust

ANNUAL REPORT - 2018/2019

History

In July 1997, Australian Wool Testing Authority Ltd (AWTA Ltd) donated \$3,000,000 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 former Federation of Australian Wool Organisations (FAWO), now Wool Industries Australia (WIA).

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 25th June 2004, at which time the organisation was renamed "Australian Wool Education Trust" (AWET).

In June 2019 the Trustees varied the Trust Deed to reduce the number of Trustees from 8 to 5. The details of this are discussed in this report.

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 – 2017/2018

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

Appointed by AWTA Ltd

Mr Gordon Dickinson

Deputy Chairman, AWTA Ltd
Chairman of Rubicon Water Ltd and Mutual Trust Pty Ltd
Director of Nareen Station Pty Ltd

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:

Principal 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.

Over the past two years the Trustees have reviewed the management of the Trust's investment portfolio. As a consequence, Trustees are now less directly involved in the investment decisions, having established a portfolio based on indexed funds, and providing the investment manager with parameters to be applied in adjusting the portfolio to meet the Trust's investment objectives.

This has enabled the Trustees to focus more on the Trust's educational objectives:

- 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:
 - fibre science, including fibre and follicle development, fibre morphology and characteristics, and their effects on processing performance and product properties;
 - wool production, including selection, preparation for sale and packaging;
 - wool metrology, including testing technology, process control, Total Quality Management techniques and the prediction of processing performance;
 - wool and textile marketing, including trading, processing and promotion of products made wholly or partially from wool;
- to fund attendance at educational conferences and to fund scholarships and prizes;
- to fund educational resources, educational conferences, educational programs and educational institutions and colleges; and
- to fund scientific research undertaken for the advancement of education.

On the 26th June 2019 the Trustees unanimously agreed to vary the Trust Deed to reduce their number from 8 to 5, taking effect on 30th June 2019. This was facilitated by the resignation of Mr Brian van Rooyen (Chairman), Mr Gordon Dickinson and Mr Geoff Fiskén.

The continuing Trustees unanimously elected Mr Michael Jackson Chairman.

Investment Strategy

The Trustees have adopted the following investment strategy:

- Trustees set the asset allocation policy for investments but engages a professional firm to manage the funds;
- subject to advice, 90% of the Trust's capital will be invested in a selected group of index funds, with the residue in cash and alternatives;
- the index funds will cover equities, property and fixed interest in both Australia and overseas; and
- Trustees will review the investment strategy at 6 monthly intervals.

Trustees appointed Morgan Stanley as the manager of the portfolio.

During 2018/19 the portfolio return after expenses, excluding cash, was 7.44%.

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:

	Current Year	1 Year Out	2 Years Out
% 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, to take into account market and CPI movements.

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:

Sector	Percentage Range	Percentage Mid-point
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 30th June 2019, the total equity held by AWET was \$10.639 million.

From its inception and up to 30th June 2019, AWET has spent 63.9% of its earnings on educational projects/programs. Whilst this is higher than the long-term Funding Strategy it has been deemed acceptable given the relativity between rates of return and the CPI.

The Trustees decided that the Trust's investment portfolio will be classified at fair value through other comprehensive income in accordance with AASB 9. Realised and unrealised gains and losses on equity investments are reflected in the Balance Sheet with dividends and interest continuing to be recognised in the Profit and Loss statement. Equity investments will not be tested for impairment and therefore a provision for impairment will not be maintained.

On this basis Revenue for 2018/19 was \$0.305 million.

Operating expenses for the year, excluding pro bono accounting and legal services provided by AWTA Ltd, but inclusive of fund management fees, amounted to 1.53% of the equity.

An audited financial report is available as an addendum to this general report.

Intellectual Property (IP)

Woolwise

AWET owns and manages the Woolwise Website (www.woolwise.com).

The site provides background information about the Trust and its activities, relevant news and other wool industry information.

Moreover, all the Trust's IP can be viewed and/or downloaded from the site. This IP includes:

- CRC for Premium Quality Wool Resources (unrestricted access)
- Australian Sheep CRC Resources (restricted access)
- Australian Wool Textile Training Centre Resources (unrestricted access)
- AWET Resources (unrestricted access)



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.

Access to the Australian Sheep CRC Resources is subject to the provisions of an assignment deed (see below) and is provided via 3 status levels:

- 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.

CRC for Premium Quality Wool Resources

Woolwise is the sole repository of the educational resource created by the CRC for Premium Quality Wool during its activities from 1993-2000. This resource consists of 2500 high quality Microsoft PowerPoint slides prepared and edited by leading Australian wool educators, researchers, and industry personnel. Each slide is accompanied by explanatory notes and references to allow users to extract personalised information modules.

The educational resources are organised into subjects, themes, topics and modules. All the files associated with each subject, namely

- Wool Biology;
- Wool Metrology;
- Wool Production;
- Wool Marketing; and
- Wool Technology

can be downloaded as a compressed archive. Alternatively, the modules associated with the topics within each theme can be downloaded as PDF files.

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.

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.

Sheep Journal Archive

The Sheep Journal archive is an on-line archive of the journal of Wool Technology and Sheep Breeding and the International Journal of Sheep and Wool Science. The archive was created in 2010 by Professor David Cottle, the final editor of these journals, which ceased publication in 2010. There have only been three editors during its life. Professors Pat McMahon and Euan Roberts edited the journal from 1954 until 1976. Professor Roberts remained editor until 1992 when Prof. Cottle became editor. The journal was published from UNSW, WRONZ and then UNE before it developed into the International Journal for Sheep and Wool Science.

Many journal papers were generated from the annual Wool Schools held at the School of Wool and Pastoral Sciences at UNSW. School staff and graduates have been responsible for much of the research in the sheep and wool industry with many School graduates taking up research and extension positions in CSIRO, State Departments, Universities etc.

The last paper published in the journal was written by Professor John Kennedy, gives an overview of this history.

After his retirement from UNE Professor Cottle approached the Trust to arrange for the transfer of the management of the archive to the Trust. This process has been completed.

Trustees have yet to decide on the future of the archive but recognizing it is a resource for the industry in the interim the archive has been made open source to registered users i.e. journal articles can be downloaded for free.

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 License 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 License 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 License Agreement was applicable for 2 years, with the option to renew. In the ensuing years, it has been updated and renewed regularly. The current license agreement is for 5 years, with the option to renew taking effect in 2022.

There have been several updates to the Modules undertaken by UNE since the License 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 License 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 on Woolwise 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: An annual grant to assist UNE to deliver the modules

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.

No scholarships were provided in 2018 and 2019 due to difficulties in obtaining co-funders.

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 \$7,000, 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 \$1,500 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 current Research Agreement with UNE provides for:

- direct funding capped at \$150,000 per annum - UNE being free to allocate the funds to obtain the optimum outcomes;
- a Term of 5 years concluding in 2022; and
- AWET continuing its indirect funding and including Undergraduate Co-op Scholarships in this stream.

The numbers of enrolments in each module, since the Licensing Agreement commenced, is tabulated below (NO = Not Offered, NA = Not Available). Enrolments for 2018 will be included in the 2018/19 Annual Report.

Title	2007	2008	2009	2010	2011	2012	2013	2014	2015	2016	2017	2018
Sheep Production	13	50	26	51	63	55	40	76	41	31	44	34
Wool Biology and Measurement	4	8	NO	10	7	9	4	18	13	12	23	18
Wool Marketing	13	23	9	15	20	15	24	15	12	8	10	10
Wool Processing	7	6	5	17	20	18	5	5	14	7	11	3
Fundamentals of Sheep & Wool	NA	NA	NA	NA	NA	NA	NA	13	34	40	21	37
Totals: AWET Sponsored Units	37	87	40	93	110	97	73	127	114	98	109	102
Applied Animal Nutrition	29	48	43	49	54	27	46	41	38	39	51	49
Sustainable Land Management	30	33	43	32	29	15	62	54	28	43	38	31
Meat Technology	15	31	26	36	23	19	20	19	21	21	15	36
Genetic Evaluation and Breeding	19	13	5	7	10	19	7	9	4	13	10	5
Sheep Meat Production & Marketing	NO	16	3	NO	NO	NO	NO	NO	NO	NO	NO	NO
Managing Sheep Enterprises	NO	24	11	21	13	16	7	9	9	31	23	35
Totals: Other Units	93	165	131	145	129	96	142	132	100	147	137	156
Totals: All Units	130	252	171	238	239	193	215	259	214	245	246	258

AWET's direct funding actually commenced prior to 2007 and its cumulative investment in delivering the Wool Modules, including indirect funding, is \$3,928,872. The data tabulated below does not include \$282,000 invested by AWET to develop the Wool Modules, which occurred from 2002 to 2005.

Year	Direct Funding		Indirect Funding		
	UNE Delivery	Undergraduate Scholarships	Honours Scholarships	Subsidies	Total
2005/06	\$5,850	\$18,000	\$0	\$0	\$23,850
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
2017/18	\$150,000	\$60,500	\$98,000	\$100,000	\$408,500
2018/19	\$150,000	\$0	\$98,000	\$25,000	\$273,000
Total	\$2,106,772	\$446,000	\$1,016,500	\$360,600	\$3,928,872

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

General Availability of AWET'S IP

IP Covered by the License Agreement

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

Two (2) types of License 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 License is designed primarily for Tertiary Institutions wishing to incorporate material from the modules within their own courses.

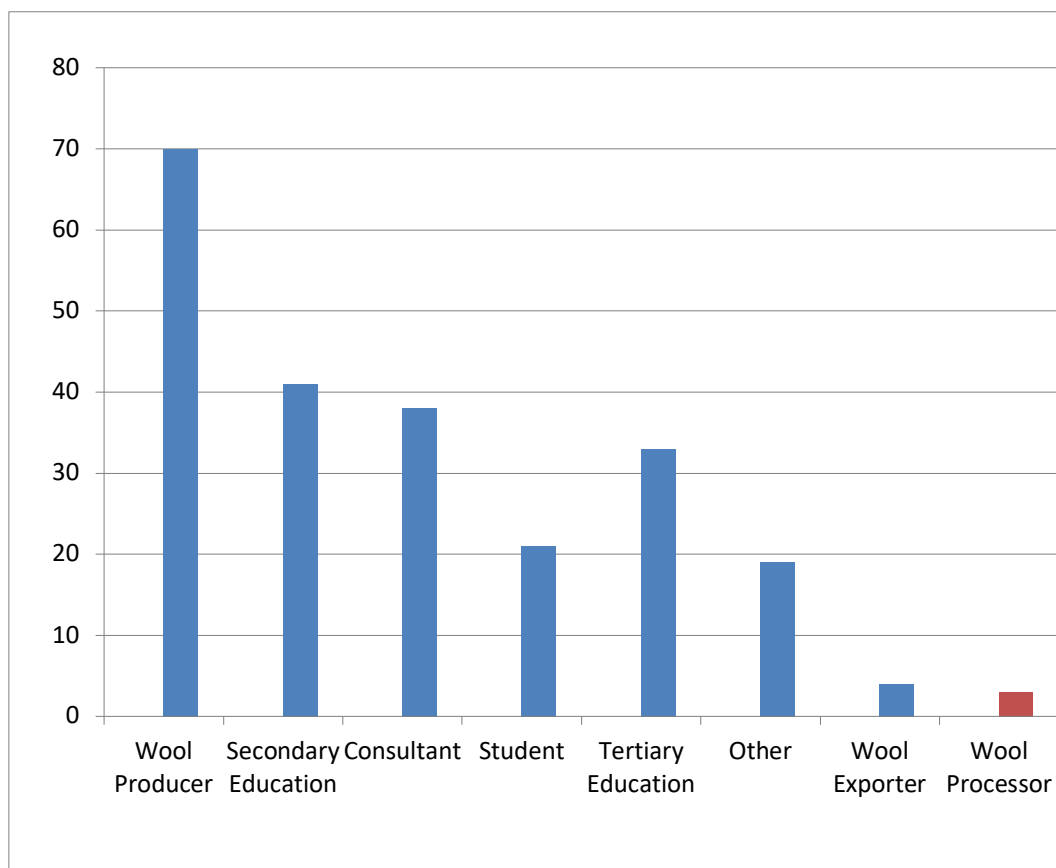
The materials supplied under this License include all versions of the modules since inception.

As at 30th June 2019, a total of 28 such Licences have been issued.

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

As at 30th June 2019, a total of 201 such Licences had been issued.

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



All the Trust's IP can be downloaded from its website, www.woolwise.com. Access to the Australian Sheep CRC material requires acceptance of the Trust's Terms of Use, and registration on the site.

Other IP

All other IP is available, without restriction on woolwise.com, namely:

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

Review of 2018/19

Total education funding during 2018/19 was \$429,206.

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%	\$14,716	\$15,000	1.7%
VET - Production	5% - 10%	7.50%	\$31,534	\$9,000	3.2%
VET - Fashion Schools	10% - 23%	16.50%	\$69,375	\$42,500	9.1%
Undergraduate	65% - 80%	72.50%	\$304,829	\$362,706	86.0%
			\$420,454	\$429,206	100.0%

Undergraduate Studies – Wool and Sheep

Delivery of Sheep and Wool Modules by UNE

Direct funding to UNE to support the delivery of the Wool and Sheep Modules via the hub and spoke model was \$150,000.

Subsidies to external institutions

Under this arrangement the Trust contributed \$25,000 during 2018/19. These subsidies are paid directly to the external institutions based on enrolment data provided by UNE.

Undergraduate Cooperative Scholarships

To encourage enrolments in the modules being offered by UNE, the Trust co-funds a number of under-graduate scholarships for students across Australia who wish to undertake sheep and wool education training.

Each scholarship is valued at \$6000 and they are generally offered to students in the second or third year of their degree.

Other co-funders include industry companies and industry organisations.

The number of scholarships offered each year depends on the total funds available from co-funders.

In 2018/19 no new undergraduate scholarship holders were selected, due to difficulties in obtaining co-funders.

Undergraduate Project and Master by Coursework Scholarships

There were 18 applications for the 15 scholarships offered by the Trust for 2019. There were 15 successful applicants:

Sydney University

Alexandra hunter

Melatonin is a reproductive hormone known for its influence over seasonality as well as its potent antioxidant effects. It is currently used by the sheep industry to enable earlier joining of ewes, but questions over its usefulness to influence male reproduction remain. This project will assess the effect of supplementing Merino rams with melatonin and measure its impact on semen freezeability.

Andrew Rapley

This research will use the data from several Merino Lifetime Productivity (MLP) project sites. It will track performance for a range of key meat production and



quality traits which will be recorded, and genetic relationships estimated between ewe traits. In particular, ewe lifetime wool production and reproduction traits will be linked with carcass composition and meat quality traits. Carcass value of the individual sires and different Merino types represented in the MLP project will be evaluated. Additional phenotypic data will be available for genetic evaluation and to improve accuracies for genetic correlations of a wider range of carcass composition and meat quality traits in Merinos. The results obtained from this study will assist producers in making informed decisions relating to genetic selection and advantages in improving merino sheep suitable to both the wool and meat industry.

Anneliese Hall

Multiple studies have demonstrated that male animals adjust the quality and quantity of sperm released in an ejaculate when they perceive that their sperm may face competition in the race to fertilise eggs. The proposed study will test whether males similarly respond to an olfactory cue of sperm competition,

with the aim of developing a simple method of increasing sperm quality and quantity when collecting ejaculates for use in ART. Wool from 'competitor' rams will be collected during the breeding season and attached to the backs of ewes during collections. The quantity and quality of sperm in ejaculates will be compared to controls collected in the absence of 'competitor' wool. Pheromones and olfactory cues in wool are enough to induce the 'male effect' in sheep and goats, inducing ovulation in isolated ewes. Hence it is hypothesised that this olfactory cue will also induce competitive responses in rams.

Note: Anneliese deferred the completion of her degree until 2020.

Christine Plummer

The aim of the proposed research is to investigate the bioavailability and efficacy of a novel sustained release formulation of the NSAID meloxicam for provision of longer lasting analgesia in sheep.

The first part of the study will involve collection of blood and interstitial fluid at multiple time-points for analysis of plasma concentration of meloxicam following subcutaneous administration of the sustained release formulation of meloxicam (formulated by Australian Custom Pharmaceuticals).

The second part of the trial will involve establishing a model of pain and inflammation in sheep. Oil of turpentine, which provides a mild inflammatory stimulus, will be injected into the front leg of sheep. The sustained release meloxicam will be subcutaneously injected into a treatment group of sheep. There will also be a control group that does not receive any form of analgesia. The animals' response to pain and inflammation in the treatment group will be compared objectively to that of the control group at multiple time-points by assessing degree of lameness, and sensitivity and skin temperature of the turpentine injection site in all sheep. Blood samples will also be collected from sheep in the treatment group at the same multiple time-points for analysis of plasma concentration of meloxicam. This will allow correlation between drug concentration and response to the pain/inflammatory stimulus.

Emma Cook (masters by coursework)

The proposed project is a randomised control trial comparing foot bathing, bivalent vaccination and multivalent vaccination in terms of the therapeutic effect and antibody response that each method provides against virulent footrot.

The project will be conducted on two flocks of Merino sheep in Tasmania. Each flock will be split into three treatment groups of equal size. The first (control) group will be foot-bathed only. The second group will receive a bi-valent vaccine targeting the two most virulent serogroups identified in the flock. The third group will receive a multivalent vaccine targeting serogroups A-I.

The therapeutic effect of the treatments will be measured by inspecting each foot of each sheep and scoring the footrot lesions based on the system used by Egerton and Roberts. In addition, prior to vaccination and at monthly intervals following vaccination, blood samples will be collected to measure the magnitude and duration of the antibody response using a microtitre agglutination test.

Jeremy Jones

The project aims to (1) compare four new multivalent vaccines against a gold-standard bivalent vaccine; and (2) determine which multivalent vaccine maintains the highest protective antibody titre for the longest time.

Teneil Farrar

The overall aim of this research is to develop and evaluate an on-animal sensor that is able to remotely monitor breeding animals and generate alerts during



mating events. The smart tag will utilise GNSS, accelerometer and Bluetooth technology to determine geolocation, behaviour and within-flock interactions of individual sheep. Our initial aims in the development of the smart tag are:

1. To establish a signature of male breeding behaviour in accelerometer data; and
2. To compare the quality of mating signatures obtained from smart tags fixed to the neck via a collar or to the ear.

Two trials will be conducted to satisfy the aims of the project: a controlled pen trial and a field trial.

Western Sydney University Dylan Fox

The project will seek to determine how the number of times a sheep is shorn – once or twice per year—will affect animal mobility, and thus animal stress. A mob of maiden ewes from a producer in Catti, NSW will be allocated a shearing treatment, with half being shorn once, and the remaining ewes shorn twice. It is hypothesized that the latter group will be more mobile as a result of carrying less fleece and thus lead to more sustainable production and an elevated wool quality over time. Additionally, the mobility of all ewes will be assessed via the use of a wireless ear tag that will track animal movements across their paddock and reveal the benefits of a higher shearing frequency. Their stress will be determined using the GPS data collected as well as measuring sheep fleece for cortisol -- the stress hormone – in the WSU Stress Lab.

Ryan Smith

The project will be using thermal imaging technology on maiden ewes as a non-invasive marker of stress. Head temperature and normal body operating activities including behavior will be monitored. A remote ear tag system to log movement of the sheep throughout the experimental period will be implemented on farm and data used to log activity. We will identify if sheep under stress give off signs that are identifiable on farm such as a low activity rate. This is a primary concern due to the link between counterproductive ewes and stress.

There are noticeable similarities between the way animals react to diseases and parasites and the way they react to stress - their body goes into recovery mode. The importance of this research is recognising it is possible to troubleshoot symptoms including counter production and condition loss and providing a reliable procedure to achieve answers. Australia's multi-billion-dollar sheep industry requires more research and innovative methods such as non-invasive stress markers to remain as a major economic benefit for the country.

University of New England Dominic Luke Waters

Currently, ASBVs for sheep account for sire by flock interaction but there is limited insight how breeding values differ in physically different environments. It has long been suspected that EBVs for certain traits are sensitive to the environment in which they are calculated, and this could make comparisons of EBVs from different regions inaccurate. Insight in this phenomenon is becoming increasingly important with climate change and increases in extreme weather events. Therefore, my project will investigate the environment sensitivity of merino sheep ASBVs for various traits. This analysis will incorporate genomic information and the latest statistical techniques. Application of this information to aid breeding programs will also be explored.

Murdoch University Bethany Hooper

The aim of this research project is to develop data sets and systems that can inform artificial intelligence algorithms, as this is the initial project the goal is to ultimately develop predictive systems using the data base, we have created that can be used for real-time monitoring on farm. The data that we collect from the GPS and the accelerometer will be used as training data for machine learning. The population used will consist of 20 flocks of sheep from 10 different farms. 10 sheep from each farm will be fitted with two accelerometers (one mounted to a cattle ear tag and one to a harness or collar and a GPS unit also mounted to the harness or collar. The sheep that have the monitors will be side-branded or will wear a neck-tag to clearly identify them from a distance. The sheep will then be left to graze as normal and video footage will be collected for up to one week. Paddocks grazed will be specifically selected to represent a range of terrains and paddock conditions. Once sufficient video has been collected (approximately 5-10 hours of video for each sheep covering a wide range of behaviours) the sheep will be re-yarded and all experimental equipment will be removed. The video data will then be coded in 10 sec intervals of behaviour for each sheep, once all the data has been coded the



algorithms can be developed and tested with cross validation of data sets from different sheep and farms.

Rebecca May

The primary objectives of this project are to: (i) quantify differences between sire groups feed efficiency in a feedlot under commercial conditions; and (ii) quantify differences between sire group in grazing

behaviour and physical activity in a feed lot under commercial conditions. This project will be undertaken at the Katanning Research Facility between April and June 2019 using wethers from the 2016 drop born progeny from the Merino Lifetime Productivity (MLP) project in Pingelly. Data collection for this project will be taken from the feedlot phase of the project. During this phase, 160 wethers from 15 sires with known feed efficiency (determined in the indoor phase of the project) will be placed in a feedlot under commercial conditions. They will be fed for two months and weighed twice weekly. Feed intake will be estimated indirectly from CO₂ production, dosing with indigestible external markers and NIR analysis of faeces samples and or from wearable motion sensors. CO₂ production over 45 minutes will be measured using portable accumulation chambers on two occasions. The activity sensors will be amounted to a halter and will be fitted to each sheep for a period of 5 to 7 days on two occasions. The activity sensors will be used to assess motions that are associated with feed intake (i.e. rumination and grazing time) and also the contribution of physical activity (ie walking standing and lying) to energy expenditure in the feedlot.

University of Tasmania

Lauren Rowlands

Merino sheep producers of the Southern Midlands region of Tasmania have expressed interest in deepening their knowledge of what is the most suitable production system (dryland with faba bean feed vs irrigated Lucerne/clover pasture) to run recently weaned Merino wethers prior to being placed on winter wheat crops. With the increase in water availability through the introduction of irrigation schemes in the local area, there is the possibility of putting wethers on irrigated pasture to see whether greater production (live weight, fleece weight, desirable fibre diameter) and general health benefits (appropriate body condition score for age, low faecal egg counts) can be achieved. These measurements/samples will be obtained during weaning, drenching and shearing. Other measurements including NDF levels of the feeds incorporated into the two different systems will also be taken to enable further comparison.

This project will enable us to obtain a greater understanding of how Merino wether weaner lambs perform under different systems available to farmers in the Southern Midlands. Outcomes of the project include allowing the researchers to relay this information effectively back to producers for them to implement in the following season. Economic thresholds will be used after the results have been analysed to determine which system is both productive and economically viable. For example, it is plausible that the irrigated system may enable greater production levels in the wethers but the cost to run them on that system is not viable. Due to the close association of this project with Stockman Stud, these directly applicable results and information exchange will be possible. Therefore, the overall outcome of this project will be the benefits of potentially finding a system that is more appropriate for both sheep health and productivity, and a system which will provide the local producers with an opportunity to increase their production and profitability.

University of Adelaide

Jackie Chapman

The research project seeks to utilise data collected as part of the Australian Wool Innovation funded Merino Lifetime Productivity (MLP) project to quantify relationships between visual traits and ewe reproductive rate with wool production and quality (noting access to the MLP data is not yet finalised in which case historic data sets will be utilised). The MLP data is ideal for this project as there are multiple production environments (sites) and merino strains represented.

Alistair Mackenzie Scholarship

AWET co-sponsors this scholarship with WISS, contributing \$10,000. The 2019 scholarship was awarded to Charles Brumpton.

Charles is from Mitchell in South West Queensland. His grandfather registered a Merino stud in 1952 which is now managed by his father. He has grown up with Merino sheep and developed a passion for them. This led to his parents registering, in 2006 a Poll Merino stud, Jolly Jumbuck

Poll Merino Stud, in the name of Charles, his brother and his sister. Charles' ambition is to ultimately be involved in his family's business, helping to improve and expand the studs.

Vocational Education Training - Production

The Trust offers VET sector scholarships, each valued at \$3,000, to students attending institutions in this sector.

In 2018/19, three (3) of these were awarded to students at Tocal College in NSW.

Vocational Education Training – Fashion Schools

During 2018/19, AWET distributed grants, totaling \$42500 to selected Fashion Design students, to facilitate purchase of wool-rich fabric for their final year design projects.

25 grants are provided, allocated to RMIT, Whitehouse Design, UTS, QUT, TAFE SA and Curtin University. The institution is responsible for selecting its recipients.

The grants are allocated as follows:

Institute	Program	Grants	\$
RMIT	Bachelor of Fashion (Design & Technology)	4	\$6000
	Bachelor of Fashion (Design) (Hons)	4	\$8000
Whitehouse Institute of Design	Bachelor of Design	6	\$9000
UTS	BA Hons Fashion and Textile Design	4	\$8000
QUT	Bachelor of Design (Hons)	2	\$4000
TAFE SA	Bachelor of Fashion Design	3	\$4500
Curtin	Bachelor of Arts (Fashion)	2	\$3000

Schools

The Trust's primary investment in the Schools sector has been via contributions to AWI's Wool4Skool Program (<https://www.wool4school.com/>). The contribution in 2018/19 was \$15,000.

Delivery of the Wool Processing Education

There is virtually no early or later stage wool processing in Australia. AWET Trustees are concerned that the consequent low enrolments in the Wool Processing module at UNE means that the optimal use of this module is not being realised. The Trustees decided to investigate delivery of wool processing education in China, with the aim that the resources developed could also be used for intensive courses in Australia. The program was commenced in 2016/17 and continued in 2017/18, and 2018/19. It is a co-operative program involving the Trust, AWI and Deakin University. Funding by the Trust in 2018/19 was \$74,218.

This funding supported a series of lectures by Deakin University staff at 3 universities, complementing lectures funded directly by AWI at other Universities. However, AWI has decided to increase its emphasis on a "Train the Trainer Program", designed to facilitate the transfer of delivery to academics with the universities rather than by personnel directly funded by AWI. Accordingly, the Trust will discontinue its funding and instead focus upon working with AWI to make the resource materials developed over the 3 years of the pilot program available within Australia.

AWI National Merino Challenge

In 2017/18 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.

Consultative Mechanisms

Having initially focused on funding the establishment of the "hub and spokes" model for Sheep & Wool education delivered by UNE, Trustees believe input from Universities making up the "spokes" of this model is also important. 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 2019.

The Trust also engages in annual consultations with the Fashion & Design Schools. This most recent Meeting was also held in July 2019.

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 (now WIA).

It is being distributed together with the Trust's Annual Financial Report for 2018/19 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.

AWET's financial report is also lodged with the ACNC.

M.A. JACKSON
CHAIRMAN OF TRUSTEES

AUSTRALIAN WOOL EDUCATION TRUST
ABN 12 886 519 613
INCOME STATEMENT FOR THE YEAR ENDED 30TH JUNE, 2019

	Note	2019 \$	2018 \$
Revenue	2	305,150	257,871
Miscellaneous Income	2	0	97
Education Funding Projects	4	(429,206)	(576,312)
Trustee Expenses		(53,106)	(51,238)
Insurance Premiums		(2,849)	(2,843)
Investment Management Fees		(59,666)	(50,852)
Secretarial Expenses		(30,141)	(31,817)
Other Expenses		(8,081)	(8,655)
Surplus/(Deficit)		<u>(277,899)</u>	<u>(463,749)</u>
Other comprehensive income			
Net change in fair value of financial assets designated at fair value through other comprehensive income, net of tax		556,300	470,042
Total comprehensive income for the year		<u>278,401</u>	<u>6,293</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, 2019

	Note	2019 \$	2018 \$
CURRENT ASSETS			
Cash and Cash Equivalents	5	96,989	132,917
Receivables	6	44,305	21,728
Other Current Assets	7	2,134	2,145
TOTAL CURRENT ASSETS		<u>143,428</u>	<u>156,790</u>
NON-CURRENT ASSETS			
Financial Assets	8	10,519,323	10,227,543
TOTAL NON-CURRENT ASSETS		<u>10,519,323</u>	<u>10,227,543</u>
TOTAL ASSETS		<u>10,662,751</u>	<u>10,384,333</u>
CURRENT LIABILITIES			
Payables	9	24,145	24,128
TOTAL CURRENT LIABILITIES		<u>24,145</u>	<u>24,128</u>
TOTAL LIABILITIES		<u>24,145</u>	<u>24,128</u>
NET ASSETS		<u>10,638,606</u>	<u>10,360,205</u>
EQUITY			
Donations Contributed	1(e)	7,000,000	7,000,000
Retained Surplus		2,197,635	2,475,534
Reserves		1,440,971	884,671
TOTAL EQUITY		<u>10,638,606</u>	<u>10,360,205</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, 2019

	Donations Contributed \$	Retained Surplus \$	Financial Assets Reserve \$	Total \$
Opening Balance as at 1 July 2017	7,000,000	2,939,283	414,629	10,353,912
Surplus/(Deficit)	-	(463,749)	-	(463,749)
Other comprehensive income	-	-	470,042	470,042
Closing Balance as at 30 June 2018	7,000,000	2,475,534	884,671	10,360,205
Opening Balance as at 1 July 2018	7,000,000	2,475,534	884,671	10,360,205
Surplus/(Deficit)	-	(277,899)	-	(277,899)
Other comprehensive income	-	-	556,300	556,300
Closing Balance as at 30 June 2019	7,000,000	2,197,635	1,440,971	10,638,606

STATEMENT OF CASH FLOWS FOR THE YEAR ENDED 30TH JUNE, 2019

	2019 \$	2018 \$
CASH FLOWS FROM OPERATING ACTIVITIES		
Interest Received	806	1,539
Refund of Franking Credits	28,802	51,770
Sundry Income	0	97
Refund of GST Paid	(8,166)	(4,249)
Payments for Education Funding Projects	(416,206)	(576,312)
Payments to Suppliers for Goods and Services	(91,164)	(115,029)
NET CASH USED IN OPERATING ACTIVITIES	(485,928)	(642,183)
CASH FLOWS FROM INVESTING ACTIVITIES		
Net cash flow from managed investments	450,000	500,000
Net cash flow from investment at call	50,000	130,000
NET CASH PROVIDED BY INVESTING ACTIVITIES	500,000	630,000
NET INCREASE/(DECREASE) IN CASH HELD	14,072	(12,184)
CASH AT THE BEGINNING OF THE FINANCIAL YEAR	2,917	15,101
CASH AT THE END OF THE FINANCIAL YEAR	16,989	2,917

AUSTRALIAN WOOL EDUCATION TRUST
ABN 12 886 519 613
NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 30TH JUNE, 2019

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 19th November by the trustees.

(b) Measurement Of Assets

The financial statements have been prepared on the basis that AWET's investment portfolio is classified at fair value through other comprehensive income as per AASB 9 Financial Instruments. The entity has made an irrevocable election to present gains and losses on investment in other comprehensive income. Realised and unrealised gains and losses on investments have been reflected in the Financial Asset Reserve with dividends and interest continuing to be recognised in Profit and Loss. Prior to AASB 9, realised gains and losses were also recognised in Profit and Loss.

In addition to changes in recognition of realised gains and losses, investments are no longer tested for impairment.

	Carrying Amount under AASB 139 30th June 2018	Reclassification	Carrying Amount under AASB 9 1st July 2018
Profit & Loss			
Revenue	1,106,375.75	(848,504.75)	257,871.00
Statement of Changes in Equity			
Other comprehensive income	0.00	470,042.00	470,042.00
Unrealised Gains/ (Losses)	(378,464.52)	378,464.52	0.00
Balance Sheet			
Retained Surplus	3,324,040.30	(848,506.30)	2,475,534.00
Other comprehensive income	36,164.70	848,506.30	884,671.00

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, 2019

2. REVENUE	2019	2018
	\$	\$
Operating Activities:		
Interest from Bank Bills & at Call	778	1,527
Income from Managed Investments:		
Interest from Preference Shares, Term Deposits and at call Cash	7,573	54,710
Dividends & Franking Credit	296,799	201,634
	<u>305,150</u>	<u>257,871</u>
Non - Operating Activities:		
Miscellaneous Income	0	97
Total Revenue	<u><u>305,150</u></u>	<u><u>257,968</u></u>
3. AUDITORS REMUNERATION		
Remuneration of auditor		
- audit	<u>2,550</u>	<u>2,650</u>
	<u>2,550</u>	<u>2,650</u>
4. EDUCATION FUNDING PROJECTS		
Agricultural Colleges 1 Year Scholarships	9,000	9,000
Annual Scholarships for University Honours Students	98,000	98,000
Education for Schools - AWI School Uniform Design Competition	15,000	10,000
Education Institutes Meeting Expenses	5,488	2,747
Marcus Oldham College - Alastair Mackenzie Scholarship	10,000	10,000
Subsidies to External Institutions	25,000	100,000
UNE Research Agreement	150,000	150,000
UNE/CRC Undergraduate Scholarships	0	60,500
AWI China Processing Course	74,218	83,565
School of Fashion & Textiles Grant	42,500	52,500
	<u>429,206</u>	<u>576,312</u>

AUSTRALIAN WOOL EDUCATION TRUST
ABN 12 886 519 613
NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 30TH JUNE, 2019

	2019 \$	2018 \$
5. CASH AND CASH EQUIVALENTS		
Cash at Bank	16,989	2,917
Short Term Deposits at Call	80,000	130,000
	<u>96,989</u>	<u>132,917</u>
6. RECEIVABLES AS CURRENT ASSETS		
Debtors - Refund Due for GST Paid	9,513	1,659
Accrued Income	34,792	20,069
	<u>44,305</u>	<u>21,728</u>
7. OTHER CURRENT ASSETS		
Prepayments	<u>2,134</u>	<u>2,145</u>
8. FINANCIAL ASSETS		
Managed Investments (Mogan Stanley):		
Investment Valuation	10,519,323	10,227,543
	<u>10,519,323</u>	<u>10,227,543</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.		
9. PAYABLES AS CURRENT LIABILITIES		
Accrued Expenses:		
Audit Fees	2,600	2,600
Investment Management Fee	0	9,621
Bank Charges	13	15
Trustees' Fees	5,716	5,525
Sponsorship	13,000	0
Admin & Misc	2,815	0
Creditors:		
Trade Creditors	0	6,368
Rounding	1	(1)
	<u>24,145</u>	<u>24,128</u>

AUSTRALIAN WOOL EDUCATION TRUST
ABN 12 886 519 613
NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 30TH JUNE, 2019

10. PROJECTED FUNDING COMMITMENTS

Contracted and Conditional Funding Commitments

Payable not later than 1 year:

- Undergraduate	150,000	150,000
	<u>150,000</u>	<u>150,000</u>

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

- Undergraduate	150,000	300,000
	<u>150,000</u>	<u>300,000</u>
	<u>300,000</u>	<u>450,000</u>

These projected funding commitments are contracted, with payment conditional upon agreed outcomes being delivered.

2019	2018
\$	\$

11. RELATED PARTY TRANSACTIONS

Remuneration of Trustees	<u>45,784</u>	<u>44,765</u>
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Trustees who held office during the financial year were:

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

12. TRUST DETAILS

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

13. 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 7, present fairly the trust's financial position as at 30th June, 2019 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 2018/19, 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/ CHAIRMAN



P. J. Sommerville
TRUSTEE/SECRETARY

Dated this nineteenth day of November, 2019

**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 2019, 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 2019, and its financial performance for the year then ended in accordance with the accounting policies described in Note 1 to the financial statements.

Basis for Opinion

We conducted our audit in accordance with Australian Auditing Standards. Our responsibilities under those standards are further described in the *Auditor's Responsibility for the Audit of the Financial Report* section of our report. We are independent of the company in accordance with the ethical requirements of the Accounting Professional and Ethical Standards Board's APES 110 *Code of Ethics for Professional Accountants* (the Code) that are relevant to our audit of the financial report in Australia. We have also fulfilled our other ethical responsibilities in accordance with the Code.

We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinion.

Emphasis of Matter - 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.

Trustee's 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.

JTP Assurance

JTP Assurance
Chartered Accountants

Gus Svenson

GUS SVENSON
Partner

Signed at Melbourne this *20th* day of *November* 2019

