Australian Wool Education Trust

ANNUAL REPORT - 2020/2021

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 Inc (FAWO), now Wool Industries Australia Inc (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, two appointed by AWTA Ltd, two by AWI and 1 by FAWO.

In November 2021 the Trustees varied the Trust Deed to replace the "Federation of Australian Wool Organisations Inc (FAWO)" with "Wool Industries Australia Inc (WIA)".

Being a not-for-profit trust, AWET is registered with and reports to the Australian Charities & Not for Profits Commission (ACNC) - https://www.acnc.gov.au/charity .

Registration was first required in 2012 and Annual Reports are provided to the ACNC at the end of each calendar year. The Trust has always met the ACNC's reporting requirements within the stipulated timetable.

Trustees – 2020/2021

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

Appointed by AWTA Ltd	**Mr M. A. Jackson**: (Chairman) Managing Director, AWTA Ltd
	Mr P. J. Sommerville: (Secretary of Trustees) Former Corporate Development Manager, AWTA Ltd
Appointed by FAWO	**Mr J.W. Lewis:** Former Divisional Manager, AWTA Ltd Product Testing and Former Managing Director, Macquarie Textiles
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

The Chairman and Secretary of Trustees are appointed by the Trustees.

Mr Lewis resigned from his position effective 24th August 2021. WIA (formerly FAWO) nominated Ms Brenda McGahan as his replacement. Ms McGahan has extensive industry experience as former Chief Executive Officer for The Woolmark Company, Australian Wool Innovation and Australian Country Spinners.

Educational Objectives

The Trust's educational objectives are defined in its Trust Deed:

- 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.

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 have appointed Morgan Stanley as the manager of the portfolio.

During 2020/21 the portfolio returned 14.64% after expenses, excluding cash, a strong improvement on the previous 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.

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, after considering 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.

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 Assets

On 30th June 2021, the total equity held by AWET was $11.195 million.

From its inception and up to 30th June 2020, AWET has spent 64.8% 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.

Revenue for 2020/21 was $0.402 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 1.27% of the equity, a reduction on the previous year, due to a significant decrease in "other expenses" and an increase in equity.

In preparing its Financial Statements Trustees have consistently adopted Australian Accounting Standards Board's *AASB 9 Financial Instruments*. Changes to the interpretation of AASB 9 were introduced in July 2021 and these are reflected in the audited Financial Statements appended to this report.

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.

Intellectual Property (IP) Assets

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)

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 viewed/downloaded as PDF files.

CRC for Sheep Industry Innovation (Sheep CRC) Resources

Sheep CRC operated from 2000-2019, in three iterations. The first of these operated from 2000-2007 and coordinated the development of 10 sheep and wool educational modules. In partnership with the CRC, AWET directly funded development of 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 Assignment Deed).

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.

There are conditions with which AWET is required to comply and some caveats as to the distribution of these materials.

The Assignment Deed requires AWET to use its reasonable endeavours to:

1. ensure that the Modules are made available on a not-for-profit basis for education in the sheep and wool industry in Australia in a manner consistent with the objects of AWET; and
2. ensure that the Modules are maintained and updated as AWET reasonably sees fit so as to remain useful to the sheep and wool education industry in Australia.

To comply with these obligations AWET has granted a licence to the Modules and the Module IP to the University of New England (UNE) for the purposes of conducting specific educational activities based on the Modules. This arrangement is covered by the Assignment Deed.

In granting this licence AWET retained the right to Use the Licensed IP and to grant licences to third parties for any purpose, provided that where in the reasonable opinion of AWET there is a direct conflict between the proposed activities of a proposed third party and the activities of UNE, AWET must consult with UNE and will use its reasonable discretion in considering such grant to any other third-party licensee.

Under the terms of the Assignment Deed AWET must on request:

1. grant a licence to the Assigned IP and Improvement IP to the continuing Australian Sheep CRC for Research Activities (including the right to sublicense to participants in the CRC) on such reasonable terms as AWET sees fit *(with the closure of the CRC this requirement is now redundant)*;
2. where reasonably appropriate, make the Modules, Module IP, and related Improvement IP available on reasonable terms to any third-party organisation within the sheep and wool education sector;
3. AWET may make the Modules, the Module IP, and related Improvement IP available to third parties outside the sheep and wool education sector and for purposes other than educational activities, if AWET in its sole discretion is satisfied that all consents and approvals necessary for such distribution have been obtained;

a. AWET must not unreasonably decline to grant such a licence to any of the CRC Core Parties;
b. If a party identifies appropriate opportunities to distribute any of the Modules or Module IP to any third party, the relevant party will promptly inform AWET in relation to such opportunity.
c. Any licence to be granted by AWET is to be on a not-for-profit basis consistent with the objects of AWET.

Furthermore, under the terms of the Assignment Deed AWET must grant:

1. to each of the Australian Sheep CRC Core Parties a non-exclusive, world-wide, royalty-free licence to Use the Modules, Additional Materials, and the Assigned IP for Research Activities, including the right to sublicense to third parties for Research Activities;
2. to each of the Assignors other than the CRC Core Parties a non-exclusive, world-wide, royalty-free licence to Use their Assigned IP and the corresponding Modules and Additional Materials for Research Activities, including the right to sublicense to third parties for Research Activities; and
3. to each of the Assignors a non-exclusive, world-wide, royalty-free licence to Use the Improvement IP created or developed by or on behalf of that Assignor for Research Activities, including the right to sublicense to third parties for Research Activities.

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.

These are available on the Trust's website: https://www.woolwise.com/educational-resources/awet-educational-resources/

Sheep and Wool Journal

AWET maintains the on-line archive of the Journal of Wool Technology and Sheep Breeding, later published as the International Journal of Sheep and Wool Science. The URL for the archive is www.sheepjournal.net.

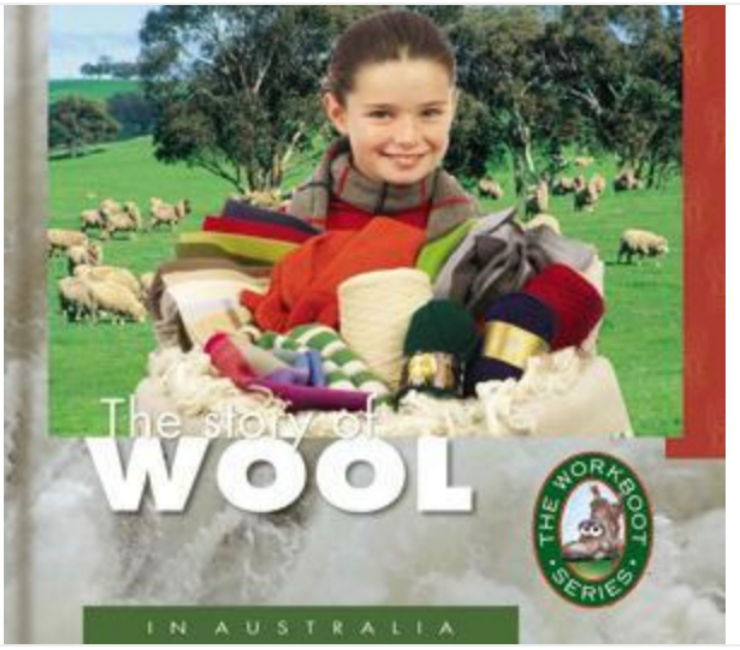
Other Educational Resources

Other educational resources to which the Trust has contributed, and which remain available include:

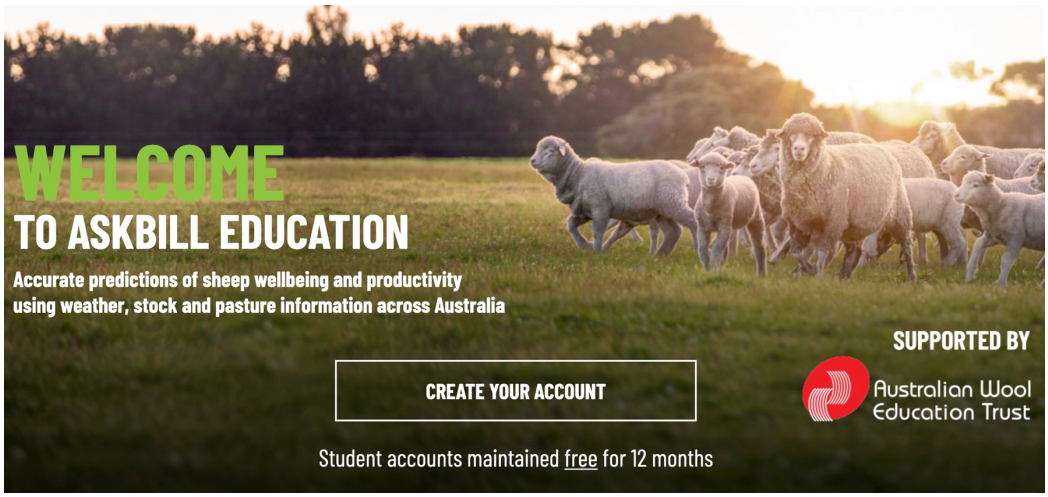
- Ollies Island (https://www.olliesworld.com/island/aus/ebook/open.htm)

- Kondinin Workboot Series: The Story of Wool

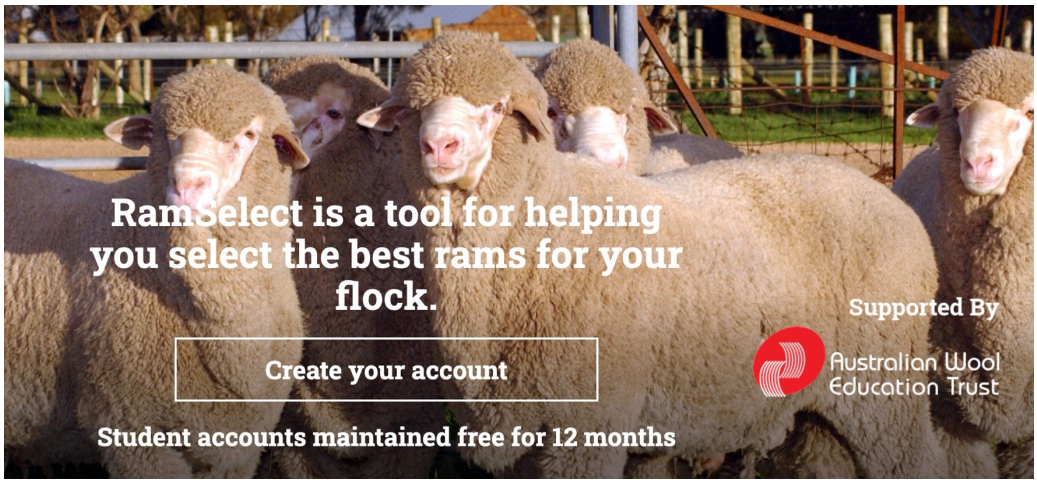
  (https://www.kondininbookstore.com.au/workboot-series/



- ASKBILL educational resource
  https://askbill-training.une.edu.au/#/home



- RamSelect educational resource
  https://ramselect-training.une.edu.au/#/home



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 is periodically renewed via a Research Agreement with UNE, which details expected outcomes, timelines and funding support by AWET for the period of the agreement.

The current research agreement was for 5 years and was due for renewal in February 2021. In view of changes in curriculum being proposed by UNE, to take effect in 2022, Trustees extended the Licence Agreement for one year, with an additional milestone:

> "Development of a business plan for the implementation of a more cost-effective delivery method of the units *Wool Technology* (WOOL472) and *Wool Processing* (WOOL482), involving development and delivery of four flexible short courses to industry."

This reflects a strategy developed by UNE, and approved by the Trust, to facilitate over the short to medium term the delivery of the units to a wider market than available via the enrolled students at UNE and students from other universities undertaking the courses as electives. The strategy will provide for appropriate academic accreditation for any on-line students completing these courses.

The next research agreement, currently being finalised, is expected to take effect at the end of January 2022.

There have been several updates to the Modules 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 the School of Environmental and Rural Science (SERS). Under the terms of the License Agreement, the Trust can license this unit to other Universities. UNE had developed an alternative course, identified by the same code and title, but for some time delivered in a different faculty. Since 2019 its delivery has been assumed again by the SERS. 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

Via the Research Agreements with UNE the Trust provides funding to support delivery of its IP via a "Hub and Spoke Model", Australia-wide. This model enables the inclusion of external students from other Universities in the courses offered by UNE.

Pursuant to the 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

Co-funding of 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 $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.

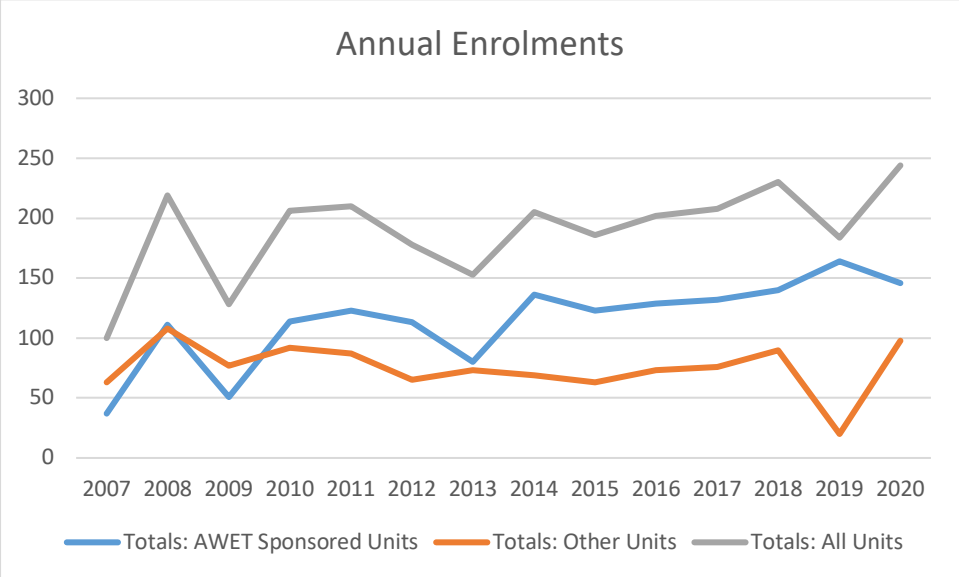
Subsidies to External Universities.

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 enrol 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 average number of enrolments in each module, since the Licensing Agreement commenced, is tabulated below, together with the actual enrolments for 2020. Enrolments for 2021 will be included in the 2021/22 Annual Report.

	Enrolments	
Module	**Average**	**2020**
Sheep Production	42	30
Wool Technology	14	30
Clip Preparation & Wool Marketing	15	16
Wool Processing	9	9
Fundamentals of Sheep & Wool	31	28
Managing Sheep Enterprises	21	33
***Totals:** AWET Sponsored Units*	**132**	**146**
Applied Animal Nutrition	40	44
Meat Technology	23	42
Genetic Evaluation and Breeding	10	12
***Totals:** Other Units*	**73**	**98**
***Totals:** All Units*	**205**	**244**

The trends in enrolments since the Licencing Agreement commenced are shown in the following graph.



The total enrolments in the AWET sponsored wool units have shown steady growth since the Licencing Agreement commenced.

AWET's direct funding actually commenced prior to 2007 and its cumulative investment in delivering the Wool Modules, including indirect funding, is $4,486,872. The data tabulated below does not include $282,000 invested by AWET from 2002-2005 to develop the Wool Modules.

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
2019/20	$150,000	$0	$98,000	$44,500	$292,500
2020/21	$150,000	$0	$94,500	$21,000	$265,500
Total	$2,406,772	$446,000	$1,209,000	$425,100	$4,486,872

* 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

All the Trust's IP can be downloaded from its website, www.woolwise.com.

IP Covered by the Assignment Deed

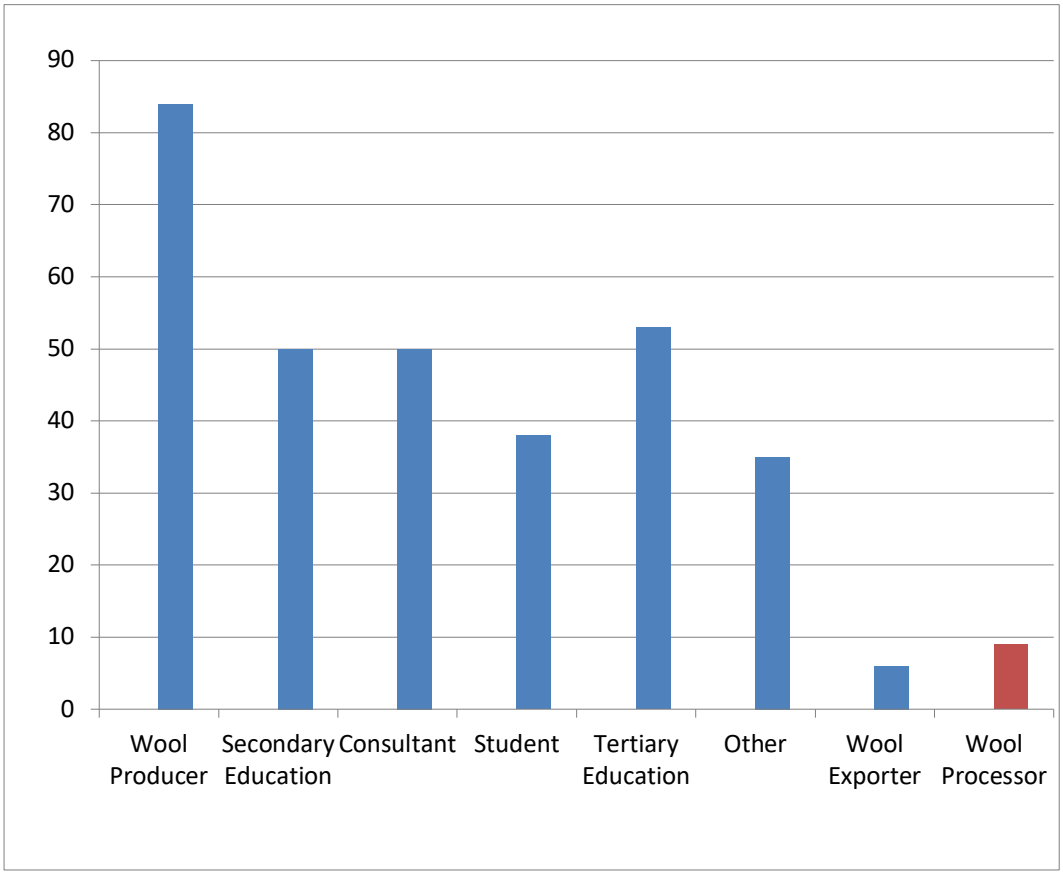
Pursuant to the Assignment Deed, the Trust provides copies of all the Educational Modules and the other materials produced by the Australian Sheep CRC to interested parties, subject to acceptance of Terms of Use designed to ensure that there will be no breach of the License Agreement with UNE. In order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

Access to these resources is managed via 3 status levels:

- A Visitor can 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. 276 such Licences have been issued.
- 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. An Educator can also previous versions of the various modules. Educator access is assigned to appropriate registrants by the site Administrator. 49 such Licences have been issued.

Ever since this access has been provided the number of licences has been steadily increasing year by year.

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



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
- Sheep Journal Archive
- Other miscellaneous resources.

Review of 2020/21

Allocation of Funds by Educational Sector

Expenditure by sector for the year under review was:

Sector	%Range	Mid-point	$Invested	Actual%
Schools	2% - 5%	3.50%	$15,515	2.4%
VET - Production	5% - 10%	7.50%	$33,246	5.7%
VET - Fashion Schools	10% - 23%	16.50%	$73,142	15.9%
Undergraduate	65% - 80%	72.50%	$321,383	76.0%
			$443,286	**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 $21,000 during 2020/21. These subsidies are payed 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.

The stipend for each scholarship is $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 2020/21 one new undergraduate scholarship holder was selected.

Undergraduate Project and Master by Coursework Scholarships

There were 14 applications for the 15 scholarships offered by the Trust for 2025. All applicants were awarded a scholarship:

Sydney University

Eloise Spanner

This project is a collaboration between The University of Sydney, AMSEA, and NSWSMBA Trust. The experimental design of this project uses rams entered in each of the AMSEA trial sites in the 2020/21 season (to be continued in 2021/22) with 5 straws or 3 pellets allocated from each sire for advanced semen testing at the University of Sydney. The same ejaculate used for the assessment will also be used in various AMSEA trial sites to inseminate roughly 50 ewes/sire. Semen testing performed at the University of Sydney will assess various in vitro predictors of fertility including motility (using CASA modelling), sperm number, morphology, acrosome integrity, DNA integrity, membrane status, and oxidative status. Of these samples, some will undergo further examination for proteomic and RNA analysis. These parameters will be corrected for influencing factors (including inseminator, season, and location). The results of the semen analysis will be correlated to the fertility results of the AMSEA trial involving the initial AI process from each ejaculate. Finally, by utilising this data, it will help develop a statistical model to calculate predicted fertility based on the in vitro results. This information will be used to determine which measures and characteristics of semen correlate to greater ram fertility to predict the success of future AI programs. It will help to create a minimum semen standard reference that will develop a prediction model on the expected fertility outcomes.

Jessica Boyd-Weetman

The most common clostridial diseases in the sheep industry in NSW are black leg, blacks disease, malignant oedema, pulpy kidney and tetanus. Despite common and routine use of vaccines for control and prevention of these diseases in the sheep industry in NSW, outbreaks of these diseases are still reported. This study aims to assess the usage of Clostridial vaccines by sheep farmers to help understand the different management decisions around their use and how this impacts the prevalence of these diseases within NSW. This will aid in establishing a body of knowledge regarding the uptake and usage of these vaccines within this area. Proper vaccination administration is a crucial aspect of sheep management in the control and prevention of these diseases and so identifying areas of concern regarding vaccination compliance on farms will help provide an insight into the potential causes for outbreaks and aid in the understanding of how these areas of concern should be approached for increased control and prevention of these diseases for sheep farmers in NSW.

This research project will involve the design and distribution of a survey study targeted towards sheep farmers within NSW regarding their use of vaccines for the control and management of Clostridial diseases. It will be distributed via the District Vets and the data will be collected from volunteer sheep farmers/participants either over the phone or online.

Katherine Seymour

The proposed research aims to evaluate the use of novel on-farm semen assessment tools, such as the ONGO and iSperm, in reliably assessing the concentration, motility and morphology of ram spermatozoa. Assessments

done in the field are often inaccurate and unreliable, making it difficult to standardise protocols. Current protocols involve the use of a haemocytometer or spectrophotometer. However, despite the haeomocyter being the most accurate, the method is time consuming and highly subjective if the user is not properly trained. Similarly, high variability and sensitivity problems have recently been associated with the use of spectrophotometers to assess sperm concentration. Therefore, the industry would greatly benefit from the validation of accurate, objective, and reliable semen assessment tools. As such, results obtained on the ONGO and iSperm will be compared against advanced modern semen assessment techniques such as computer assisted sperm analysis (CASA), spectrometers and the haemocytometer, to validate results and compare accuracy. If proven successful, the industry would have access to a viable innovative tool to objectively assess ram performance through determining sperm quality and concentration, improving the accuracy of semen processing for artificial reproductive technologies such as cryopreservation and artificial insemination. This research could also potentially create a new gold standard of practice for objective semen assessment if the ONGO and iSperm technologies prove to be superior to current methods.

Lauren Alam

This project is expected to highlight which vaccines are being commonly used on NSW sheep properties and whether they are being used in accordance with manufacturers recommendations. This is hoped to allow a better understanding of why some preventable diseases are still seen on sheep properties, what common vaccination errors are occurring, what concerns farmers have around vaccination and how farmers can be better engaged around vaccination. This project's aim is to determine the causes of preventable diseases in sheep still arising on sheep properties the ascertaining the extent and quality of farmer engagement with vaccination education and administration, and any other potential concerns. By doing this, the project hopes to adapt educational material and delivery to improve sheep management in the long term.

The study involves the creation and circulation of an online survey to sheep properties around NSW. A range of quantitative and qualitative data will be gathered and analysed. through the answers to these surveys, to determine which vaccines are being commonly used on NSW sheep properties, compliance with regulatory protocols and recommendations, and the factors influencing the decision making of vaccine administration. This data will be displayed through data visualisation and tabulation, which will be relied upon for conclusions and recommendations to be made. This survey will be submitted electronically to potential participants, with the aim to reach 50-75 responses to ensure a broad range of data.

Maddison Golledge

This project aims to create and analyse an historical database of ewe fertility records across Australia. This will be achieved by collating historical data from sheep pregnancy scanning contractors. Multiple ultrasound scanning companies have agreed to contribute deidentified records to this project for research purposes. This data provides a range of valuable information about the ewes to be analysed such as postcode, sheep breed, date of scanning, estimated date of joining, number of ewes scanned, number of ewes pregnant, and number of foetuses recorded (if scanned for twins). Records include data on approximately ten million ewes scanned across New South Wales and South Australia over the last decade. Hardcopy and electronic records will be manually transcribed into an electronic database to be analysed with mixed models in R and geographical information systems (GIS) used to visualise changes in fertility with time and region. Through these methods of data collection and analysis, this project aims to create an accessible, interactive, and robust set of data to be utilized as a tool to inform wool growers and the wool industry on historical reproductive performance over time, region, and season.

Sandy Nguyen

This pilot study will utilise historical footrot outbreak data from Monaro region of southern NSW that will be matched to a range of corresponding environmental variables that have been shown either directly or indirectly associated with footrot. A range of datasets (including soil moisture, air temperature, estimates of pasture growth, aspect, etc) will be linked to outbreak data via the use of geographic information systems using a range of statistical models. This will then allow the importance of these landscape variables to be determined. Moreover using such a design allows will allow me to use historical datasets to investigate environmental drivers of outbreaks. Data will be sourced through the Southeastern Local Land

Services Veterinarians and biosecurity officers with approval from the affected farmers.

Sophie Angus

This Honours project will investigate sheep worm burden in commercial sheep enterprises in NSW to monitor its relationship with various animal production variables. These production variables will be identified primarily by using automatic walk-over weighing systems and faecal worm analysis. Data collected will be analysed using the statistical program R.

This Honours project is linked to a PhD project that is investigating risk factors associated to sheep and lamb mortality. From this work, additional production impacts on weight gain, wool quality and quantity and other performance indicators are considered (i.e. fertility).

Trinity White

The project will consist of 3 phases.

Phase 1 will involve the collection of semen from ten rams via electroejaculation. Semen will be analysed using advanced semen assessment technologies, such as computer assisted sperm analysis (CASA) to assess the sperm concentration, motility and viability collected from each ram. Dimensions of each rams' testes will also be measured prior to and after the joining period.

Phase 2 will involve joining the rams to n=500 ewes. Rams will be harnessed with the Smart Tags, while ewes will carry ear tags. Joining will occur for 5-6 weeks after which tags will be removed. Data will be sent in real time to an AWI server during joining. Tag data will be downloaded from the server for immediate analysis. Ram performance will be assessed by the number of mating events recorded over the joining period. Ewe oestrus will be estimated as time of maximum number of matings by a ram. Estimated time of conception and pregnancy status will be assumed from an absence of mating events in subsequent oestrus. Pregnancy scanning will occur 55 days post joining to confirm pregnancy status and determine age of foetuses.

Phase 3 will involve conducting parentage analysis on marked lambs to assess whether number of matings can predict sire of lamb and ultimately confirm ram performance.

Data will be statistically analysed to assess whether any of the collected data is correlated or whether significant differences exist between ram performance.

University of New England

Amber Smith

Recent development of autonomous on-animal sensors allows easy and affordable investigation of the effect of ewe and lamb proximity and suckling events. During the lactation period the ability to identify an early ewe-lamb bond and increased suckling events, will improve lamb survival, growth rate and weaning weight.

This project aims to improve lamb survival and growth to weaning, as well as weaner survival and performance through to hogget stage. Increasing production of individual animals is vital for wool sheep and red meat producers, to ensure economic viability and market advantage.

Long term, the outcome of this project will deliver new maternal behaviour traits or correlations to existing commercial traits, which can be used in a breeding program to improve reproductive ability.

The three project objectives are:

1. Demonstrate lambs with an early ewe-lamb bond, shown by proximity and a high number and longer duration of suckling events, will have higher weaning weights.
2. Identify maternal behaviour using proximity and suckling events to correlate with current recorded traits.
3. Demonstrate the use of automated technology to measure maternal behaviour and weaner performance.

The whole research project is expected to span over three years. So the proposed honours project would focus on the first year.

A national resource ewe flock will be prepared for an out of season lambing in the first year. Sensors will be placed on the ewes and lambs (at birth), using Smart Shepherd tags and AWI tags. An algorithm and model will be developed for automated sensor detection to ensure measurements for maternal behaviour are correct.

Erin Smith

This project aims to quantify the association between udder traits and 1) neonatal/perinatal survival and 2) growth of Merino lambs to weaning with the intention of identifying potential indirect selection criteria of ewes to aid lamb survival and growth.

The project will involve collecting data on various udder traits, which may include udder depth, attachment and symmetry, as well as teat shape, position and cistern height, at weaning on 1350 (2017 and 2018 drop) of the AWI/AMSEA Merino Lifetime Productivity (MLP) flock ewes at the CSIRO Chiswick site. Lamb body weights will be recorded at weaning. This data will be used alongside birth records (e.g., birth type, rear type, incidence of udder issues), autopsy results of dead lambs, and previous udder records from the 2017 drop ewes at their first lambing, to determine the relationship between udder traits and the growth and survival lambs to weaning.

Estimated breeding values (EBV) equivalent to the MILK trait in beef cattle (genetic differences between animals in live weight at 200 days of age due to the maternal contribution of its dam, effectively the maternal contribution to the progeny's bodyweight) will be calculated for the ewes, and correlations between those EBVs and udder traits used to assess the relative merit of the various udder traits. This may enable recommendations to industry about which udder traits (if any) are most closely associated with lamb survival and growth, and therefore potentially useful to industry as indirect selection criteria. Pedigree records on the ewes will enable preliminary evaluation of the contribution of genetics to udder traits in the form of between-sire variation.

Samarah Thrift

The expected outcome of the proposed research project is to gain an understanding and insight into the motivations and barriers to adoption and innovation of technologies within the sheep and wool industry. Innovative practices are considered to maximise profit within the Australian sheep industry. The project outcomes will help to provide insights into best determining specific target audiences, based on the learning, communication and engagement types of farmers which will be identified through the study in conjunction with their motivations for and against adoption of technologies.

Firstly a literature review will be conducted to gain insight on previous research looking at adoption of agricultural practices and innovation within both the sheep industry and broader agricultural industries. The research will be conducted using a mixed model including the collection of qualitative data from interviews and quantitative data via a survey.

University of Queensland

Georgia-Constantine Hantzopoulou

My project will be a part of an on-going research conducted by Dr Narayan's lab and collaborators including Mr Gregory Sawyer (Ooranook Pastoral Company). We have access to Merino ewes in a commercial farm in NSW (Braidwood, NSW) where the field samples will be gathered and then submitted to the labs (The Australian Wool Testing Authority-AWET) and The Stress Lab (University of Queensland - UQ) for wool quality and hormone testing. We will use sixty merino ewes with an age of less than 3 years old (some maidens some on their second lamb), which is a robust sample size to obtain enough power analysis (0.8) to determine the variation in hormones before, early, mid, and late pregnancy. Upon the successful collection of the field data, we will then compare the physiological and wool morphometrics parameters with the pregnancy scanning data (ewes will be pregnancy scanned twice). Finally, an overall assessment from the on-farm data will provide scientific analysis to the lambing scanning rates, ewe and lamb condition scores and laboratory results.

It is hypothesised that ewes with significantly high levels of wool cortisol will show early signs of pregnancy related stress (e.g. embryo loss) and this could also be verified with the two-pregnancy scanning(s) and reproductive hormone (wool progesterone) data. The laboratory analysis (and data analysis) will be performed at the Stress Laboratory at the Gatton Campus University of Queensland.

Data analysis will be conducted using statistical software (SYSTAT and PRISM). In previous research conducted in Brazil researchers showed that plasma and faecal profiles of progesterone correlated strongly throughout gestation in ewe sheep (Amaral et al. 2019). To our knowledge, research on this topic has not been trialled before using Merino sheep. We will apply multivariate mixed model ANOVA (with fixed and random factors) to determine the relationship between the physiological parameters and ewe sheep reproductive output (singles, twins, early or late lambing and lamb survival rates). Using a generalised linear regression approach, we will furthermore be able to

elucidate the relationship between wool levels of progesterone and cortisol and reproductive outcome. This model could have commercial application in the future to enable Merino sheep producers to predict sheep reproductive outcome by simply monitoring the levels of cortisol and/or progesterone in wool samples of early-mid gestating ewe sheep. This could be a significant game changer that could help to improve sheep well-being and reproductive output.

Charles Sturt University — **Alexandra Morona**

The project compares 2 treatments (daily feeding vs feeding every 2nd or 3rd day) in a randomised block design with at least 2 replicates. A minimum of 100 Merino ewes will be joined to 2 rams in each of 4 group-feeding pens, representing a commercial containment-feeding situation. The sheep will be introduced to barley grain prior to a March joining, and fed maintenance rations in the pens, including a minimal ration of cereal straw, until day 31 of joining. Feed tests will be used to determine the quantities of grain required. Mating over the first oestrous cycle will be recorded using mating harnesses. Returns to service will be recorded until ewes are removed from pens at day 31 of joining. Pregnancy rate and foetal numbers for ewes from the first oestrous cycle will be recorded at pregnancy scanning approximately 60 days after rams are removed. The ewes will have been shorn in January, and mid-side fleece samples from 10 ewes per pen will be collected in July (prior to lambing, and to fit within the Honours timeframes). The wool samples will be sent to a commercial laboratory and tested for fibre diameter, staple length and strength, to determine any impact on wool growth and quality. Samples of rumen fluid will be collected from 5 sheep per pen via stomach tube after the period of introduction to grain, but pre-joining, to assess any effect on the pH of rumen fluid and so the risk of sub-clinical acidosis.

Whitehouse Design — **Jye Marshall**

Throughout the last three years of my undergraduate fashion specialist practise I have focused heavily on the study of textiles and fibres. Unfortunately, during this early research stage on local fibres and manufacturing I have slowly seen the manufacturing of wool and fashion decline in Australia and increasingly move offshore. The result of which has seen the closure of many locally focused wool manufacturing mills. Growing up in rural Tasmania near some of the finest merino wools and one of the last working woollen mills in Australia has given me a great appreciation for wool, supporting local, and all things Australian. I am incredibly passionate about bringing wool and fashion manufacturing back to Australia and keeping it local again and I intend to research and evaluate the current struggles that manufacturers and designers face today, evaluate these issues and trends, and provide realistic/tangible solutions to improve the reinvigoration of the local manufacturing wool sector. I intend for these research outcomes to be used as a tool/formula to educate future fashion designers and manufacturers who want to produce fashion successfully in Australia. I also intend for the proposed research to form a manufacturing profile which I feel would enable people to see the key issues within the local fashion and wool textile industry. Following sacrifice around 40 wethers fed the two diets will have samples of skin and digestive tract collected for metabolite assays.

The way I intend to research this area of fashion is by collecting and evaluating both qualitative and quantitative data. This will include a series of recorded interviews with key people involved in the wool manufacturing industry such as Designers, Wool processors, textile mills and farmers. My objective is to present the data in an informative documentary that will be produced by myself which is guided by senior academics/mentors who will be guiding my postgraduate research.

All scholarships were awarded during the COVID-19 pandemic. Consequently, some of the students projects had to be modified and/or their programming deferred. The Trust has worked with the students and their supervisors to manage this disruption of their original plans.

Alistair Mackenzie Scholarship

AWET co-sponsors this scholarship with WISS, contributing $10,000. The 2021 scholarship was awarded to Travis Tremellen.

Before college Travis was exposed to a wide range of farms, the highlight being working at the world-renowned merino stud Collinsville for 2 years, where he started as a junior farm hand eventually working his way to being offered the overseer role before leaving to start his next

chapter, Marcus Oldham. Other than his work at the stud Travis has worked for AJ & PA McBride's property "Telopea Downs" as a senior station hand where he was then promoted to manage the livestock on a 16,000-acre block with 12,000 merino sheep and 300 cattle. On this he was rotating ewes on lucerne, grazing stubbles, fixing old water points, fences, and all other farm management roles. This was Travis' biggest concentration of learning at work over a short period of time, learning to bite off more than you can chew and then chew hard mentality. He learnt, receiving support from senior managers.

His previous employers have all said his best attribute is that he asks questions, speaking up when he does not know how to do something and that he takes an interest in the business itself treating it like his own. This is something he want to take forward in his career and having the opportunity to attend Marcus Oldham College he expects this to help him to answer more and more questions for himself. He enrolled at Marcus Oldham to better his knowledge in business management so that he can apply this knowledge to operate a successful merino sheep enterprise.

Vocational Education Training - Production

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

In 2020/21, three (3) of these were awarded to students at Tocal College in NSW and three (3) to students at Cunderdin in WA.

It is expected in 2021/22 RIST in Hamilton Victoria will join this program, nominating 3 students.

Vocational Education Training – Fashion Schools

During 2020/21, AWET made provision for grants, totalling $50000 to selected Fashion Design students, to facilitate purchase of wool-rich fabric for their final year design projects.

30 grants were provided, allocated as indicated in the following table.

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
Box Hill Institute	Bachelor of Fashion	1	$1500
Holmes Glen Institute	Bachelor of Fashion Design	1	$1500
TAFE NSW	Bachelor of Fashion Design	2	$3000
LCI Melbourne	Bachelor of Fashion and Costume Design	1	$1500

Each institution is responsible for selecting its recipients.

AWET and AWI have jointly been considering sponsoring in a joint China Extension Program with AWI, leveraging upon the Trust 's Fashion Students Grants program, whereby 3 recipients of its grants will be offered the opportunity to:

- Participate at a student graduate collection industry event in Beijing;
- Visit mills/manufacturers in China;
- Meet and greet with an established Chinese designer/brand; and
- Participate in a National Museum student graduate collections display.

However, due to the travel and other restrictions imposed by governments to manage the COVID-19 pandemic this project was deferred.

Instead, a modified program, the Voyage Program, restricted within Australia, was launched.

Students who wanted to participate were required to submit:

- Look book, sketches, and folio of the student's collection.
- Evidence of completion of the online Wool Appreciation Course.

- 1,000-word statement about:
  - theme/concept of their final collection.
  - their career aspirations.
  - their journey using wool; and
  - what an opportunity like this would mean to them.

The students submissions were assessed by AWI and AWET and 3 selected to participate in the program:

- Chloe Christie – University of Technology Sydney
- Jye Marshall – Whitehouse Melbourne
- Anja Muecke – Curtin University

AWI organised and funded a tour based in Melbourne involving:

- Farm tour
- Mill tour
- Meetings with personnel involved in fashion
- AWTA Ltd Tour
- Presentation to AWET Trustees
- Interview with the Fashion Journal

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 2020/21 was $15,000.

AWI National Merino Challenge

The NMC is an annual 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.

In past years AWET has provided funding to subsidise the travel costs of contestants. However, following the disruption to this competition by the COVID-19 pandemic, it was cancelled and is expected to resume as a biannual competition once the COVID-19 impacts have passed.

New Initiatives

Hub-and-Spoke delivery of Sheep and Wool Education

AWET will be finalising a new Research Contract to commence in 2022.

This contract will reflect the evolution of the Hub and Spoke model as a mechanism for delivering wool and sheep education, to suit changing circumstances in education delivery. Short on-line courses are and will be developed, offering recognition by Certificate or as part of a degree. This will enable UNE to attract enrolments for second tier Universities where there is interest in sheep and wool but where enrolments are very small. It also opens up opportunities to develop short courses for particular groups who wish to increase their expertise in particular areas but are unwilling or unable to pursue a full degree.

ASKBILL and RamSelect

The ASKBILL and RamSelect training sites, supported by AWET, are operational with training materials and resources loaded onto the sites.

AWET has facilitated the development of both sites by providing funding over an initial 3-year period. This is to be reviewed in July 2022.

A number of secondary and tertiary educators and students are using the sites and accessing support from UNE as they familiarise themselves with the applications.

AWET has initially utilised assigned CRC funds to provide training to educators in the use of these applications. Despite the disruption caused by the COVID-19 pandemic this training is proceeding.

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 via ZOOM in July 2021.

The Trust also engages in annual consultations with the Fashion & Design Schools. The most recent Meeting was also held via ZOOM in July 2021.

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 2020/21 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, 2021

	Note	2021 $	2020 $
Revenue	2	402,319	380,879
Grant Received	2	-	161,652
Education Funding Projects	4	(513,473)	(425,961)
Trustee Expenses		(26,676)	(28,801)
Insurance Premiums		(2,824)	(2,843)
Investment Management Fees		(74,619)	(75,174)
Secretarial Expenses		(26,853)	(29,865)
Other Expenses		(11,131)	(17,466)
Surplus/(Deficit) from Operating Activities		(253,257)	(37,579)
Net change in fair value of financial assets desginated at fair value through profit or loss		1,136,622	(289,027)
Surplus/(Deficit) for the Year		883,365	(326,606)

The accompanying Notes form part of these financial statements.

AUSTRALIAN WOOL EDUCATION TRUST
ABN 12 886 519 613
BALANCE SHEET AS AT 30TH JUNE, 2021

	Note	2021 $	2020 $
CURRENT ASSETS			
Cash and Cash Equivalents	5	147,700	154,975
Receivables	6	166,203	100,043
Other Current Assets	7	2,090	2,128
TOTAL CURRENT ASSETS		315,993	257,146
NON-CURRENT ASSETS			
Financial Assets	8	10,885,954	10,080,078
TOTAL NON-CURRENT ASSETS		10,885,954	10,080,078
TOTAL ASSETS		11,201,947	10,337,224
CURRENT LIABILITIES			
Payables	9	6,582	25,224
TOTAL CURRENT LIABILITIES		6,582	25,224
TOTAL LIABILITIES		6,582	25,224
NET ASSETS		11,195,365	10,312,000
EQUITY			
Donations Contributed	1(e)	7,000,000	7,000,000
Retained Surplus		4,195,365	3,312,000
Reserves		-	-
TOTAL EQUITY		11,195,365	10,312,000

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, 2021

	Donations Contributed $	Retained Surplus $	Financial Assets Reserve $	Total $
Opening Balance as at 1 July 2019	7,000,000	2,197,635	1,440,971	10,638,606
Adjustment on change of accounting policy		1,440,971	(1,440,971)	-
Surplus/(Deficit)	-	(326,606)	-	(326,606)
Closing Balance as at 30 June 2020	7,000,000	3,312,000	-	10,312,000
Opening Balance as at 1 July 2020	7,000,000	3,312,000	-	10,312,000
Surplus/(Deficit)	-	883,365	-	883,365
Closing Balance as at 30 June 2021	7,000,000	4,195,365	-	11,195,365

STATEMENT OF CASH FLOWS FOR THE YEAR ENDED 30TH JUNE, 2021

	2021 $	2020 $
CASH FLOWS FROM OPERATING ACTIVITIES		
Interest Received	875	536
Refund of Franking Credits	49,822	34,750
Grant	-	161,652
Refund of GST Paid	(8,412)	5,899
Payments for Education Funding Projects	(533,472)	(409,961)
Payments to Suppliers for Goods and Services	(66,088)	(84,890)
NET CASH USED IN OPERATING ACTIVITIES	(557,275)	(292,014)
CASH FLOWS FROM INVESTING ACTIVITIES		
Net cash flow from managed investments	550,000	350,000
Net cash flow from investment at call	15,000	(55,000)
NET CASH PROVIDED BY INVESTING ACTIVITIES	565,000	295,000
NET INCREASE/(DECREASE) IN CASH HELD	7,725	2,986
CASH AT THE BEGINNING OF THE FINANCIAL YEAR	19,975	16,989
CASH AT THE END OF THE FINANCIAL YEAR	27,700	19,975

AUSTRALIAN WOOL EDUCATION TRUST
ABN 12 886 519 613

NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 30TH JUNE, 2021

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 16th 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 Profit and Loss as per AASB 9 Financial Instruments.

(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.

(i) **Change in accounting policy**
AWET has changed its accounting policy to reflect the interpretations by the Australian Accounting Standards Board in relation to AASB9 Financial Instruments. Changes in the fair value of managed funds need to be refelcted at fair value through profit and loss. The comparatives have been amended to reflect this change in policy.

AUSTRALIAN WOOL EDUCATION TRUST
ABN 12 886 519 613

NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 30TH JUNE, 2021

2.	**REVENUE**	2021	2020
		$	$
	Operating Activities:		
	Interest from Bank Bills & at Call	807	608
	Income from Managed Investments:		
	Interest from Preference Shares, Term Deposits and at call Cash	506	2,454
	Dividends & Franking Credit	401,006	377,817
		402,319	380,879
	Non - Operating Activities:		
	Grant Received	-	161,652
	Total Revenue	402,319	542,531

3.	**AUDITORS REMUNERATION**		
	Remuneration of auditor		
	- audit	2,650	2,600
		2,650	2,600

4.	**EDUCATION FUNDING PROJECTS**		
	Agricultural Colleges 1 Year Scholarships	18,000	18,000
	Annual Scholarships for University Honours Students	87,500	98,000
	Education for Schools - AWI School Uniform Design Competition	-	15,000
	Education Institutes Meeting Expenses	-	5,677
	Marcus Oldham College - Alastair Mackenzie Scholarship	10,000	10,000
	Subsidies to External Institutions	21,000	44,500
	UNE Research Agreement	150,000	150,000
	UNE RamSelect / AskBill	25,473	41,784
	UNE Travel Scholarship	3,000	-
	School of Fashion & Textiles Grant	48,500	43,000
	Industry Sponsorship - WA	150,000	-
		513,473	425,961

AUSTRALIAN WOOL EDUCATION TRUST
ABN 12 886 519 613
NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 30TH JUNE, 2021

		2021 $	2020 $
5.	**CASH AND CASH EQUIVALENTS**		
	Cash at Bank	27,700	19,975
	Short Term Deposits at Call	120,000	135,000
		147,700	154,975
6.	**RECEIVABLES AS CURRENT ASSETS**		
	Debtors - Refund Due for GST Paid	17,952	2,177
	Accrued Income	148,251	97,866
		166,203	100,043
7.	**OTHER CURRENT ASSETS**		
	Prepayments	2,090	2,128
8.	**FINANCIAL ASSETS**		
	Managed Investments (Mogan Stanley):		
	Investment Valuation	10,885,954	10,080,078
		10,885,954	10,080,078

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	2,650	2,600
	Bank Charges	12	13
	Trustees' Fees	1,619	1,582
	Sponsorship	-	20,000
	Admin & Misc	2,299	1,029
	Creditors:		
	Rounding	2	-
		6,582	25,224

AUSTRALIAN WOOL EDUCATION TRUST
ABN 12 886 519 613

NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 30TH JUNE, 2021

10. PROJECTED FUNDING COMMITMENTS

Contracted and Conditional Funding Commitments		
Payable not later than 1 year:		
- UNE Agreements	22,000	172,000
	22,000	172,000
Payable later than 1 year but not later than 5 years:		
- UNE Agreements	-	22,000
	-	22,000
	22,000	194,000

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

	2021	2020
	$	$

11. RELATED PARTY TRANSACTIONS

Remuneration of Trustees	25,904	25,311

Trustees who held office during the financial year were:
Mr A. C. Archer
Mr M. A. Jackson
Mr J. W. Lewis
Mr P.J. Sommerville
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, 2021 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 2020/21, 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 sixteenth day of November, 2021

JTP | 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 2021, 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 2021, and its financial performance for the year then ended in accordance with the accounting policies described in Note1 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' 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.

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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
Partner

Signed at Melbourne this 24th day of November 2021