



Australian Wool Education Trust

ANNUAL REPORT - 2022/2023

Preamble

Except where explicitly stated this annual report encompasses financial accounts for the financial year 2022/23 and educational outcomes for the academic year 2022.

Establishment of the Trust

The Australian Wool Education Trust was first [established](#) in July 1997. Its history is available on its [website](#).

Objectives of the Trust

The [objectives](#) of the Trust are defined in its Trust Deed.

Trustees

There are five [Trustees](#), two appointed by Australian Wool Testing Authority Ltd ([AWTA Ltd](#)), 2 by Australian Wool Innovation Ltd ([AWI](#)) and one by Wool Industries Australia Inc ([WIA](#)).

Professor Andrew Vizard, nominated by AWI in 2004, retired effective 31st December 2022. Andrew's first interaction with the Trust was in July 1999 where he sponsored a submission by the McKinnon Project for research funding for a project designated "Definition of the Risk Factors Associated with Low Staple Strength in Fine Wool Merino Ewes and Young Sheep".

AWI nominated Professor Vizard's replacement, Dr Jane Littlejohn, effective from 16/02/2023. For legal reasons Dr Littlejohn is recorded by her family name, Jane Dawson, on the Trust's website.

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, 70% 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 review the investment strategy at 6 monthly intervals.

Morgan Stanley is the manager of the portfolio, appointed by Trustees.

Funding Policy

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.

The Trustees' [Funding Policy](#) and guidelines have applied since 2005.

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. Consequently, Trustees have developed a [policy for allocation of funds](#) to each relevant educational 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."

Assets Held by the Trust

Financial Assets

On 30th June 2023, the total equity held by AWET was \$10.763 million.

From its inception and up to 30th June 2023, AWET has spent \$7.7 million (73.4%) 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 2022/2023 was \$349000.

Operating expenses for the year, excluding pro bono accounting and legal services provided by AWTA Ltd, but inclusive of fund management fees, amounted to approximately 1% of the equity.

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.

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

- [CRC for Premium Quality Wool Resources](#)
- [Australian Sheep CRC Resources](#)
- [Australian Sheep CRC Vocational Resources](#)
 - [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](#)
 - Video by Mongoose Productions covering wool production from farm to mill (available on request)
- [Australian Wool Textile Training Centre Resources](#)
- [AWET 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:

- [Kondinin Workboot Series: The Story of Wool](#)
- [ASKBILL educational resource](#)
- [RamSelect educational resource](#)



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.



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 commenced February 2022 and concludes 2026.

Key elements in this agreement are:

- the development of on-line micro-courses based on the Trust's IP;
- Development of a marketing plan at the commencement of each academic year; and
- Continued delivery of the Trust's modules for the period of the contract.

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.

There have been [several updates](#) to the Modules by UNE, as required under the License Agreement. AWET maintains copies of all versions on www.woolwise.com.

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 \$6,000 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.

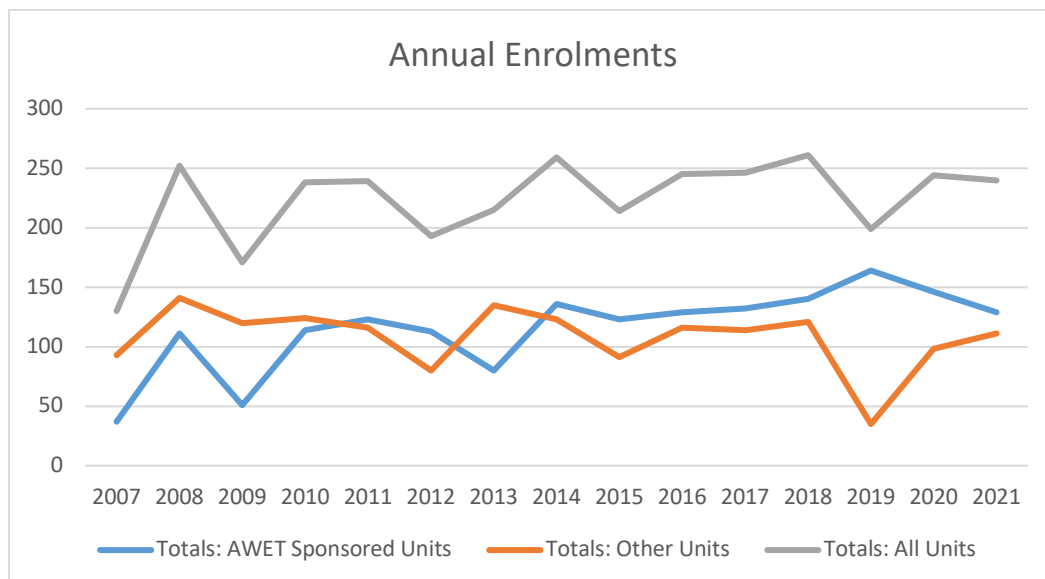
To encourage enrolments from students at non-UNE Universities, the Trust pays those Universities \$1,000 per student for the first 10 students and \$1,500 for each additional student as compensation for their loss of income when students enrol externally in the Wool units delivered by UNE. These subsidies 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 2007 when the Licensing Agreement commenced, is tabulated below, as is the actual enrolments for 2023.

Module	Enrolments	
	Average	2023
Sheep Production	40	29
Wool Technology	14	18
Clip Preparation & Wool Marketing	13	7
Wool Processing	8	6
Fundamentals of Sheep & Wool	30	28
Managing Sheep Enterprises	25	45
Totals: AWET Sponsored Units	115	133
Applied Animal Nutrition	41	39
Meat Technology	28	54
Genetic Evaluation and Breeding	12	24
Totals: Other Units	109	109
Totals: All Units	224	250

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, but temporarily declined during the COVID pandemic, as a consequence of the restrictions applied, many of which impacted directly upon the operation of educational institutions.

AWET's direct funding actually commenced prior to 2007 and its [Cumulative Investment](#) in delivering the Wool Modules, including indirect funding, is approximately \$ 4,770,300. The total does not include \$282,000 invested by AWET from 2002-2005 to develop the Wool Modules. Nor does include support for a fellowship to update some of the modules.

General Availability of AWET'S IP

All the Trust's IP can be downloaded from its website, www.woolwise.com. However, there are some restrictions on who may download copies of the IP.

IP Covered by the Assignment Deed

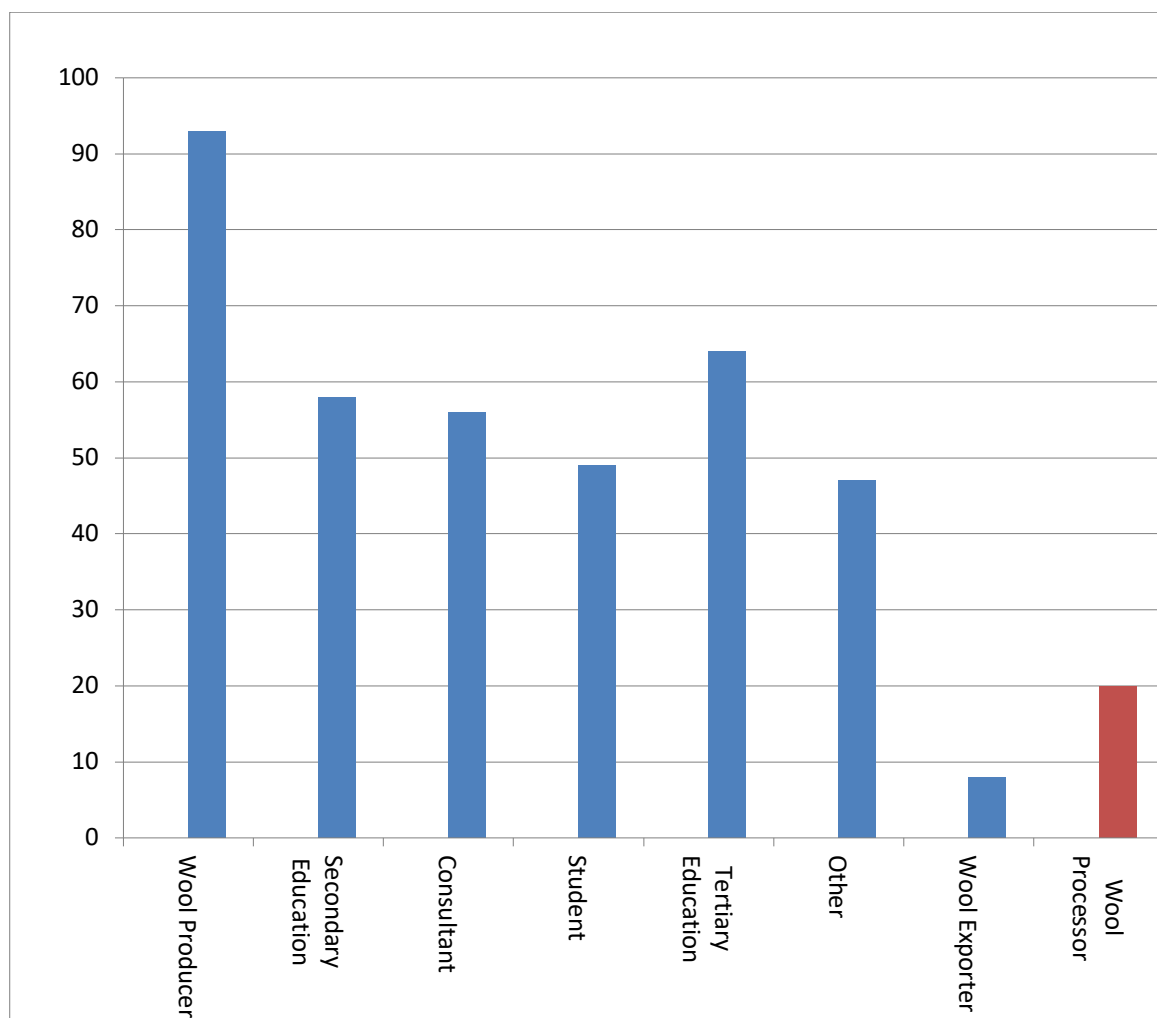
Pursuant to the Assignment Deed, the Trust provides copies of all the Educational Modules and the other materials produced by the Australian Sheep CRC to interested parties, subject to acceptance of Terms of Use designed to ensure that there will be no breach of the License Agreement with UNE. In order 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 source 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. 337 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 source versions of the resources as well as PDF versions. An Educator can also access previous versions of the various modules. Educator access is assigned to appropriate registrants by the site Administrator. 58 such Licences have been issued.

Since inception a total of 395 licences have been issued. Of these, 58 are Educators and 337 are Members.

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



Other IP

All other IP is available without restriction.

Review of 2022/23

Funding Policy: allocation to educational sectors

Expenditure by sector for 2022/2023 is shown in the following table against [funding policy benchmarks](#).

Sector	Policy Range%	Mid-point	\$Invested	Actual%
Schools	2% - 5%	3.50%	\$15,000	7.5%
VET - Production	5% - 10%	7.50%	\$24,000	11.9%
VET - Fashion Schools	10% - 23%	16.50%	\$46,000	22.9%
Undergraduate	65% - 80%	72.50%	\$115,999	57.7%
			\$200,999	100.0%

Undergraduate Studies – Wool and Sheep

Delivery of Sheep and Wool Modules by UNE

Provision for direct funding to UNE to support the delivery of the Wool and Sheep Modules via the hub and spoke model was \$150,000. Due to timing issues actual expenditure was less than this, and the funding of the deficit will flow into 2023/2024.

Subsidies to external institutions

[Under this arrangement](#) the Trust will contribute \$17,000 to be applied to 2022/23. 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.

The stipend for each scholarship is \$6,000 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 2022 no undergraduate scholarships were awarded.

Undergraduate Project and Master by Coursework Scholarships

Applications for these scholarships close in November of each academic year. Previous reporting of individuals awarded scholarships was based on applications made and accepted in that academic year.

There were 11 applications for the 15 scholarships offered by the Trust in November 2022. All applicants were awarded a scholarship and completed their projects in 2023:

<https://www.woolwise.com/scholarship-recipients/>

Charles Sturt University	Madelaine Prell	
Federation University	(Victoria) Woon Ling Chew	
Murdoch University	Amelia Gooding	(deferred project completion till 2024)
University of New England	Chelsea Reeve	
University of Queensland	Troy Cobb	
Sydney University	Theresa-Fina Barker	
	Jaqueline Kassab	
	Elijah Klæbe	
	Nicholas Sutherland	
	Madelaine van de Hoek	
	Kara Vasylenko	
	Sophie Warr	



The students are requested to supply a copy of their thesis and/or an Abstract for publication on the Trust's website. AWET recognises their copyright.

In 2023 there were 11 successful applicants, expected to complete their projects in 2024.

Charles Sturt University
Federation University
Murdoch University
University of Queensland
Sydney University

Bridget Longley
Elouise Bliss
Amelia Gooding
Benjamin Sherry
Bianca Jennings
Chelsie Shivanthi Uthayakumar
Ellie Warrington
Megan Walker
Akash Gokhale
Maya Robertson
Crystal Heather Leigh Elliot

Carried forward from 2022

The reporting of these offers has been altered to reflect a change to the way they are now being reported on Woolwise.com. The website report now reflects the year of completion, not the year of offer. This change has been made to reflect the wishes of the students and their supervisors, and the fact that AWET does not receive copies of Abstracts or Theses until late in the year after the offer was made.

Sometimes website publication is withheld because in some cases the research is part of a wider research program, with commercial potential, and will be published as papers in peer-reviewed journals. Abstracts are available for all visitors. Links to Theses are only visible to registered Educators. However, if requested links to theses can be hidden from Educators.

The Trust worked with the students and their supervisors to manage any disruption of their original plans due to the COVID pandemic, or other changes in personal situations.

Alistair Mackenzie Scholarship

AWET co-sponsors this [scholarship](#) with WISS, contributing \$10,000. The 2023 scholarship was awarded to Lachlan Hurst.

Lachlan's objectives are to broaden his understanding and knowledge of the best agricultural methods whilst learning and embracing opportunities within the wool industry. His goal is to understand good staff management techniques, be exposed to a variety of agricultural industries and meet educated farmers with new ideas and innovations. With this further understanding, he hopes to enhance the future of his family farm and its productivity.

Vocational Education Training - Production

The Trust offers VET sector scholarships, each valued at \$3,000, to students attending institutions in this sector. Candidates are nominated by the VET Institution.

In 2021/22, three (3) of these were awarded to students at Tocal College in NSW and three (3) to students at Cunderdin in WA.

RIST in Hamilton Victoria joined this program in 2023.

Vocational Education Training – Fashion Schools

During 2022, AWET made provision for grants, totalling \$46,000 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. Candidates are nominated by the fashion schools.

Institute	Program	Grants	\$
RMIT	Bachelor of Fashion (Design)	3	\$4,500
	Bachelor of Textile (Design)	1	\$1,500
	Bachelor of Fashion (Design) (Hons)	4	\$8,000
Whitehouse Institute of Design	Bachelor of Design	6	\$9,000
UTS	BA Hons Fashion and Textile Design	4	\$8,000
QUT	Bachelor of Design (Hons)	2	\$4,000
TAFE SA	Bachelor of Fashion Design	3	\$4,500
Curtin	Bachelor of Arts (Fashion)	2	\$3,000
Box Hill Institute	Bachelor of Fashion	1	\$1,500
Holmes Glen Institute	Bachelor of Fashion Design	1	\$1,500
TAFE NSW	Bachelor of Fashion Design	2	\$3,000
LCI Melbourne	Bachelor of Fashion and Costume Design	1	\$1,500

Each institution is responsible for selecting its recipients.

Fleece to Fashion

In 2023 the Fleece to Fashion Awards resumed in Armidale.

<https://fleecetofashion.com.au/>.

The event is supported financially by AWI and The Woolmark company.

AWI sponsored a new award aimed at young and emerging designers, and students were in Fashion Schools receiving [AWET Grants](#). 6 students, all from Whitehouse Institute of Design, entered the competition for the AWI Supreme Award.

<https://fleecetofashion.com.au/opportunities>

Designed to foster ambition for a career within the industry and drive understanding, the Supreme Award provides the winner with:

Opportunity to gain global exposure to the wool supply chain with a visit to The Woolmark Company's office in Milan, Italy. This will include a visit to a trend forecasting and design studio in Tuscany, a tour of the mills that process Australian wool in Biella accompanied by a host from Woolmark's Italian team. There may be additional opportunities to attend industry events and or trade shows while in Italy, depending on their scheduled dates.

The winner of Supreme Award, Chelsea Woodlands-Mitchell, will receive ongoing professional training and development opportunities including exposure to many areas of Australian Wool Innovation and The Woolmark Company business in the Sydney head office and overseas, including an assigned mentor appropriate to their skill set and interests based in the Sydney office.

The total prize package includes flights, accommodation and daily expenses valued at over AUD\$9,000. Please note the prize must be taken by June 30 2024 and is not redeemable for cash, refundable or transferable.

Chelsea was selected by Whitehouse Institute of Design to be recipient of one of the 6 AWET grants allocated to the institute in 2020. 5 of the six students receiving the AWET grant competed in the Supreme Award competition in 2023. We expect interest from students with AWET sponsored grants will increase substantially in 2024.

Schools

The Trust's primary investment in the schools sector has been via contributions to AWI's Wool4Skool Program (<https://www.wool4school.com/about-competition/>). Despite COVID the program was resumed in 2023 and will continue 2024. It is available in Australia, United

Kingdom, Italy and Hong Kong. Since it commenced the competition has involved over 10,000 budding young designers.

New Initiatives

Hub-and-Spoke delivery of Sheep and Wool Education

AWET finalised a new Research Contract which commenced 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 being 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.

In 2023 the first of these courses, "[Wool Biology and Technology](#)", was released for testing and evaluation, and will be made available via "[Open Universities](#)".

ASKBILL and RamSelect

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

AWET facilitated the development of both sites by providing funding over an initial 3-year period. This was renewed 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 utilised assigned CRC funds to provide training to educators in the use of these applications, and to assist the on-going maintenance and development of the sites. The ASKBILL application were moved to a new platform during 2022/23 to ensure it remains in sync with the commercial site, and to incorporate new features already available on the commercial site.

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 2023 with attendees being personally present or participating via ZOOM. AWI kindly offered to host both meetings and updated attendees on relevant AWI projects

The Trust also engages in annual consultations with the Fashion & Design Schools. The most recent Meeting was also held July 2023, with attendees being personally present or participating via ZOOM.

It is anticipated that this mode of meeting will continue in the future.



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 2022/23 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.

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

M.A. JACKSON
CHAIRMAN OF TRUSTEES

AUSTRALIAN WOOL EDUCATION TRUST
ABN 12 886 519 613
INCOME STATEMENT FOR THE YEAR ENDED 30TH JUNE, 2023

	Note	2023 \$	2022 \$
Revenue	2	348,688	393,299
Education Funding Projects	4	(337,208)	(340,484)
Trustee Expenses		(33,696)	(28,393)
Insurance Premiums		(3,194)	(2,864)
Investment Management Fees		(71,651)	(77,518)
Secretarial Expenses		(24,568)	(31,045)
Other Expenses		(10,681)	(11,442)
Surplus/(Deficit) from Operating Activities		(132,310)	(98,447)
Net change in fair value of financial assets designated at fair value through profit or loss		739,451	(941,267)
Surplus/(Deficit) for the Year		607,141	(1,039,714)

The accompanying Notes form part of these financial statements.

AUSTRALIAN WOOL EDUCATION TRUST
ABN 12 886 519 613
BALANCE SHEET AS AT 30TH JUNE, 2023

	Note	2023 \$	2022 \$
CURRENT ASSETS			
Cash and Cash Equivalents	5	505,293	295,895
Receivables	6	157,651	221,433
Other Current Assets	7	2,614	2,323
TOTAL CURRENT ASSETS		<u>665,558</u>	<u>519,651</u>
NON-CURRENT ASSETS			
Financial Assets	8	<u>10,187,586</u>	<u>9,644,908</u>
TOTAL NON-CURRENT ASSETS		<u>10,187,586</u>	<u>9,644,908</u>
TOTAL ASSETS		<u>10,853,144</u>	<u>10,164,359</u>
CURRENT LIABILITIES			
Payables	9	<u>90,352</u>	<u>8,708</u>
TOTAL CURRENT LIABILITIES		<u>90,352</u>	<u>8,708</u>
TOTAL LIABILITIES		<u>90,352</u>	<u>8,708</u>
NET ASSETS		<u>10,762,792</u>	<u>10,155,651</u>
EQUITY			
Donations Contributed	1(e)	7,000,000	7,000,000
Retained Surplus		<u>3,762,792</u>	<u>3,155,651</u>
TOTAL EQUITY		<u>10,762,792</u>	<u>10,155,651</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, 2023

	Donations Contributed \$	Retained Surplus \$	Total \$
Opening Balance as at 1 July 2021	7,000,000	4,195,365	11,195,365
Surplus/(Deficit)	-	(1,039,714)	(1,039,714)
Closing Balance as at 30 June 2022	<u>7,000,000</u>	<u>3,155,651</u>	<u>10,155,651</u>
Opening Balance as at 1 July 2022	7,000,000	3,155,651	10,155,651
Surplus/(Deficit)	-	607,141	607,141
Closing Balance as at 30 June 2023	<u>7,000,000</u>	<u>3,762,792</u>	<u>10,762,792</u>

STATEMENT OF CASH FLOWS FOR THE YEAR ENDED 30TH JUNE, 2023

	2023 \$	2022 \$
CASH FLOWS FROM OPERATING ACTIVITIES		
Interest Received	10,800	610
Refund of Franking Credits	69,189	36,652
Refund/(Payment) of GST	7,603	15,067
Payments for Education Funding Projects	(252,208)	(332,486)
Payments to Suppliers for Goods and Services	(75,786)	(71,848)
NET CASH USED IN OPERATING ACTIVITIES	<u>(240,402)</u>	<u>(352,005)</u>
CASH FLOWS FROM INVESTING ACTIVITIES		
Net cash flow from managed investments	450,000	550,000
Net cash flow from investment at call	(210,000)	(160,000)
NET CASH PROVIDED BY INVESTING ACTIVITIES	<u>240,000</u>	<u>340,000</u>
NET INCREASE/(DECREASE) IN CASH HELD	(402)	(12,005)
CASH AT THE BEGINNING OF THE FINANCIAL YEAR	15,695	27,700
CASH AT THE END OF THE FINANCIAL YEAR	<u>15,293</u>	<u>15,695</u>

AUSTRALIAN WOOL EDUCATION TRUST
ABN 12 886 519 613
NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 30TH JUNE, 2023

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 14th 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 reflected 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, 2023

2. REVENUE	2023	2022
	\$	\$
Operating Activities:		
Interest from Bank Bills & at Call	12,324	772
Income from Managed Investments:		
Interest from Preference Shares, Term Deposits and at call Cash	3,862	131
Dividends & Franking Credit	332,501	392,396
	<u>348,688</u>	<u>393,299</u>
Total Revenue	<u><u>348,688</u></u>	<u><u>393,299</u></u>
 3. AUDITORS REMUNERATION		
Remuneration of auditor		
- audit	<u>2,800</u>	<u>2,750</u>
	<u>2,800</u>	<u>2,750</u>
 4. EDUCATION FUNDING PROJECTS		
Agricultural Colleges 1 Year Scholarships	9,000	18,000
Annual Scholarships for University Honours Students	42,000	84,000
Education for Schools - AWI School Uniform Design Competition	15,000	-
Education Institutes Meeting Expenses	999	-
Marcus Oldham College - Alastair Mackenzie Scholarship	10,000	10,000
Subsidies to External Institutions	-	16,000
UNE Research Agreement	170,000	150,000
UNE RamSelect / AskBill	4,209	12,484
VET Scholarships	24,000	-
School of Fashion & Textiles Grant	46,000	42,000
Small Initiatives Grant	6,000	8,000
AWI Co-Funded Projects	10,000	-
	<u>337,208</u>	<u>340,484</u>

AUSTRALIAN WOOL EDUCATION TRUST
ABN 12 886 519 613
NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 30TH JUNE, 2023

	2023	2022
	\$	\$
5. CASH AND CASH EQUIVALENTS		
Cash at Bank	15,293	15,695
Short Term Deposits at Call	<u>490,000</u>	<u>280,000</u>
	<u>505,293</u>	<u>295,695</u>
6. RECEIVABLES AS CURRENT ASSETS		
Debtors - Refund Due for GST Paid	2,248	2,650
Accrued Income	<u>155,403</u>	<u>218,783</u>
	<u>157,651</u>	<u>221,433</u>
7. OTHER CURRENT ASSETS		
Prepayments	<u>2,614</u>	<u>2,323</u>
8. FINANCIAL ASSETS		
Managed Investments (Mogan Stanley):		
Investment Valuation	<u>10,187,586</u>	<u>9,644,908</u>
	<u>10,187,586</u>	<u>9,644,908</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	2,800	2,750
Bank Charges	12	13
Trustees' Fees	-	1,637
Sponsorship	85,000	-
Admin & Misc	2,540	4,308
Creditors:		
Rounding	<u>-1</u>	<u>1</u>
	<u>90,352</u>	<u>8,708</u>

AUSTRALIAN WOOL EDUCATION TRUST
ABN 12 886 519 613
NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED 30TH JUNE, 2023

10. PROJECTED FUNDING COMMITMENTS

Contracted and Conditional Funding Commitments

Payable not later than 1 year:

- UNE Agreements	170,000	216,674
	<u>170,000</u>	<u>216,674</u>

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

- UNE Agreements	510,000	702,643
	<u>510,000</u>	<u>702,643</u>
	<u>680,000</u>	<u>919,317</u>

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

2023	2022
\$	\$

11. RELATED PARTY TRANSACTIONS

Remuneration of Trustees	<u>27,524</u>	<u>26,188</u>
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Trustees who held office during the financial year were:

Mr A. C. Archer
 Mr M. A. Jackson
 Ms B. McGahan
 Mr P.J. Sommerville
 Dr E.J. Dawson
 Prof A.V. 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.

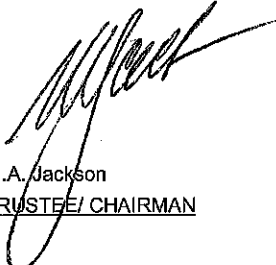
AUSTRALIAN WOOL EDUCATION TRUST
ABN 12 886 519 613
DECLARATION BY TRUSTEES

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.

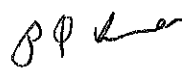
The Trustees declare that:

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, 2023 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 2022/23, 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 fourteenth day of November, 2023

**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 2023, 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 2023, 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' 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.

Melbourne

Level 5 North Tower
485 La Trobe Street
Melbourne, Vic 3000

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An independent member of
Walker Wayland Australasia Limited



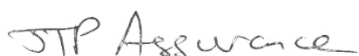
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AUSTRALIA • NEW ZEALAND

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
Chartered Accountants



SAM CLARINGBOLD
Partner

Signed at Melbourne this 14th day of November 2023

Melbourne

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