



# Annual Report

2022 / 2023

30 YEARS



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## 2023 AT A GLANCE

**14,795**

**REGISTERED  
CLASSERS**

WOOL CLASSING

**\$0.7M**

**DEFICIT  
FINANCE**

**1.63M**

**BALES SOLD  
AUCTION TRADING**

**74.8%**

**DECLARED NWD**

NM 19.8%

CM 3.2%

AA 41.2%

INTEGRITY

**19.12M**

**SUSTAINAWOOL GREASY KGS SOLD**

9.3% AUSTRALIAN MERINO LOTS OFFERED

SUSTAINABILITY / INTEGRITY

**159,279 (+81.8%)**

**WOOLCLIP BALES**

~9.7% of Total Bales Sold

>1,600 WOOLCLIP EXTENSION ATTENDEES

WOOLCLIP / TRACEABILITY



## OUR PURPOSE

‘Delivering services that strengthen, inform and increase confidence in the quality and integrity of Australian wool.’

## OUR PRODUCTS & SERVICES



### Wool Classer Standards & Classer Registration

Now in its 60th year, recognised wool classers in Australia are those registered with AWEX.

To be registered as a wool classer with AWEX, a wool classer must have successfully completed a recognised training course in wool classing / wool preparation (Certificate III or IV).

Wool Classer Standards are maintained via the AWEX Wool Classer Code of Practice.

To help maintain the highest standards of wool classing and clip preparation, AWEX also provides Masterclasser training and regular feedback to registered classers on clip preparation and performance.



### Digital Wool Specification & On-Farm Data Capture Platform

An online internet and mobile app that allows the user to create digital wool Specifications, Consignments, scan and capture eBale and National Wool Declarations (NWDs).

Designed for the Australian on-farm environment, the mobile app can still be used where there is no internet access.

WoolClip easily connects to eBale and can transfer data to the nominated marketing organisation and Owner/Manager.

The data captured in WoolClip increases data accuracy, reducing errors, simplifies mob level data capture, improves collaboration, increases speed to market and is the first step to enable digital traceability from farm to processor.



### Wool pack standards & ePacks

AWEX developed maintains Australia's wool pack standards for quality, efficiency and supply chain utility for all new wool packs imported and used in the country.

From July 1 2023, all wool packs imported into Australia are ePacks, that use a combination of QR codes and RFID tags with a unique number, enabling digital transfer of data & traceability of bales both on-farm & along the supply chain.

Designed to be easily used with WoolClip, an ePack unique number can be captured on-farm, connected to the WoolClip digital specification & traced along the supply chain.

The RFID technology used in ePacks is in demand from brokers, warehouses, dumps and processors to accelerate automation in their commercial setting.



### Australia's Sustainability Integrity Scheme

The SustainaWOOL Integrity Scheme has been owned and managed by AWEX since July 2019.

SustainaWOOL is an ISO-9001:2015 certified scheme that builds on the NWD, quality wool preparation, aligns to the “Five Freedoms” of animal welfare and measures sustainable environmental and social impact practices.

In recognition of the importance of quality assurance to industry, SustainaWOOL members are audited, and must meet quality preparation standards with wool prepared by a trained and registered wool classer.



### The National Wool Declaration (NWD) Integrity Program

With enduring focus from the wool supply chain, accurate and complete data relating to Mulesing status is critical for Australian wool to maintain its markets.

Introduced in 2008, the NWD is recognised as a successful voluntary industry scheme, with customers reflecting the importance of this information via consistent price premiums for declared wool compared to discounts received for non-declared wool.

To maintain confidence in the NWD, AWEX leads regular reviews of the program in consultation with industry, as well as undertaking a valued desktop and on-farm audit of declarations as part of the Integrity Program.



### Wool Operations, Auction Management and Integrity Services

AWEX offers an auction management service to the Australian wool market and is a member of the National Auction Selling Committee (NASC).

To help underpin confidence in the Australian wool industry's auction process, AWEX also undertakes integrity checks across the market, conducting weekly sale audits on every sale lot for:

- Wool type (AWEX-ID) (on every lot)
- Clip preparation (classed & unclassed lots)
- Wool classer registration status (classed lots)
- SustainaWOOL eligibility (declared and undeclared lots)
- Mulesing Status (randomly selected clips)

# CHAIR'S REPORT



**“The AWEX Board has a compelling strategic vision and ambition for AWEX now and into the future.”**

**Andreas Clark, Chair**

Having completed my first year as Chair of AWEX, I am pleased to deliver this update on AWEX's performance during 2022-23 and report on how the organisation delivered against its agreed strategy to support the Australian wool industry.

AWEX completed the financial year ended 30 June 2023 with a deficit of \$0.71mil (2022 surplus of \$0.40mil) following three consecutive years of operating surpluses totalling \$2.2mil. Revenue was \$6.0mil (2022: \$5.5mil) comprising mainly bale label sales of \$2.7mil (2022: \$2.7mil), recognition of income for the second year of triennial registration of wool classers being \$1.6mil (2021: \$1.5mil), and various service fees of \$1.4mil (2022: \$1.2mil).

The Board approved a strategic drawdown on reserves during the year to support a range of key initiatives to deliver on our Strategic Plan, as outlined in further detail below. We were in a position to do this due to the steady and planned accumulation of reserves over the past few years. As at 30 June 2023, cash and other financial assets remained a healthy \$9.4mil, in line with our reserves policy which has been set to ensure there are sufficient funds to meet all our outstanding liabilities at any point in time, and a minimum level of coverage of forecast operating cash flows. Our reliance on a narrow set of revenue streams continues to be a key business risk and planning is underway to address this.

The Audit, Risk and Investment Committee continues to closely monitor AWEX's investment portfolio to ensure compliance with the investment policy and oversee performance by our fund manager - Macquarie.

The Board and management of AWEX reviewed and updated the strategy for 2023-27, with greater focus on developing our services to members and industry through collaboration, independence, integrity & integration of systems/data, and extended communication to enhance understanding of AWEX's vision for its future platforms. Key highlights for 2022-23 are set out below.

The response to the eBale announcement has been positive from growers and throughout the industry (including customers overseas) which in turn is having a positive influence on the uptake and interest in WoolClip which has achieved better than target volume.

In Season 2022/23 159,000+ bales had been captured on WoolClip (target 125,000) and achieved +82% when compared to 2021/22.

WoolClip is a strategic asset and a key platform in wool traceability and the significant investment in supporting ongoing extension activities has been critical in delivering this result. Ongoing and effective collaboration with key industry partners continued to strengthen during the year which further supported the growth of WoolClip as the preferred on-farm platform for the industry.

There are significant opportunities ahead for further collaboration to support our collective ambition to ensure the industry is global leader on traceability, animal welfare, quality assurance and data integrity through the supply chain – four key elements for the long-term success of the Australian Wool Industry given the increasing demand for provenance and integrity of source.

The 2022-24 Wool Classer registration is at the half-way point with 14,749 classers registered to date. The decline in classer numbers has slowed but we are buoyed by the fact that enrolments in classer courses and new registrations from recent graduates is turning this around.

New classer registration is running at a similar if not slightly higher rate than 2019-21.

The AWEX Board, however, is concerned about the findings from a survey of professional wool classers conducted during the year. Although there was a clear message from classers that they are passionate and proud of the wool industry and the part they play in it, a poor and unsafe workplace environment is impacting the industry's ability to attract and retain new staff. Maintaining a positive and safe culture in the wool shed is paramount to attracting new staff to the wool industry. Messages of zero tolerance are important to signal the level of concern and seriousness we, as an industry, have towards issues that impact the culture and future of the wool shed workforce. AWEX is committed to work with industry bodies and associations to develop awareness and structures to support and drive a positive culture and environment.

During the year, the Board approved the appointment of an external consultant to undertake an organisational review to ensure we are well placed to take advantage of the investment in systems and technologies to deliver critical industry services and to address the issue of succession in key roles and mitigate key person risk. Following the review, the Board approved a number of new roles to assist AWEX to achieve its strategic goals over the next few years. These new positions have been filled.

SustainaWOOL (SWIS), the 100% Australian quality assurance and integrity scheme, has completed its fourth full year within AWEX. Following a competitive process, KPMG was engaged to undertake a review of SWIS to provide a recommended MVP for a simplified but effective Australian sustainability integrity scheme and advice on key resources or skills required to deliver it along with a feasible and sustainable financial model.


KPMG undertook a comprehensive industry scan and extensive stakeholder consultation to inform their findings. The feedback from industry confirms a significant commitment from industry to an Australian owned integrity scheme, "Australia telling its own story" and AWEX is firmly

committed to implementing the KPMG outcomes and is providing additional resources to do so.

The scheduled review of NWD V9.3 is currently underway by the independent Industry Consultative Committee specifically set up for this review and is chaired by Russell Pattinson. The NWD has established itself as an important document through the supply chain as Australia's wool customers seek evidentiary assurance of their purchases. This important review has been informed by a broad range of submissions which have been published on the AWEX website and the Committee is expected to report to the AWEX Board in late 2023.

This is the first year AWEX has worked with our new auditor, Pitcher Partners and pleasingly it has been a seamless transition. Our thanks to the lead partner, Chris Chandran for the independent, thorough and dedicated annual audit process.

I also wish to acknowledge and thank all members of the Board for their commitment and contributions. It has been a pleasure to work with a collegiate and engaged cohort who are unified in ensuring AWEX delivers outstanding service. Finally, my thanks to the AWEX team and our CEO, Mark Grave. Upon taking up the role of Chair I have been deeply impressed by the passion and dedication to serve our members and the broader wool industry. It is an exciting era for AWEX as the team expands and we commit significant resources to delivering critical projects over the coming years.

A handwritten signature in dark ink, appearing to read 'Andreas Clark'.

**Andreas Clark**  
**Chair**

October 2023

# CEO'S REPORT



**“Members can be proud of what AWEX has achieved over 30 years.”**

**Mark Grave, CEO**

## 30 YEARS

For AWEX to have successfully reached the 30 year milestone is not an accident, nor just good luck, it has been achieved with the support of members, guided by a committed Board, and providing suite of relevant services valued by stakeholders.

I have endless respect for AWEX’s first Boards and management in the early 1990’s, for it was then that challenging decisions were made laying the foundation for who AWEX is today. The vision of 30 years still guides AWEX today and I would like to think that we have continued to uphold the legacy started in 1993 and evolved as an organisation as the industry, technology and member’s needs have evolved.

AWEX services have been developed by skilled staff who understand the wool industry and the value AWEX can add to support Australian wool. I am proud of what AWEX has achieved over the 30 years and the services AWEX provides for the benefit of members and industry. These are not hollow claims but fact.

Core to AWEX’s DNA is quality and integrity. These core values apply across all AWEX services and are at the heart of AWEX’s identity. I am constantly amazed by the exceptional talent and integrity of our staff, some of whom

have been with AWEX for more than 25 years. Their passion for the industry and to improve is infectious.

Members have come to rely on their unchallenged expertise, particularly in times of crisis, and their depth of industry (technical) knowledge. “We Know Wool”.

Over the past decade AWEX has invested heavily in new technology and re-written systems that will hold AWEX, and the industry, in good stead for the decades to come. This investment is strategic and one that places AWEX and its systems at the leading edge in terms of security, flexibility and capability. WoolClip was built with full traceability in mind, and it is this forward thinking that will benefit the industry for years to come.

2022/23 was a year of change where AWEX commissioned two significant projects:

The first, a review of AWEX’s Structure and Organisation Re-Design and the second, a review of a Wool Industry Integrity Scheme and what a minimum viable product for the industry would look like.

Both projects demonstrate the Board’s commitment to AWEX and the industry.

## AWEX Organisation Re-Design

Following the completion of an independent review, the Board accepted a recommendation to change the reporting structure within AWEX to meet AWEX’s future needs by increasing accountability, skills, and capability.

Today’s wool industry operates in an environment of high demand and for the broad range of services AWEX provides it requires additional and new skills to meet the demand of members and customers alike.

Through a heavy recruitment drive AWEX has brought in new people to the industry that have the skills and a fresh perspective which has energised all staff that will drive AWEX’s product offer, service delivery and communications with all stakeholders.



This has been the most significant intake of new staff with impressive results and increased productivity already being generated.

## Industry Integrity Scheme - Minimum Viable Product

The scope of this project was broad, however, KPMG were challenged with the responsibility of completing this project in a short time frame.

A cross-section of industry stakeholders were interviewed (Domestic & Overseas) as well as a scan of current sustainability & integrity schemes to draw recommendations from.

As a result, key recommendations were made and accepted by the AWEX Board, being:

- The importance of establishing key Marketing & Brand Partnerships,
- A strategy for Grower Participation,
- WoolClip is a strategic asset,
- Additional reporting requirements on the horizon,
- The establishment of “OneWool”, an industry solution data hub.

The recommendations have already served as a blueprint guiding AWEX’s review of SustainaWOOL ahead of its relaunch in 2024.

Members will hear more of this relaunch early in 2024.

## Wool Classing

Wool Classing and the performance of Australian wool classers is synonymous with quality and integrity. It is for these reason that quality remains a key focus for AWEX now and of increasing focus for the industry into the future.

With 14,795 registered wool classers (Sept 2023) across Australia, their role and position in the Australian wool industry as a trusted wool professional is more than ever critical to the industry today.

Reinstating the profile and status of wool classers is a challenge we have to accept as an industry.

In November 2022, AWEX completed a survey of wool classers to understand the working environment they witness on a daily and weekly basis. The results of the survey are alarming and whilst classers express their passion for the industry and love for wool, the conditions they are being met with is not what any of us would accept as reasonable working conditions in any sphere of employment.

The issues raised were in two broad categories:

1. Structural issues &
2. Cultural issues.

Structural issues are the most easily fixed being improved & maintained facilities such as the wool shed, toilets, floorboards in the shed etc. The most difficult to fix are the cultural issues including Drugs, Alcohol, Bullying and Harassment. It is the cultural issues that cannot be solved by any one person but by the industry working together and taking a stance against unacceptable behaviour.

The wool industry is not unique with these issues but that is not justification to be complacent.

There is much work to do to improve if we want to attract, train and retain staff in the wool industry. The AWEX Board and management see this as one of the most serious and highest priority tasks on our agenda. This requires full member support.

## Dr Kerry Hansford

Dr Kerry Hansford, after 40+ years of an outstanding career announced her retirement effective October 2023.



Kerry joined AWEX in 2007, at a time when AWEX had several projects to commence and implement needing someone with a scientist's discipline, extensive knowledge of the wool supply chain and someone who was respected across all industry stakeholders.

What ensued was 16+ years of active engagement on behalf of AWEX with industry that has left an indelible mark on the industry and a foundational body of work that will influence the wool industry for many years to come.

Some of the milestones and achievements since joining AWEX include:

- A review of branding fluid – the impact of colour, application, sheep breed,
- The Sheep Breed Compendium,
- Wool pack review - resulting the new 5 panel pack to improve their performance, especially to comply with road safety laws,
- Bale label review and design - Removal of the original bar code, coming up with a design which is the template of today's bale label (pre-RFID).
- RFID review (the beginning of the eBale project). This was as much a technical review as it was an operational review to ensure the industry had a robust RFID & packaging to withstand the rigour of the wool supply chain from farm through to overseas processor. Kerry presented a paper on this

research to IWTO in 2016.

- eBale –the RFID positioning and the introduction of the QR Code (thank you COVID). This is today's bale label template that we use with WoolClip and is the conduit to full traceability across the wool industry.
- ISO 9001. Introducing ISO to the NWD and SustainaWOOL.
- ISAC/ICC – Managing and driving these important industry consultative committees for AWEX.
- NWD – Developing and implementing the NWD in 2008 with on-farm inspections and protocols in 2010. The Integrity Program including FAQ's, desk audits, monitoring inspections, reporting to industry, consulting with stakeholders, COMPLIANCE – maintaining the highest levels of confidence, trust and respect.

Kerry had many more achievements prior to her joining AWEX (DMFR, CSIRO) and we wish her the very best in her future.



## Traceability

Traceability remains increasingly of interest to the Australian and global wool industry, both to support the sale of wool, and also increasingly to support marketing and sustainability claims and commitments along the supply chain.

We know traceability works best when trusted and secure data is available, and when the data journey starts at the point of origin, on-farm.

With the adoption of technology available for use on-farm, such as WoolClip and eBale, the wool industry will become more efficient in the transfer of wool data, significantly reducing errors in data capture and wool movements across the country.

Traceability relies on well-developed systems. AWEX has invested significant resources over the years in developing modern cloud-based systems to support the services that AWEX provides, of which WoolClip and eBale are now a fundamental part.

### Together, eBale & WoolClip deliver benefits via improved or enhanced:

- **bale traceability and inventory management,**
- **information flow from farm to processor (including accurate identification and logistics management from farm to mill),**
- **identification of wool bales in the event of an Exotic Animal Disease outbreak,**
- **downstream (processing mill) logistic efficiencies, and**
- **reputation of the Australian wool industry for integrity and innovation**

WoolClip is an on-farm data capture platform that synchronises web and app, captures on-farm wool data including shearing details, mobs, bales, and the National Wool Declaration (NWD). WoolClip has also been built to deliver eBale functionality, providing a real-time, uniquely identified and secure record of a wool bale as it is created, create an e-specification and can share this data directly to the broker of choice.

The WoolClip + eBale system has been designed to be simple to use, providing benefits to the wool pipeline with timely and error free delivery of data to warehouses.

An additional benefit, in the event of an Exotic Animal Disease (EAD) incursion, will be the ability for the industry and Government agencies to more rapidly and accurately detect and isolate impacted products, which will be critical to the wool trade and the confidence our customers have in Australian wool.

## eBale / ePack

As of July 2023, all wool packs brought into Australia are eBale/ePacks, wool packs pre-embedded with RFID chips and matching QR codes holding unique bale identification, allowing for digitised traceability through the supply chain.

When used with WoolClip, eBale technology will make it easier and faster for the 'source of truth' on farm to be traced through the supply chain with the use of electronic (non-paper) Wool Classer Specifications. There is strong interest from overseas processors to utilise RFID in their warehouses.



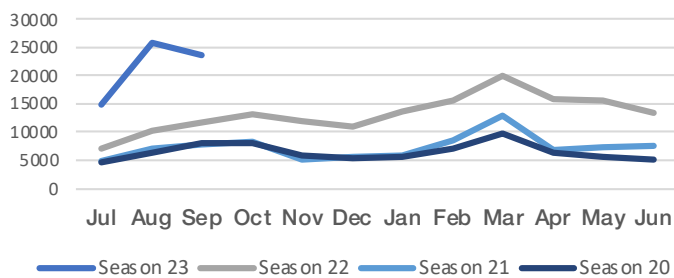
WoolClip is the AWEX software platform developed to capture and distribute wool data. The platform works online and offline which is an advantage in Australia's regional wool growing areas. AWEX appointed John Cox as the WoolClip Program Leader in January 2022, this appointment continues to prove successful with WoolClip use accelerating in season 2022/23, underpinned by AWEX's training & extension program and Broker and Private Treaty Merchant support for adoption of the technology.

In 2022/23 a total of 159,279 bales were captured using WoolClip.

- +81.8% increase on 2021/22,
- ~8.6% of estimated wool production (WPEC).

Uptake of WoolClip continues to accelerate into the 2023/24 season with a +120% increase in the first quarter vs the year prior.

#Wool Bales using WoolClip



### WoolClip Optimisation

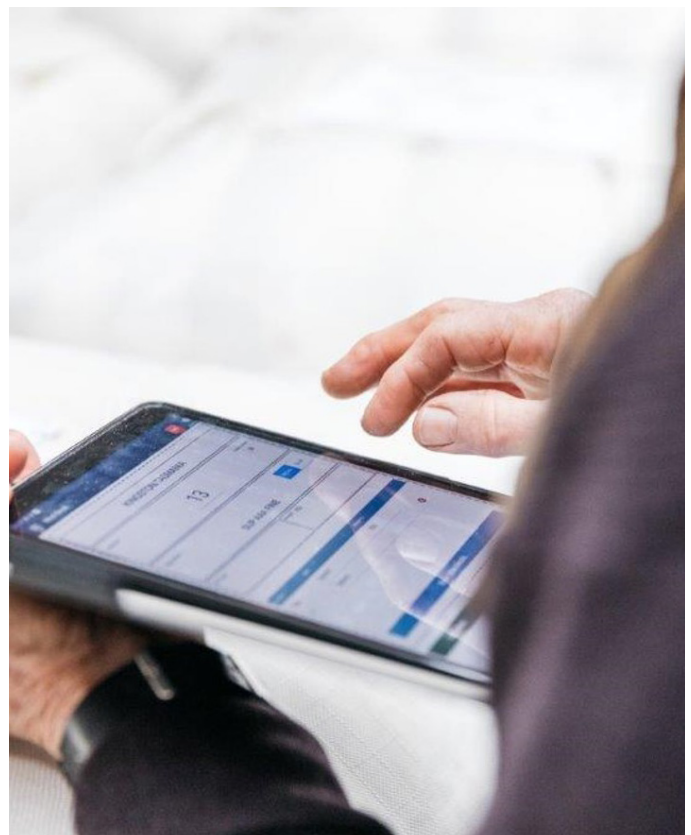
AWEX remains committed to ensuring WoolClip offers a fit-for-purpose on-farm data capture platform that is easy to use and offers utility for users. User feedback is regularly reviewed to identify further improvement opportunities.

AWEX is currently working on a new release of features for WoolClip including allowing Classers to send a link to a Grower to collect job information directly into WoolClip and also being able to add bales from a previous job to a current job's specification.

### WoolClip Training & Extension

AWEX's investment in WoolClip extension and training continues to receive positive feedback from participants appreciating the support from AWEX WoolClip trainers and interaction with others during training groups. These popular sessions allow users to gain confidence using WoolClip and to be able to see firsthand how to create a WoolClip specification and incorporate eBale technology, with workshops structured to meet the level of all participants, from those with a high level of technology skills to first time users.

In season 2022/23, AWEX delivered 68 WoolClip Training & Extension sessions, with over 1,600 attendees across the country, including growers, classers, brokers and private treaty merchants, all interested in learning more about the platform and applying WoolClip technology to their businesses.



## NWD Integrity Program

Now in its 15th year since its introduction in 2008, and with on-farm inspections commencing in 2010, the NWD and the NWD Integrity Program continues to be a trusted voluntary scheme, used by the industry globally as a trusted source of information regarding Mulesing Status (MS).

The NWD Integrity Program is valued by the supply chain as Exporters require certificates of verification from AWEX in support of purchases for their customers. AWEX receives NWD Mulesing Status verification requests on a weekly and daily basis.

AWEX data indicates total declaration rates have plateaued over the last three seasons declining from

76.1% (S2020/21) to 74.8% (S2022/23). The 1.3% decline in declaration rate over this 3-year period is of concern, as ND has increased by 2.5% and it is being heavily discounted compared to all other categories.

One of the key benefits of using WoolClip is that all documents, including the NWD, are current. There are no old legacy documents that exist in software, only on paper-based documents.

This is important to ensuring the relevance of the NWD and a benefit to Australia's wool customers who require greater transparency of their purchases.

We continue to see the importance of the NWD to customers, with consistent premiums and discounts applied for declared and non-declared wool respectively.

### For Merino Wool:

In Season 2022/23, compared to Merino wool declared as Mulesed (M),

- Merino wool that is not declared (ND) is discounted on average:
  - 16 micron -39 c/kg clean
  - 17 micron -28 c/kg clean
- 17–21 micron wool declared as mulesed with Analgesic/ Anaesthetic (AA) receives a premium of +19 to +4 c/kg clean respectively, compared to wool declared as M.

### For the Crossbred wool market:

- Analysis of auction data shows that even for 27–29 micron wool, discounts of between -4 to -15 c/kg clean apply to ND wool.

**Declaration Rates (%) by Mulesing Status and State for Seasons 2010/11 - 2022/23**

Season	2010/11	2015/16	2020/21	2021/22	2022/23
<b>National Decl. Rate</b>	42.2	55.0	76.1	75.3	<b>74.8</b>
<b>By Category</b>					
<b>NM</b>	5.5	9.1	15.1	17.6	<b>19.8</b>
<b>CM</b>	3.1	2.8	4.1	3.0	<b>3.2</b>
<b>LN</b>					<b>0.1</b>
<b>AA</b>	8.4	22.8	40.6	40.5	<b>41.2</b>
<b>M</b>	25.3	20.3	16.3	14.2	<b>9.2</b>
<b>ND</b>	57.8	45.0	23.9	24.8	<b>26.4</b>
<b>By State</b>					
<b>NSW</b>	43.2	63.1	81.4	80.0	<b>77.2</b>
<b>QLD</b>	30.0	47.4	80.3	84.2	<b>86.0</b>
<b>SA</b>	43.6	61.3	83.0	81.3	<b>79.5</b>
<b>TAS</b>	69.1	67.2	87.0	81.2	<b>83.2</b>
<b>VIC</b>	45.3	65.2	82.8	80.1	<b>76.7</b>
<b>WA</b>	36.5	23.9	50.7	51.5	<b>54.2</b>

**NWD Declaration Rates (%) and Mulesing Status by State for Season 2022/23**

Mulesing Status	NSW	QLD	SA	TAS	VIC	WA	Total Bales
<b>NM</b>	23.7	40.0	12.2	43.5	23.6	6.8	<b>293,261</b>
<b>CM</b>	3.5	4.4	3.3	8.1	4.1	0.8	<b>47,903</b>
<b>LN</b>	0.1	0.0	0.1	0.0	0.2	0.0	<b>1,272</b>
<b>AA</b>	39.8	32.1	52.8	25.5	43.0	36.7	<b>609,092</b>
<b>M</b>	10.1	9.4	11.1	6.1	5.8	9.9	<b>136,413</b>
<b>ND</b>	22.9	14.0	20.6	16.8	23.2	45.8	<b>390,578</b>
<b>Total Bales</b>	<b>588,307</b>	<b>46,392</b>	<b>230,571</b>	<b>45,669</b>	<b>291,077</b>	<b>276,503</b>	<b>1,478,519</b>
<b>% Declared</b>	<b>77.2</b>	<b>86.0</b>	<b>79.5</b>	<b>83.2</b>	<b>76.7</b>	<b>54.2</b>	<b>74.8</b>

State breakdown of the data identifies those states which continue to lead the way in declaration rates and those who have the most opportunity to improve.



## NWD V10.0 Finalised

The 2023 Review of the National Wool Declaration (NWD) was undertaken by an Industry Consultative Committee (ICC) comprising the following associations: ACWEP, IWBA, NCWSBA, PTWMA & WPA.

As the NWD V9.3 had only recently been implemented (25 July 2022), the ICC agreed to maintain the status quo and to only make constructive amendments or improvements, if required. No major changes were proposed, with the AWEX Board accepting the ICC's recommendations.

The key changes to the NWD V10.0 were:

- a. The definition of NM be changed from “No sheep in this mob have been mulesed or treated with liquid nitrogen” to “Sheep in this mob have not been mulesed or treated with liquid nitrogen.
- b. The retention of LN in the NWD, using the current definition, and
- c. The current definition (NWD V10.0) of CM be retained with the addition that eligibility for CM is defined within the NWD Definitions/Supporting Explanations viz.

<b>Ceased Mulesing (CM)</b>	<p>No lambs born on this property in the last 12 months have been mulesed<sup>^</sup>.</p> <p>No mulesed<sup>^</sup> (or AA) ewes or wethers have been purchased in the last 12 months.</p> <p>Note: For a property to be eligible for CM status, the answer to both CM property questions must be No.</p>
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## NWD V10.0 Documentation

AWEX has published NWD V10.0 Brochures, FAQs, Business Rules and NWD templates at [www.awex.com.au/standards/national-wool-declaration-nwd](http://www.awex.com.au/standards/national-wool-declaration-nwd) The templates are a standardised landscape and portrait Classer's Specification including the NWD, as well as a single page NWD, and a separate NWD to add to the bottom of a broker's current Specification. AWEX is now highlighting (in Red) the necessary information to complete the NWD correctly. A broker's company logo can be added to the preferred format - please contact AWEX to facilitate this.

The NWD V10.0 will come into effect on 1 July 2024. As there are no business logic changes, selling agents are encouraged to adopt NWD V10.0 as soon as they next print shearing stationery. The small changes to WoolClip will be released in October 2023.

Note: Industry stakeholders must not change any wording or definitions in the NWD V10.0 to ensure consistency and provide clarity to our customers enabling informed purchasing decisions.

## Australia’s Sustainability Integrity Scheme for all wool growers

AWEX remains committed to providing an Australian industry led sustainability scheme for the betterment of its members and industry.

Sustainability remains a priority for the wool industry and its customers, and is an area that continues to develop, with definitions, accepted metrics and legislations associated with sustainability continuing to evolve and is increasingly being linked to digital traceability.

Through AWEX’s various services, both the on-farm data capture and traceability enabled through WoolClip and eBale, NWD Integrity Program declarations and audits, along with AWEX’s commitment to quality clip preparation through use of a registered classer (‘P’ certificate) and sale lot audits, AWEX is uniquely placed to offer a credible, Australian industry owned sustainability integrity

scheme for wool growers that assures wool customers of the quality clip preparation and integrity of data they are increasingly demanding.

In 2023, the AWEX Board commissioned a KPMG review of the Scheme, to determine what a Minimum Viable product (MVP) of the Scheme would need to be to ensure it is ready to meet the future needs of the wool supply chain.

This review included seeking feedback from industry and highlighted areas of strength and opportunities to invest in and improve on, including brand building, industry collaborations, automation of data collection and digital traceability.

These recommendations, alongside feedback garnered through a consultative process with industry currently underway by the SustainaWOOL team, will form the basis of a relaunch of the program in 2024.

### Year-end market share figures for the SWIS program

SW Auction offering (adjusted for SWIS catalogue audit process)	2021/22 Season	2022/23 Season
<b>Bales</b>	106,136	105,673
<b>Lots</b>	21,009	20,686
<b>Share of all lots offered (Mer + XBD)*</b>	8.7%	8.7%
<b>Share of Merino lots offered*</b>	9.4%	9.3%

\*All breeds & wool types offered at auction, excludes NZ, P Certs only. Figures represent GOLD, GREEN and BLUE members.

Market share has remained similar although slightly lower than the previous season.

### Catalogue compliance figures for the SWIS program

Compliance metric	Unit	Season 21/22		Season 22/23	
		No	%	No	%
<b>Avg. Detected / wk</b>	Unit	No	%	No	%
<b>Exception Lots</b>	Lots	95.1	18.1%	75.9	14.7%
<b>Exception Lots</b>	Lots	71.0	13.5%	54.4	10.6%

AWEX completes weekly integrity checks on all catalogues for SustainaWOOL. The ‘correctness’ of SW-code declaration in catalogues continues to improve, due to the early audit procedures implemented by AWEX. This is critical in maintaining an informed market.







## Thank You

I want to acknowledge and thank members for their ongoing support of AWEX, their understanding and, at times, appreciation for the job that we do. We value your support.

To AWEX staff, I am extremely fortunate to have such a talented team at our disposal. I believe that we have many once in a generation talents that are largely untapped in terms of their ability, and the industry is better for their commitment to it.

I want to thank my strong and talented management team that keep me on track and continue to innovate, communicate and propel each other, & AWEX, forward. There are exciting opportunities ahead.

To AWEX Chair, Andreas Clark, thank you for the support you provide to myself and AWEX. The fresh perspective and guidance you have brought to AWEX is valued and ensures that the Board and management remains focussed and committed to the tasks at hand.

This year we will bid farewell to Gary Turner after completing 6 years as Director. To all Directors thank you for your support, guidance and challenges that ensure every decision is considered with a strategic mindset and the industry is the better for it.

Finally, I have had the sincere privilege of being CEO of AWEX for the past 20 years and the growth and maturity of the company and the services we provide during that time has been impressive on every level. I am confident in the future of AWEX and the direction we are headed.

**Mark Grave**

CEO  
October 2023

# THE MARKET IN REVIEW

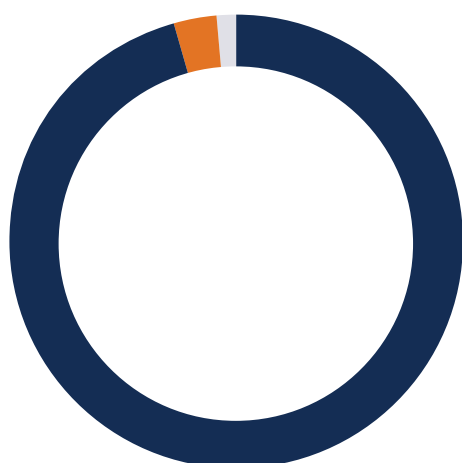
## TOP EXPORT DESTINATIONS 2022-23

DESTINATION	GREASY EQUIVALENT KG	% CHANGE	% OF TOTAL	VALUE AUD\$	% CHANGE
1. China	275.8 MKG	5%	80.6%	\$2,534.2 m.	-2%
2. India	21.6 MKG	26%	6.3%	\$198.9 m.	23%
3. Italy	13.6 MKG	-8%	4.0%	\$218.6 m.	-3%
4. Czech Republic	8.4 MKG	-34%	2.5%	\$51.8 m.	-36%
5. Korea, Republic Of	8.2 MKG	-11%	2.4%	\$49.1 m.	-19%
6. Thailand	3.3 MKG	1%	1.0%	\$34.1 m.	5%
7. Egypt	2.5 MKG	-8%	0.7%	\$32.6 m.	-1%
8. Germany	1.6 MKG	-50%	0.5%	\$7.0 m.	-44%
9. Japan	1.2 MKG	-7%	0.3%	\$21.1 m.	133%
10. United Kingdom	1.1 MKG	-30%	0.3%	\$8.4 m.	-30%
11. Bulgaria	0.9 MKG	7%	0.3%	\$7.1 m.	1%
12. United Arab Emirates	0.9 MKG	-25%	0.3%	\$9.8 m.	-28%
13. USA	0.8 MKG	17%	0.2%	\$4.3 m.	-8%
14. Turkey	0.6 MKG	77%	0.2%	\$4.3 m.	75%
15. Mexico	0.4 MKG	-8%	0.1%	\$2.9 m.	23%
16. Others	1.7 MKG	-29%	0.5%	\$12.0 m.	-38%

**342.4 MKG**

**\$ 3,196.1 Mill.**

### Export Summary by Class (% of mass KG)



■ Greasy	95.7%
■ Carbonised	3.0%
■ Scoured	1.3%
■ Tops	0.0%
Total:	100%



# MICRON GUIDES

## 2022/2023 SEASON PERFORMANCE

### 17 MICRON



2021/22 close: 2723

2022/23 close: 1818

-906 (-33.3%)

	2020/21	2021/22	2022/23
Season Maximum	2623	2829	2751
Season Average	1965	2548	2279
Season Minimum	1340	2329	1793

### 19 MICRON



2021/22 close: 1754

2022/23 close: 1407

-347 (-19.8%)

	2020/21	2021/22	2022/23
Season Maximum	1830	1829	1780
Season Average	1443	1698	1616
Season Minimum	995	1613	1399

### 21 MICRON



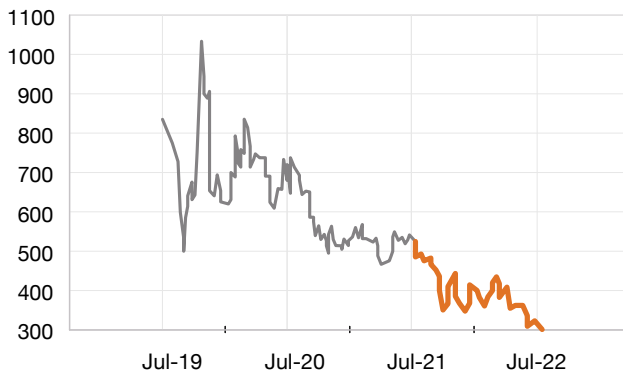
2021/22 close: 1446

2022/23 close: 1247

-199 (-13.8%)

	2020/21	2021/22	2022/23
Season Maximum	1383	1494	1567
Season Average	1198	1319	1384
Season Minimum	869	1215	1242

**28 MICRON**



2021/22 close: 412  
 2022/23 close: 308  
 -104 (-25.2%)

	2020/21	2021/22	2022/23
Season Maximum	673	530	417
Season Average	510	427	347
Season Minimum	396	382	290

**MER. CARD. IND.**

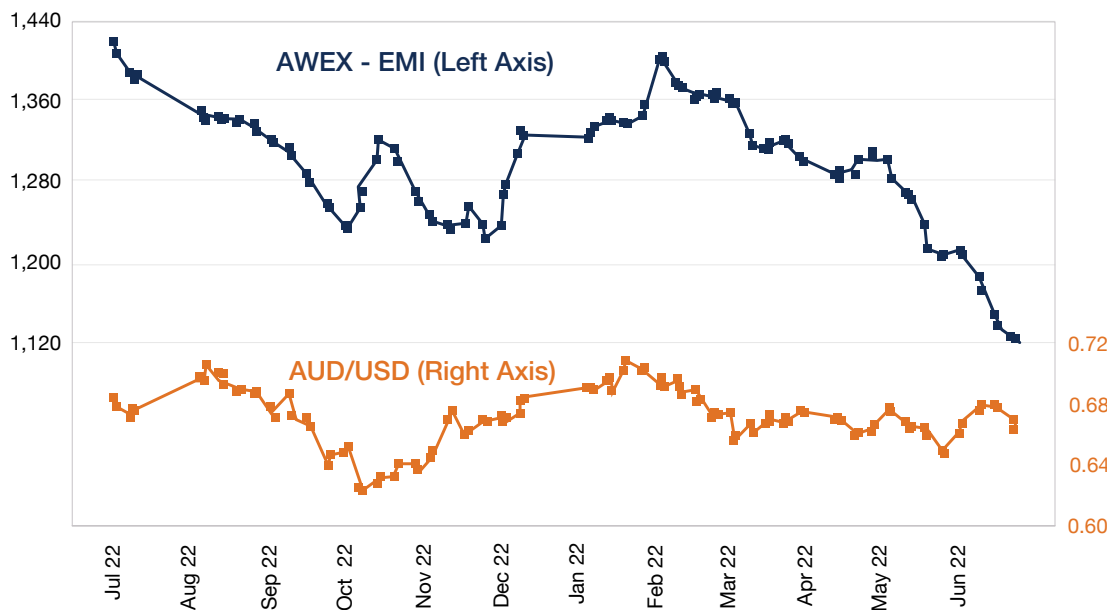


2021/22 close: 920  
 2022/23 close: 728  
 -192 (-20.9%)

	2020/21	2021/22	2022/23
Season Maximum	979	1011	931
Season Average	817	931	856
Season Minimum	581	829	708



## AWEX-EASTERN MARKET INDICATOR



## KEY STATISTICS

	2017/18	2018/19	2019/20	2020/21	2021/22	2022/23
AWEX EMI (ave.)	1734	1944	1459	1206	1385	1301
AWEX EMI USD (AVE.)	1276	1390	975	908	1004	876
AUD (\$ US)	0.736	0.714	0.666	0.725	0.752	0.6729
Sheep Shorn (Mil.)	76	72.5	68.6	66.9	71.6	71.5
Wool Prod. (Mkg)	338 M.	300 M.	284 M.	294 M.	324 M.	328 M.
Auction Offered (AU - Mkg)	336.2 M.	295.2 M.	259.4 M.	316.3 M.	329.4 M.	330.7 M.
Auction Sold (AU Mkg)	317.31 M.	264.2 M.	215.3 M.	279.8 M.	287.7 M.	287.3 M.
Auction Sold (AU Bales)	1,780,555	1,484,744	1,206,493	1,558,820	1,608,032	1,607,799
Auction Sold (\$ Billion)	\$ 3.43 B.	\$ 3.17 B.	\$ 1.95 B.	\$ 2.22 B.	\$ 2.59 B.	\$ 2.42 B.
19 MPG premium over 21 MPG (¢/kg clean)	236 ¢	63 ¢	61 ¢	245 ¢	380 ¢	237 ¢
Exports 19 mic & finer (China market share)	85.0%	83.7%	84.4%	90.9%	87.0%	84.4%
Top 3 export destinations (% market share)	China 74.8% India 5.6% Czech Rep. 5.0%	China 74.6% India 5.7% Italy 4.8%	China 77.5% India 5.2% Italy 4.5%	China (84.4%) Czech Rep. (4.0%) India (3.7%)	China 79.0% India 4.9% Italy 4.8%	China 80.6% India 6.3% Italy 4.0%

# MEMBERS AS AT 30 JUNE 2023

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## TRADING MEMBERS

ACF Wool Traders Pty Ltd  
AR Rhodes & Co (Wool) Pty Ltd  
Australia Beyond Investment Pty Ltd  
Australian Merino Exports Pty Ltd  
Australian Wool & Pastoral Agency Limited  
Australis Wool Pty Ltd  
AWN Rural Pty Ltd  
BA Moses Pty Ltd  
Barwon & Yarra Valley Wool Brokers Pty Ltd  
Beecher Wool Services  
Bryton Wool Pty Ltd  
Coggan Wool Pty Ltd  
Don Belgre Pty Ltd  
Don Macdonald Woolbrokers Pty Ltd  
Dyson Jones Wool Marketing Services  
Elders Rural Services Ltd  
Endeavour Wool Exports Pty Ltd  
EP Robinson Pty Ltd  
Fletcher International Exports Pty Ltd  
Fox & Lillie Pty Ltd  
Fremantle Wool Trading Company Pty Ltd  
G Schneider Australia Pty Ltd  
Goldex Corporation Pty Ltd T/A Mascot Wool  
Gordon Litchfield Wool Pty Ltd  
Hodge Wool Pty Ltd  
Jemalong Wool Unit Trust  
Kathaytex Trading Pty Ltd  
Landini and Co  
Lempriere (Australia) Pty Ltd  
Michell Wool Pty Ltd  
Modiano Australia Pty Ltd  
Natsun Australia Pty Ltd  
Nutrien Ag Solutions  
Ostini Wool Pty Ltd  
PJ Morris Wools Pty Ltd  
Quality Wool Pty Ltd  
Riverina Wool (Aust) Pty Ltd  
S & G Cotton Australia Pty Ltd  
Saunders Wool Pty Ltd  
Scanlan Wools Pty Ltd  
Segard Masurel (Australia) Pty Ltd  
Sequoia Materials Industry Group Australia Pty Ltd  
Spearwood Wool Pty Ltd  
Stockwool Pty Ltd  
Swan Wool Processors Pty Ltd  
Taiyuan International (Australia) Pty Ltd  
Techwool Trading Pty Ltd  
The New Zealand Merino Company Ltd  
Tianyu Wool Pty Ltd  
Tradeswool Country Woolbuyers Pty Ltd  
United Wool Company Pty Ltd  
Victoria Wool Processors Pty Ltd  
Vitale Barberis Canonica Wool  
Watswool Pty Ltd  
Westcoast Wool Unit Trust  
Williams Wool Export Pty Ltd  
Wool Agency Co Pty Ltd  
Yeoward & Co

## ASSOCIATE MEMBERS

Australian Wool Innovation Ltd  
Department of Primary Industries  
and Regional Development  
The Australian Superfine Wool  
Growers' Association Inc

## GROWER MEMBERS

Bickleigh Hillburn Pty Ltd  
Bloomfield Pastoral Company  
Carnbrae Harden Pastoral Co  
Cavanagh Farming  
Hamblin & Co  
Ian Aubrey  
Ian Burbury  
Kentucky Pty Limited  
Kildara Pastoral Co  
KM & YC Gill  
Paling Yards Trading Co  
RD & AM Pietsch T/A Terlinga Partnership  
Richardson Family Trust  
The Mutooroo Pastoral Company Pty Ltd  
WoolProducers Australia Ltd

# COMPANY PRINCIPLES

Although Australian Wool Exchange Limited (AWEX) is not a listed company, it adopts the best practice recommendations as adopted by the ASX Corporate Governance Council in so far as those recommendations are appropriate for a company of the size and nature of AWEX.

## 1. LAY SOLID FOUNDATIONS FOR MANAGEMENT AND OVERSIGHT

AWEX's Constitution sets out the role of the Board. Several Board Committees have been established to assist the Board in carrying out its role.

## 2. STRUCTURE THE BOARD TO ADD VALUE

The Board is comprised primarily of sectoral members, in accordance with the company's Constitution. The Constitution provides for two separate appointees to the positions of Chair and Independent Director. The CEO is not a member of the Board.

Under the Constitution, each Director will retire at the third annual general meeting held after that Director's appointment or election and they may offer themselves for re-election.

Through the Chair, all Board members can take appropriate professional advice at AWEX's expense.

## 3. PROMOTE ETHICAL AND RESPONSIBLE DECISION-MAKING

A code of conduct for staff and Directors has been developed. The company is limited by guarantee and as such there is no trading in company securities.

## 4. SAFEGUARD THE INTEGRITY IN FINANCIAL REPORTING

The Board has an Audit, Risk and Investment Committee which has formal terms of reference.

The Audit Committee meets at least once per year independently of management.

## 5. MAKE TIMELY AND BALANCED DISCLOSURES

The company is not a listed entity and is not subject to ASX Listing Rule disclosure requirements. AWEX does disclose significant information to members through Members' Updates and Media Releases.

## 6. RESPECT THE RIGHTS OF SHAREHOLDERS

The company has members rather than shareholders. The company complies with all relevant legislation, as well as the Constitution, and provides detailed explanatory notices to general meetings of members. AWEX's external auditors, Pitcher Partners will attend the AGM and are available to answer members' questions.

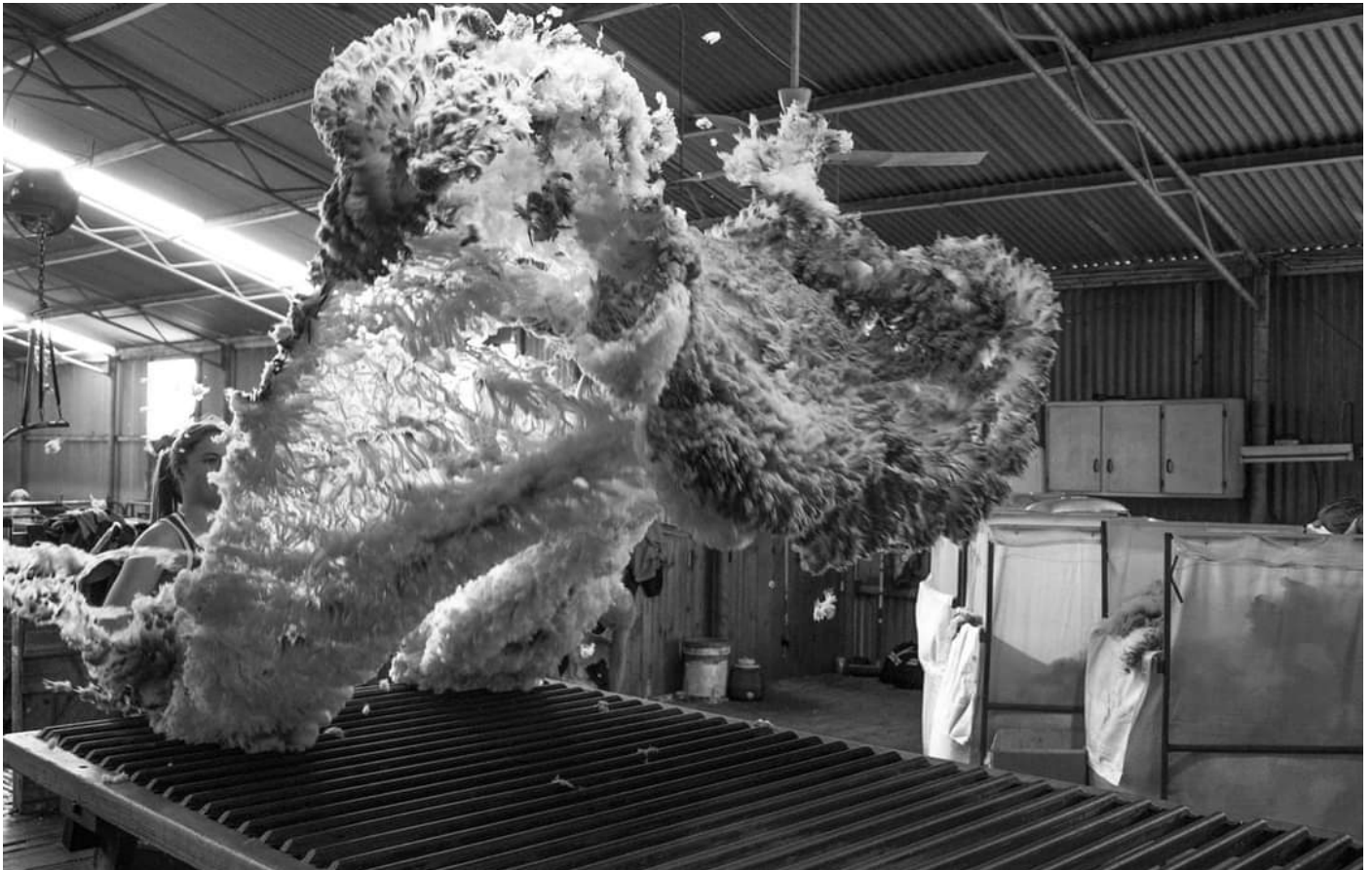
## 7. RECOGNISE AND MANAGE RISK

The Board is responsible for identifying risks and opportunities on a timely basis and has mechanisms in place to oversee specific aspects of management's functionality and performance. This includes the convening of the Audit Committee, which monitors and advises the Board on management, finance and expenditure policies and oversees the external financial statement audit; the Remuneration Committee, which monitors and advises the Board on issues relating to remuneration and employment.

## 8. REMUNERATE FAIRLY AND RESPONSIBLY

The Chair oversees the performance of the CEO. Reviews for all staff, including senior management, are also carried out each year.





Summary of remuneration of Key Management Personnel, including Directors, is set out in the accounts. In addition, Directors are entitled to be reimbursed for all travel and other expenses incurred in connection with attendance at Board and Committee meetings or otherwise in connection with AWEX's business.

The Remuneration Committee makes recommendations to the Board which determines the remuneration of the CEO and senior management. The Committee also reviews and approves annual salaries for all staff.

## 9. RECOGNISE THE LEGITIMATE INTERESTS OF SHAREHOLDERS

AWEX is a member-based company and does not have shareholders. AWEX recognises the interests of members in accordance with Corporations Law.

# DIRECTORS' REPORT

Your directors submit their report for the year ended 30 June 2023.

The names of the company's directors in office during the financial year and until the date of this report are as follows:

**Mr Andreas Clark** (appointed August 12th, 2022)

**Ms Robyn Clubb AM** (retired November 25th, 2022)

**Mr John Colley** (retired November 25th, 2022)

**Mr Steven Harrison** (appointed December 9th, 2022)

**Mr Peter King**

**Mr Martin Moses**

**Mr Edward Storey** (retired November 25th, 2022)

**Mr Gary Turner**

**Mr Jonathon White** (appointed November 25th, 2022)

Directors were in office for the entire period unless otherwise stated.

All retirements relate to the end of director terms per the Constitution.

## PRINCIPAL ACTIVITIES

Australian Wool Exchange Limited (AWEX) is a member services organisation. Australian and international members include wool brokers, processors, exporters, private treaty merchants, wool producers, and industry associations.

The principal activities of the entity are to support the Australian Wool Industry by achieving the following objectives.

## REVIEW OF OPERATIONS AND RESULTS

	2023 \$	2022 \$
Revenue	6,052,666	5,530,370
(Loss) / Profit from ordinary activities	(712,625)	399,906

## OBJECTIVES

The objectives for which AWEX was established are set out in its Constitution and are to:

- Establish and provide an internationally competitive system for the fair, efficient and informed trading of Australian.
- Encourage competition.
- Facilitate self-regulation amongst market participants; and
- Develop and implement innovations, for the benefit of all wool market participants.

## PRODUCTS AND SERVICES

AWEX achieves these objectives by offering:

- Quality Assurance and Integrity Programs,
- Market Information,
- Appraisal,
- Clip Inspection, and
- Other services to all wool industry participants.

In addition, AWEX engages with members and industry through various committees and working groups to:

- Establish and review wool preparation standards which encourage competition in a self-regulated market.
- Manage wool pack quality; and
- Manage, monitor, and review the registration of wool classers.

AWEX also carries out projects into various wool related activities with a view to increasing efficiency.

## SIGNIFICANT CHANGES IN THE STATE OF AFFAIRS

There have been no significant changes in the state of affairs of the company during the year.

## MATTERS SUBSEQUENT TO THE END OF THE FINANCIAL YEAR

There has been no matter or circumstance which has arisen since 30 June 2023 that has significantly affected or may significantly affect the company's operations, the results of those operations or the company's state of affairs in future financial years.

## MEMBERSHIP

Australian Wool Exchange Limited is incorporated under the Corporations Act 2001 and is an entity limited by guarantee and without share capital. If the company is wound up,

the Constitution states that each member undertakes to contribute to the property of the company a maximum of \$5 towards meeting any outstanding obligations of the company. Whilst the directors do not believe that any contribution will be required in the event of the company being wound up, the maximum collective liability of members at 30 June 2023 is \$380 (2022: \$415).

The number of members as at 30 June 2023 and the comparison with the prior year is as follows:

	2023	2022
Trading	58	62
Grower	15	18
Associate	3	3
	<b>76</b>	<b>83</b>

## AUDITOR'S INDEPENDENCE DECLARATION

A copy of the Auditor's independence declaration as required under Section 60-40 of the Australian Charities and Not-For- Profits Commission Act 2012 (ACNC Act) is attached to this Directors' Report.

Signed in accordance with a resolution of the directors.



A Clark, Chair

September 15th, 2023



P King, Director



**Pitcher Partners Sydney Partnership**

Level 16, Tower 2 Darling Park  
201 Sussex Street  
Sydney NSW 2000

Postal Address  
GPO Box 1615  
Sydney NSW 2001

p. +61 2 9221 2099  
e. [sydneypartners@pitcher.com.au](mailto:sydneypartners@pitcher.com.au)

**Auditor's Independence Declaration  
To the Directors of Australian Wool Exchange Limited  
ABN 35 061 495 565**

In relation to the independent audit of Australian Wool Exchange Limited for the year ended 30 June 2023, to the best of my knowledge and belief there have been:

- a) no contraventions of the auditor's independence requirements as set out in the *Australian Charities and Not-for-profits Commission Act 2012* in relation to the audit; and
- b) no contraventions of any applicable code of professional conduct in relation to the audit.

This declaration is in respect of Australian Wool Exchange Limited.

A handwritten signature in black ink, appearing to read 'C I Chandran'.

**C I Chandran**  
Partner

**Pitcher Partners**  
Sydney

15 September 2023

# STATEMENT OF INCOME AND RETAINED SURPLUSES

For the year ended 30 June 2023	Notes	2023	2022
		\$	\$
Revenues from ordinary activities	2	6,052,666	5,530,370
Direct product expenses	3	(1,180,515)	(662,316)
Employee benefit expenses		(3,242,014)	(2,824,964)
Depreciation and amortisation expenses		(371,387)	(235,924)
Occupancy costs		(377,564)	(369,381)
Technology		(469,704)	(421,698)
Consulting		(352,360)	(37,290)
Travel		(219,211)	(95,263)
Board		(237,271)	(189,506)
Other expenses from ordinary activities		(315,266)	(294,123)
(Loss) / Profit for the year before income tax expense		(712,625)	399,905
Income tax expense	1(d)	-	-
<b>(Loss) / Profit from ordinary activities after related income tax expense</b>		<b>(712,625)</b>	<b>399,905</b>
Opening Retained Surpluses 1 July 2022		9,006,575	8,606,670
(Deficit) / Net surplus attributable to members of the company		(712,625)	399,905
<b>Closing Retained Surpluses</b>		<b>8,293,950</b>	<b>9,006,575</b>

The above statement of profit or loss and other comprehensive income is to be read in conjunction with the accompanying notes.

# STATEMENT OF FINANCIAL POSITION

As at 30 June 2023	Notes	2023	2022
		\$	\$
<b>CURRENT ASSETS</b>			
Cash and cash equivalents	4	5,497,606	10,499,723
Financial assets	5	36,575	179,495
Receivables	6	121,118	11,424
Other current assets	7	171,449	91,184
<b>Total Current Assets</b>		<b>5,826,748</b>	<b>10,781,826</b>
<b>NON-CURRENT ASSETS</b>			
Cash and cash equivalents	17	3,907,608	474,701
Property, plant and equipment	8	559,103	585,421
Intangible Assets	9	1,757,958	1,890,997
<b>Total Current Assets</b>		<b>6,224,669</b>	<b>2,951,119</b>
<b>TOTAL ASSETS</b>		<b>12,051,417</b>	<b>13,732,945</b>
<b>CURRENT LIABILITIES</b>			
Payables	10	541,303	310,723
Provisions	11	717,843	635,250
Other current liabilities	12	1,988,902	3,153,851
Lease liabilities	13	87,869	88,269
<b>Total Current Liabilities</b>		<b>3,335,917</b>	<b>4,188,093</b>
<b>NON-CURRENT LIABILITIES</b>			
Provisions	11	40,255	75,807
Lease liabilities	12	381,296	462,471
<b>Total Non-current Liabilities</b>		<b>421,551</b>	<b>538,278</b>
<b>TOTAL LIABILITIES</b>		<b>3,757,468</b>	<b>4,726,371</b>
<b>NET ASSETS</b>		<b>8,293,950</b>	<b>9,006,575</b>
<b>MEMBERS' FUNDS</b>			
Retained surpluses		8,293,950	9,006,575
<b>TOTAL MEMBERS' FUNDS</b>		<b>8,293,950</b>	<b>9,006,575</b>

The above statement of financial position is to be read in conjunction with the accompanying notes.

# STATEMENT OF CASH FLOWS

For the year ended 30 June 2023	Notes	2023	2022
		\$	\$
<b>Cash flows from operating activities</b>			
Receipts from customers *		4,509,399	7,866,053
Payments to suppliers and employees		(6,027,766)	(4,867,475)
Interest received		141,008	37,351
Interest paid		(31,198)	-
Other receipts		81,855	-
<b>Net cash inflows / (outflows) from operating activities</b>		<b>(1,326,701)</b>	<b>3,035,929</b>
<b>Cash flows from investing activities</b>			
Payments for property, plant & equipment		(318,311)	(144,820)
Payments for investments		(3,252,678)	(500,011)
Proceeds from sale of investments		1,296	-
<b>Net cash outflows from investing activities</b>		<b>(3,569,693)</b>	<b>(644,831)</b>
Cash flows from financing activities			
Repayment of borrowings		(81,575)	-
<b>Net cash outflows from financing activities</b>		<b>(81,575)</b>	<b>-</b>
<b>Net (decrease) / increase in cash held</b>		<b>(4,977,969)</b>	<b>2,391,098</b>
Cash and cash equivalents at the beginning of the financial year		10,475,575	8,084,477
<b>Cash and cash equivalents at the end of the financial year</b>	4	<b>5,497,606</b>	<b>10,475,575</b>

\* current year includes the receipt of Wool Classers' triennium registration fees for 2022-2024.

The above statement of cashflows is to be read in conjunction with the accompanying notes.

# NOTES TO THE FINANCIAL STATEMENTS

For the year ended 30 June 2023

## NOTE 1 - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

### (a) Basis of preparation

These general-purpose financial statements have been prepared in accordance with Australian Accounting Standards - Simplified Disclosures Requirements of the Australian Accounting Standards Board (AASB) and the Australian Charities and Not-for-profits Commission Act 2012. The company is a not-for-profit entity for financial reporting purposes under Australian Accounting Standards.

Australian Accounting Standards set out accounting policies that the AASB has concluded would result in financial statements containing relevant and reliable information about transactions, events, and conditions. Material accounting policies adopted in the preparation of these financial statements are presented below and have been consistently applied unless stated otherwise.

The financial statements, except for cash flows, have been prepared on an accruals basis and in accordance with the historical cost convention, and do not consider changes in money values or, except where stated, current valuations of non-current assets.

The company is a company limited by guarantee and domiciled in Australia. In accordance with the Constitution of the Australian Wool Exchange Limited, the liability of the members in the event of the company being wound up would not exceed \$5 per member. As the company is limited by guarantee, there is no reference in the Statement of Financial Position to Share Capital.

The registered office and principal place of business is:

Unit12A, 2 Eden Park Drive Macquarie Park NSW 2113

The financial statements were authorised for issue by the Board on 15 September 2023. A summary of significant accounting policies is set out below:

### (b) Property, Plant & Equipment

Each class of property, plant and equipment is carried at cost or deemed cost, where applicable, less any accumulated depreciation and any impairment in value. Assets are depreciated on a straight-line basis to write off the net cost of each item over its expected useful life to the company.

Leasehold Improvements	3-5 Years
Office furniture	3-10 Years
Plant & Equipment	3-5 Years

Gains and losses on disposals are determined by comparing proceeds with the carrying amount. These gains or losses are recognised in profit or loss in the period in which they arise.



# NOTES TO THE FINANCIAL STATEMENTS

For the year ended 30 June 2023

NOTE 1 - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (continued)

## (c) Intangible Assets

Development activities involve a plan or design to produce new or substantially improved products or processes. Development expenditure is capitalised only if development costs can be measured reliably, future economic benefits are probable, and AWEX intends to and has sufficient resources to complete development and use the asset. The expenditure capitalised includes professional service fees, direct labour and licence fees that are directly attributable to preparing the asset for its intended use. Subsequent expenditure is capitalised only when it increases the future economic benefits embodied in the specific asset to which it relates. All other expenditure is recognised in profit or loss as incurred.

Software Development	3-10 Years
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## (d) Income Tax

The company has been granted an exemption from income tax under the Income Tax Assessment Act.

## (e) Trade and other receivables

Trade and other receivables are recognised initially at fair value (the original invoice amount) and subsequently measured at amortised cost, less provision for impairment and Expected Credit Losses (ECLs).

When determining whether the credit risk of trade and other receivables have increased significantly since initial recognition and when estimating ECLs, AWEX considers both quantitative and qualitative information and analysis, based on AWEX's historical experience and informed credit assessment and including forward-looking information. AWEX assumes that the credit risk on trade and other receivables has increased significantly if it is more than 90 days past due.

## (f) Revenue Recognition

AASB 15 establishes a comprehensive framework for determining whether, how much and when revenue is recognised. Under AASB 15, revenue is recognised when a customer obtains control of the goods or services. Determining the timing of the transfer of control, at a point in time or over time, requires judgement.

Revenue is recognised to the extent that it is probable that the economic benefits will flow to AWEX, and the revenue can be reliably measured. The following table provides information about the nature and timing of the satisfaction of performance obligations in contracts with customers, including significant payment terms, and the related revenue recognition policies.

The following table provides information about the nature and timing of the satisfaction of performance obligations in contracts with customers, including significant payment terms, and the related revenue recognition policies.

# NOTES TO THE FINANCIAL STATEMENTS

For the year ended 30 June 2023

## NOTE 1 - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (continued)

Revenue Type	Nature and timing of satisfaction of performance obligations, including significant payment terms	Revenue Recognition under AASB15
(i) Bale label	Performance obligations are satisfied at the time of order confirmation.	Revenue recognised upon receipt of bale label order.
(ii) Wool classer	Classer registration fees are payable in advance every triennium, current triennium is 2022-2024.	Revenue recognised for registration fees over 36 months registration period.
(iii) Service fees	Performance obligations are satisfied upon services being delivered.	Revenue is recognised upon all services being delivered.
(iv) Membership & Subscription fees	Membership & subscription fees are payable annually in advance.	Revenue is recognised for fees over 12 months.

All revenue is stated net of the amount of goods and services tax (GST).

### (g) Employee Benefits

Short-term employee benefits

Liabilities arising in respect of wages and salaries, annual leave, and other employee benefits (other than termination benefits) expected to be settled wholly before twelve months after the end of the reporting period are measured at the (undiscounted) amounts based on remuneration rates which are expected to be paid when the liability is settled.

The expected cost of short-term employee benefits in the form of compensated absences such as annual leave is recognised in the provision for employee benefits. All other short-term employee benefit obligations are presented as payables in the statement of financial position.

### Superannuation

The group makes superannuation contributions to the employee's defined contribution superannuation plan of choice in respect of employee services rendered during the year. These superannuation contributions are recognised as an expense in the same period when the related employee services are received.

### Other long-term employee benefits

The provision for other long-term employee benefits, including obligations for long service leave and annual leave, which are not expected to be settled wholly before twelve months after the end of the reporting period, are measured at the present value of the estimated future cash outflow to be made in respect of the services provided by employees up to the reporting date. Expected future payments incorporate anticipated future wage and salary levels, durations of service and employee turnover.

# NOTES TO THE FINANCIAL STATEMENTS

For the year ended 30 June 2023

NOTE 1 - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (continued)

## (h) Goods and Services Tax (GST)

Revenues, expenses, and assets are recognised net of the amount of GST except:

- where the GST incurred on purchase of goods and services is not recoverable from the Australian Taxation Office, in which case the GST is recognised as part of the cost of acquisition of the asset or as part of the expense items as applicable.
- receivables and payables are stated inclusive of GST.

The net amount of GST recoverable from, or payable to, the Australian Taxation Office is included as part of receivables or payables in the statement of financial position.

## (i) Impairment of non-current assets

The carrying values of property, plant and equipment are reviewed for impairment when events or changes in circumstances indicate the carrying value may not be recoverable. If such an indication exists and where carrying values exceed the recoverable amount, the asset is written down to the recoverable amount. A recoverable amount is the greater of fair value less costs to sell and value in use.

## (j) Cash and cash equivalents

Cash and cash equivalents include cash on hand, cash at bank, deposits held at call with banks and term deposits. Cash at bank earns interest at floating rates based on daily bank deposit rates.

The maximum term for any term deposit held with banks is 12 months.

AWEX has a bank guarantee in respect of leased property to the amount of \$93,301 (2022: \$93,301) at year-end. The bank guarantees are secured using a secured term deposit which restricts the use of this facility. Secured term deposit is a fixed term bank deposit with a term ranging from one month and six months that is used as security for the leased property bank guarantee facility.

## (k) Inventory

Inventories are measured at the lower of cost and net realisable value. Cost comprises all costs of purchase, costs of conversion and other costs incurred in bringing the inventories to their present location and condition. Net realisable value is the estimated selling price in the ordinary course of business, less estimated costs of completion and the estimated costs necessary to make the sale.

## (l) Trade and other payables

Trade and other payables represent the liabilities for goods and services received by the company that remain unpaid at the end of the reporting period. The balance is recognised as a current liability with the amounts normally paid within 30 days of recognition of the liability.

# NOTES TO THE FINANCIAL STATEMENTS

For the year ended 30 June 2023

NOTE 1 - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (continued)

## **(m) Leases**

As a lessee, AWEX leases property assets including property and IT equipment. To assess whether a contract contains a lease and conveys the right to control the use of an identified asset, AWEX uses the definition of a lease in AASB 16.

At commencement or on modification of a contract that contains a lease component, the company allocates the consideration in the contract to each lease component based on its relative stand-alone prices. The company recognises a right-of-use asset and a lease liability at the lease commencement date. The right-of-use asset is initially measured at cost, which comprises the initial amount of the lease liability adjusted for any lease payments made at or before the commencement date, plus any initial direct costs incurred and an estimate of costs to dismantle and remove the underlying asset, less any lease incentives received. The right-of-use asset is subsequently depreciated using the straight-line method from the commencement date to the end of the lease term.

The lease liability is initially measured at the present value of the lease payments that are not paid at the commencement date, discounted using the interest rate implicit in the lease or, if that rate cannot be readily determined, the company's incremental borrowing rate. The lease liability is measured at amortised cost using the effective interest method. It is remeasured when there is a change in future lease payments arising from a change in an index or rate, or if the company changes its assessment of whether it will exercise a purchase, extension, or termination option.

### *Short-term leases and leases of low-value assets*

The company has elected not to recognise right-of-use assets and lease liabilities for leases of low-value assets (less than \$20,000 annual commitment) and short-term leases for which the lease term ends within 12 months of the date of initial application.

The company recognises the lease payments associated with these leases as an expense on a straight-line basis over the lease term.

## **(n) Financial assets**

### *Accounting policy for financial assets*

Recognition of financial assets are designated at fair value through profit or loss. Upon initial recognition, directly attributable transaction costs are recognised in the Statement of Profit or Loss and Retained Surpluses when incurred. Financial instruments at fair value through profit or loss are measured at fair value and changes therein, including any interest or distribution income, are recognised in the Statement of Profit or Loss and Retained Surpluses.

Derecognition of a financial asset (or, where applicable, a part of a financial asset or part of a group of similar financial assets) is derecognised when:

- (i) the rights to receive cash flows from the asset have expired.
- (ii) AWEX retains the right to receive cash flows from the asset, but has assumed an obligation to pay them in full without material delay to a third party under a 'pass-through' arrangement; or

# NOTES TO THE FINANCIAL STATEMENTS

For the year ended 30 June 2023

NOTE 1 - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (continued)

## (n) Financial assets (continued)

(iii) AWEX has transferred its rights to receive cash flows from the asset and either (a) has transferred substantially all the risks and rewards of the asset, or (b) has neither transferred nor retained substantially all the risks and rewards of the asset but has transferred control of the asset.

## (o) Provisions

Provisions are recognised when the entity has a legal or constructive obligation, because of past events, for which it is probable that an outflow of economic benefits will result, and that outflow can be reliably measured.

Provisions recognised represent the best estimate of the amounts required to settle the obligation at the end of the reporting period.

## (p) Comparatives

When required by Accounting Standards comparative figures have been adjusted to conform to changes in presentation for the current financial year.

## (q) Critical accounting judgements, estimates and assumptions

The preparation of the financial statements requires management to make judgements, estimates and assumptions that affect the reported amounts in the financial statements. Management continually evaluates its judgements and estimates in relation to assets, liabilities, contingent liabilities, revenue and expenses. Management bases its judgements, estimates and assumptions on historical experience and on other various factors, including expectations of future events, management believes to be reasonable under the circumstances. The resulting accounting judgements and estimates will seldom equal the related actual results. The judgements, estimates and assumptions that have a significant risk of causing a material adjustment to the carrying amounts of assets and liabilities (refer to the respective notes) within the next financial year are discussed below.

## (i) Lease term

The lease term is a significant component in the measurement of both the lease asset and lease liability. Judgement is exercised in determining whether there is reasonable certainty that an option to extend the lease or purchase the underlying asset will be exercised, or an option to terminate the lease will not be exercised, when ascertaining the periods to be included in the lease term. In determining the lease term, all facts and circumstances that create an economical incentive to exercise an extension option, or not to exercise a termination option, are considered at the lease commencement date. Factors considered may include the importance of the asset to the company's operations; comparison of terms and conditions to prevailing market rates; incurrence of significant penalties; existence of significant leasehold improvements; and the costs and disruption to replace the asset. The company reassesses whether it is reasonably certain to exercise an extension option, or not exercise a termination option, if there is a significant event or significant change in circumstances.

# NOTES TO THE FINANCIAL STATEMENTS

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For the year ended 30 June 2023

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NOTE 1 - SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (continued)

(q) Critical accounting judgements, estimates and assumptions (continued)

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(ii) Incremental borrowing rate

Where the interest rate implicit in a lease cannot be readily determined, an incremental borrowing rate is estimated to discount future lease payments to measure the present value of the lease liability at the lease commencement date. Such a rate is based on what the company estimates it would have to pay a third party to borrow the funds necessary to obtain an asset of a similar value to the lease asset, with similar terms, security and economic environment.

(iii) Impairment

The company assesses the impairment at the end of each reporting period by evaluating conditions and events specific to the company that may be indicative of impairment triggers. There were no impairments during the year.

(iv) Estimation of useful lives of assets

The company determines the estimated useful lives and related depreciation charges for its property, plant and equipment. The depreciation charge will increase where the useful lives are less than previously estimated lives, or non-strategic assets that have been abandoned or sold will be written off or written down.

# NOTES TO THE FINANCIAL STATEMENTS

For the year ended 30 June 2023	2023	2022
<b>2. Revenue from Ordinary Activities</b>		
<i>Operating Activities</i>		
Sale of goods - Bale labels	2,703,433	2,747,883
Wool classer registration fees	1,610,165	1,515,663
Service fees	854,748	682,127
Membership joining and annual subscription fees	553,042	547,346
	5,721,388	5,493,019
<i>Other Income</i>		
Interest and Investment returns	222,863	38,512
Fair value gain/(loss) on investments	93,415	(1,161)
Reversal of provision for doubtful debt	15,000	-
	<b>331,278</b>	<b>37,351</b>
<b>Total revenue from Ordinary Activities</b>	<b>6,052,666</b>	<b>5,530,370</b>

## Disaggregation of revenue from contracts with customers

In the following table, revenue from contracts with customers is disaggregated by major products and service lines and the timing of revenue recognition.

	Bale labels	Wool classer	Service fees	Membership & Subscriptions	Total
<b>2023</b>	\$	\$	\$	\$	\$
Revenue from contracts with customers	2,703,433	1,610,165	854,748	553,042	5,721,388
Timing of revenue recognition					
At a point in time	2,703,433		854,748		3,558,181
Over time		1,610,165		553,042	2,163,207
<b>Total</b>	<b>2,703,433</b>	<b>1,610,165</b>	<b>854,748</b>	<b>553,042</b>	<b>5,721,388</b>
<b>2022</b>					
Revenue from contracts with customers	2,747,883	1,515,663	682,127	547,346	5,493,019
Timing of revenue recognition					
At a point in time	2,747,883		682,127		3,430,010
Over time		1,515,663		547,346	2,063,009
<b>Total</b>	<b>2,747,883</b>	<b>1,515,663</b>	<b>682,127</b>	<b>547,346</b>	<b>5,493,019</b>

# NOTES TO THE FINANCIAL STATEMENTS

For the year ended 30 June 2023	2023	2022
<b>3. (Loss) / Profit from Ordinary Activities</b>		
(Loss) / Profit from Ordinary Activities has been determined after Charging as an expense:		
Transfer (from) / to provision for Annual Leave	(19,401)	4,368
Transfer to provision for Long Service Leave	62,527	46,245
Inventory expense (arising on sale or consumption)	742,504	241,174
Inventory net realisable value losses	11,424	-
Classer registration expenses	333,531	315,929
Freight	93,056	105,212
	<b>1,180,515</b>	<b>662,316</b>
<b>4. Current Assets - Cash and Cash Equivalents</b>		
Cash on Hand	400	400
Cash at Bank	593,479	2,666,828
Cash held in investments	257,693	24,149
Term Deposits	4,646,034	7,808,346
<b>Cash and Cash Equivalents</b>	<b>5,497,606</b>	<b>10,499,723</b>
<b>5. Receivables</b>		
Trade Debtors	36,575	194,495
Less: Provision for impairment	-	(15,000)
<b>Total Receivables</b>	<b>36,575</b>	<b>179,495</b>
<b>6. Inventory</b>		
Bale labels	121,118	
Polo shirts	-	11,424
<b>Total Inventory</b>	<b>121,118</b>	<b>11,424</b>
<b>7. Other Current Assets</b>		
Prepayments	77,866	56,906
Other Debtors	93,583	34,278
<b>Total Other</b>	<b>171,449</b>	<b>91,184</b>



For the year ended 30 June 2023	2023	2022
<b>8. Property, Plant and Equipment</b>		
Plant & Equipment at 1 July 2022, net of accumulated depreciation	34,681	31,899
Additions	118,591	20,825
Disposals	-	
Depreciation charge for the year	(39,797)	(18,043)
Plant & Equipment at 30 June 2023, net of accumulated	<b>113,475</b>	<b>34,681</b>
Plant and equipment at cost	447,763	426,660
less: Accumulated deprecia	(334,288)	(391,979)
	<b>113,475</b>	<b>34,681</b>
Leased premises at 1 July 2022, net of accumulated depreciation	550,740	141,735
Additions	6,296	550,740
Disposal		
Depreciation charge for the year	(111,407)	(141,735)
Leased premises at 30 June 2023, net of accumulated depreciation	<b>445,629</b>	<b>550,740</b>
<b>Total Property, Plant and Equipment</b>	<b>559,103</b>	<b>585,421</b>
<b>9. Intangible assets</b>		
At 1 July 2022, net of accumulated depreciation Additions	1,890,997	842,120
Additions	199,720	1,266,758
Disposals	(1,169)	-
Depreciation charge for the year	(331,590)	(217,881)
At 30 June 2023, net of accumulated depreciation	<b>1,757,958</b>	<b>1,890,997</b>
Capitalised development costs	3,203,935	3,757,778
Accumulated amortisation	(1,445,977)	(1,866,781)
<b>Total Intangible Assets</b>	<b>1,757,958</b>	<b>1,890,997</b>

# NOTES TO THE FINANCIAL STATEMENTS

For the year ended 30 June 2023	2023	2022
<b>10. Payables</b>		
Trade creditors	181,267	111,610
Accrued Expenses	360,036	199,113
<b>Total Payables</b>	<b>541,303</b>	<b>310,723</b>
<b>11. Provisions</b>		
Current - Liabilities Employee Provisions	717,843	635,250
Non Current - Liabilities - Employee Provisions	40,255	75,807
<b>Total Provisions</b>	<b>758,098</b>	<b>711,057</b>
<b>12. Other Current Liabilities</b>		
Unearned Income *	1,988,902	3,153,851
<b>Total Other Current Liabilities</b>	<b>1,988,902</b>	<b>3,153,851</b>
* Unearned income represents Wool Classer registration fees received for the period 1 January 2022 to 31 December 2024.		
<b>13. Lease Liabilities</b>		
Lease Liabilities - Current	87,869	88,269
Lease Liabilities - Non-current	381,296	462,471
<b>Total Lease Liabilities</b>	<b>469,165</b>	<b>550,740</b>
<b>Maturity analysis of future lease payments</b>		
not later than one year	124,199	119,068
later than one year and not later than five years	405,212	529,411
later than five years	-	-
<b>Expenditure Commitments</b>	<b>529,411</b>	<b>648,479</b>

The lease liabilities represent the gross contractual payments related to the property lease for the AWEX Head office at Unit 12A, 2 Eden Park Drive, Macquarie Park NSW. Lease commencement date of 1 July 2022 for a term of 5 years expiring 30 June 2027.

For the year ended 30 June 2023	2023	2022
<b>14. Remuneration of Key Management Personnel</b>		
Income paid or otherwise made available to key management personnel, including directors, by the company or related parties.		
Key Management Personnel compensation	1,195,692	1,208,706
<b>15. Remuneration of Auditors</b>		
Amounts received or due and receivable by Pitcher Partners Sydney for - audit of the financial report of the company	32,400	-
Amounts received or due and receivable by Thomas Davis & Co for - audit of the financial report of the company	-	21,200
<b>Total Remuneration of Auditors</b>	<b>32,400</b>	<b>21,200</b>
<b>16. Related Party Disclosures</b>		
<b>Director and Director-related entity transactions</b>		
A number of the directors are directors of entities which transacted with the company. The transactions during the year were as follows:		
Sales of services relating to membership, subscriptions, trading, use of wool selling facilities from the director - related entities during the financial year. All services were provided under the company's standard terms and conditions.	111,497	160,984
Purchase of IT services from directors' related entity	1,407	2,921
Outstanding balances at year end arising from the above transactions:		
Current receivables (Sales of Services)	3,795	11,133
Current payables (IT Services)	129	126

# NOTES TO THE FINANCIAL STATEMENTS

For the year ended 30 June 2023	2023	2022
<b>17. Fair Value Measurements</b>		
The company measures and recognises the following assets at fair value on a recurring basis after initial recognition.		
financial assets (equity investments) at fair value through profit or loss	3,907,608	474,701
	<b>3,907,608</b>	<b>474,701</b>
When measuring the fair value of an asset or liability, AWEX uses market observable data as far as possible. Fair values are categorised into different levels in a fair value hierarchy based on the inputs used to the valuation technique as follows:		
<ul style="list-style-type: none"> <li>Level 1: quoted prices (unadjusted) in active markets for identical assets or liabilities;</li> <li>Level 2: inputs other than quoted prices included within Level 1 that are observable for the asset or liability, either directly (i.e. as prices) or indirectly (i.e. derived from prices); and</li> <li>Level 3: inputs for the asset or liability that are not based on observable market data (unobservable inputs).</li> </ul>		
<b>18. Contingent Liabilities</b>		
The company has provided a bank guarantee in respect of:		
Lease obligations	93,301	93,301
	<b>93,301</b>	<b>93,301</b>
<b>Financing arrangements</b>		
Bank Guarantees	93,301	93,301
Used at balance date	-	-
<b>Unused at balance date</b>	<b>93,301</b>	<b>93,301</b>
<b>19. Subsequent Events</b>		
There have been no events subsequent to the reporting date which would have a material effect on the company's financial statements, at 30 June 2023.		

# DIRECTOR DECLARATION

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**The Directors of the company declare that:**

- (1) the financial statements and notes as set out on pages 9 to 19, are in accordance with the Australian Charities and Not-for-profits Commission Act 2012 (ACNC Act), and:
  - (a) comply with Accounting Standards - Simplified Disclosures; and
  - (b) give a true and fair view of the financial position of the company as at 30 June 2023 and of its performance for the year ended on that date;
- (2) in the directors' opinion there are reasonable grounds to believe that the company will be able to pay its debts as and when they become due and payable.

This declaration is made in accordance with a resolution of the board of directors and is signed in accordance with subsection 60.15 (2) of the *Australian Charities and Not-for-profits Commission Regulation 2022*.

A handwritten signature in black ink, appearing to be 'A Clark'.

A Clark,  
Chair

September 15th, 2023

A handwritten signature in black ink, appearing to be 'P King'.

P King,  
Director



**Pitcher Partners Sydney Partnership**

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**Independent Auditor's Report  
To the Member of Australian Wool Exchange Limited  
ABN 35 061 495 565**

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

We have audited the financial report of Australian Wool Exchange Limited, (the "company"), which comprises the statement of financial position as at 30 June 2023, the statement of income and retained surpluses, and statement of cash flows for the year then ended, and notes to the financial statements, including a summary of significant accounting policies, and the directors' declaration.

In our opinion the financial report of Australian Wool Exchange Limited has been prepared in accordance with Division 60 of the *Australian Charities and Not-for-profits Commission Act 2012* ("ACNC Act"), including:

- a. giving a true and fair view of the company's financial position as at 30 June 2023 and of its financial performance for the year then ended; and
- b. complying with Australian Accounting Standards – Simplified Disclosures and Division 60 of the *Australian Charities and Not-for-profits Commission Regulation 2022*.

*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 Responsibilities for the Audit of the Financial Report* section of our report. We are independent of the company in accordance with the auditor independence requirements of the ACNC Act and the ethical requirements of the Accounting Professional and Ethical Standards Board's APES 110 *Code of Ethics for Professional Accountants (including Independence Standards)* ("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 opinion.

*Responsibilities of Directors for the Financial Report*

The directors of the company are responsible for the preparation and fair presentation of the financial report in accordance with Australian Accounting Standards - Simplified Disclosures and the ACNC Act, and for such internal control as the responsible entities determine is necessary to enable the preparation of the financial report that is free from material misstatement, whether due to fraud or error.

In preparing the financial report, responsible entities are responsible for assessing the company's ability to continue as a going concern, disclosing, as applicable, matters related to going concern and using the going concern basis of accounting unless the responsible entities either intends to liquidate the company or to cease operations, or has no realistic alternative but to do so.

Adelaide Brisbane Melbourne Newcastle Perth Sydney

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**Independent Auditor's Report  
To the Member of Australian Wool Exchange Limited  
ABN 35 061 495 565**



*Responsibilities of Responsible Entities for the Financial Report (continued)*

Those charged with governance are responsible for overseeing the company's financial reporting process.

*Other Information*

The directors of the company are responsible for the other information. The other information comprises the information included in the Director's Report for the year ended 30 June 2023, but does not include the financial report and our auditor's report thereon.

Our opinion on the financial report does not cover the other information and accordingly we do not express any form of assurance conclusion thereon.

In connection with our audit of the financial report, our responsibility is to read the other information and, in doing so, consider whether the other information is materially inconsistent with the financial report, or our knowledge obtained in the audit or otherwise appears to be materially misstated.

If, based on the work we have performed, we conclude that there is a material misstatement of this other information, we are required to report that fact. We have nothing to report in this regard.

*Auditor's Responsibilities for the Audit of the Financial Report*

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 the aggregate, they could reasonably be expected to influence the economic decisions of 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. We also:

- Identify and assess the risks of material misstatement of the financial report, whether due to fraud or error, design and perform audit procedures responsive to those risks, and obtain audit evidence that is sufficient and appropriate to provide a basis for our opinion. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal controls.
- Obtain an understanding of internal control relevant to the audit in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the company's internal controls.
- Evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by the responsible entities.
- Conclude on the appropriateness of the responsible entities' use of the going concern basis of accounting and, based on the audit evidence obtained, whether a material uncertainty exists related to events or conditions that may cast significant doubt on the company's ability to continue as a going concern. If we conclude that a material uncertainty exists, we are required to draw attention in our auditor's report to the related disclosures in the financial report or, if such disclosures are inadequate, to modify our opinion. Our conclusions are based on the audit evidence obtained up to the date of our auditor's report. However, future events or conditions may cause the company to cease to continue as a going concern.

**Independent Auditor's Report  
To the Member of Australian Wool Exchange Limited  
ABN 35 061 495 565**



*Auditor's Responsibilities for the Audit of the Financial Report (continued)*

- Evaluate the overall presentation, structure and content of the financial report, including the disclosures, and whether the financial report represents the underlying transactions and events in a manner that achieves fair presentation.

We communicate with those charged with governance 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.

A handwritten signature in black ink, appearing to read "C I Chandran".

**C I Chandran**  
Partner

15 September 2023

A handwritten signature in black ink, appearing to read "Pitcher Partners".

**Pitcher Partners**  
Sydney





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- Wool Classer Registration
- Administration: Change of Contact Details/Address
- Code of Practice
- Sheep Breed Compendium
- Clip Preparation Advice & Support
- Clip Inspection Correspondence
- Activity Statements
- Reference Material
- Stencils/Stamps/Pens
- WoolClip

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