

24 November 2023

AWEX 2023 AGM

The Australian Wool Exchange Limited (AWEX) held its 30th Annual General Meeting on Friday 17th November 2023. AWEX Chair, Andreas Clark, chaired the virtual event.

1. Minutes of the 2022 AGM
The minutes were approved.
2. A motion was moved to approve the Statement of Income and Retained Surpluses for the year ended 30 June 2023, and the Statement of Financial Position as at that date, the Reports of the Directors and of the Auditor as well as the Statement by the Directors be adopted.
There were no questions from Members and the motion was carried.
3. Appointment of Director by Private Treaty Merchant Members.

Mr Gary Turner retired from the AWEX Board following 6 years of service. During his term, Gary demonstrated his value as a Board member and was thanked by the Chair for his support and contribution.

This year, nominations were called for prior to the Notice of meeting being distributed. There was only one candidate for this position, so a vote was not required.

Mr Geoffrey Beath was declared as the appointed AWEX Director elected by Private Treaty Merchant Members.

Geoffrey is welcomed to AWEX as a Director.

4. Constitution

It was proposed that the Constitution be amended to enable Exporter Members and Processor Members to each appoint a single Director.

Special and separate meetings of Exporter Members and Processor Members were held prior to the AGM to seek their support the resolution for the proposed changes to the AWEX Constitution, being:

1. The Constitution be amended by deleting clause 31(b) and replaced with the words "Not used."
2. The Constitution be amended by replacing clause 35.3(a) with the following:
One Director may be elected by Exporter Members.
This Director will carry 2 votes at any meeting of Directors.
3. The Constitution be amended by inserting a new clause 35.3(g):
One Director may be elected by Processor Members.
This Director will carry 1 vote at any meeting of Directors.

members' update

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There were no questions from Members and the motion was carried.

AWEX Chair – Andreas Clark

“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.

The Board approved a strategic draw down on reserves during the year to support a range of key initiatives to deliver on our Strategic Plan.

AWEX is 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.

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.

The following are key highlights for 2022-23:

In Season 2022/23 159,000+ bales had been captured on WoolClip (target 125,000) and achieved an increase of +82% when compared to 2021/22. The growth is continuing in 2023/24.

WoolClip is a strategic asset for the wool industry and a key platform in wool traceability and AWEX’s significant investment in supporting ongoing extension activities has been critical in delivering this result.

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 halfway point with 14,819 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.

During the year, the Board approved the engagement 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.

members' update

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SustainaWOOL (SWIS), the 100% owned 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 advice on a recommended MVP for an effective Australian sustainability integrity scheme and advice on key resources or skills required to deliver it along with a feasible and sustainable financial model. The outcome is a refreshed and reimagined SWIS 2.0 which will be launched in early 2024. We are excited by what we believe is an integrity program that demonstrates Australia's sustainability, integrity and traceability credentials. SWIS 2.0 is a fresh vision that will leverage the new collaborative relationships we share in the wool industry and across agriculture more broadly.

This is the first year AWEX has worked with our newly appointed 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.

I can confirm that Pitcher Partners are appointed as external auditor for FY24.

I would also like to thank Lyn Nicholson and her team at Holding Redlich for the professional legal counsel provided to AWEX when needed.

Finally, I would like to acknowledge the many people who work hard to make AWEX a success. This includes you, our members, the management and staff of AWEX as well as my fellow directors whose commitment to the industry ensures that Board decisions are well informed from farm to export input and beyond."

Andreas Clark
AWEX Chair
2023