

ANNUAL REPORT

2023 / 2024



Australian Wool Exchange Limited A.B.N 35 061 495 565

ANNUAL REPORT AND FINANCIAL STATEMENTS For the year ended 30 June 2024



Auction, Information
& Integrity Services



Wool Classer Standards
& Classer Registration



WoolClip
Fast forwarding wool's future



eBale



NWD Integrity
Program



Australian Wool
Sustainability Scheme

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2024 AT A GLANCE

15,057

REGISTERED
CLASSERS

WOOL CLASSING
AS AT 24/9/2024

\$1.1M

DEFICIT
FINANCE
2023/24

1.66M

BALES SOLD
(AU ONLY/EXCL NZ)
AUCTION TRADING

75.6%

DECLARED NWD
NM 21.5%
CM 3.0%
AA 43.0%
INTEGRITY

18.82M

SUSTAINAWOOL GREASY KGS SOLD
7.6% AUSTRALIAN MERINO KG SOLD
SUSTAINABILITY / INTEGRITY

262,305

BALES CAPTURED ON WOOLCLIP

AS AT 30/6/2024

+64.5% COMPARED TO 22/23 SEASON

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**

Wool Classer Standards & Classer Registration

Australia has a rich history of developing world leading wool skills and expertise. Australian Wool Classing demonstrates excellence in wool clip preparation that is recognised globally. AWEX registers and upholds the standards for recognised Wool Classers in Australia. Wool Classers must complete a recognised training course (Certificate III or IV) to register.

AWEX maintains high standards through the Code of Practice for the preparation of Australian wool clips, offering Masterclasser training, as well as regular feedback on clip preparation through weekly audits.



Australia's Digital Wool Specification & On-Farm Data Capture Platform

WoolClip, Australia's online and mobile platform, enables the creation of digital wool specifications and consignments. Designed for Australian farms, it functions offline, links seamlessly with eBale, and transfers data to marketing organisations. WoolClip enhances data accuracy, speeds up market processes, and lays the groundwork for digital traceability from farm to processor. Australia is leading the world in using technology to capture on farm wool data.



Wool pack standards & ePacks

AWEX sets and maintains Australia's wool pack standards for quality and supply chain efficiency. Since July 1, 2023, all wool packs imported into Australia are ePacks, featuring QR codes and RFID tags for digital data transfer and bale traceability. ePacks integrate with WoolClip, enabling tracking from farm to market, and their RFID technology is sought after by brokers, warehouses, and processors to streamline automation and processors to reduce errors, increase logistic efficiencies and implement automation.



Australian Wool Sustainability Scheme (AWSS)

AWSS is Australia's industry-led sustainability certification, that is fit-for-purpose for Australia's unique landscape and production systems, stringent regulatory standards, and industry best practices.

AWSS Certification leverages Wool Classing, WoolClip and eBales to enable the credible and efficient digital traceability from farm to first-stage processing.

AWSS offers two certifications:

SustainaWOOL™

wool from an AWSS Certified property whose sheep are non-mulesed or ceased-mulesed.

ResponsiWOOL™

wool from an AWSS Certified property whose sheep are mulesed with appropriate pain relief (or liquid nitrogen with appropriate pain relief).



The National Wool Declaration (NWD) and Integrity Program

Introduced in 2008, the NWD provides data to the market on the mulesing status of Australian wool for sale. This information is critical to maintain market access for Australian wool and supports buyers in making informed purchasing decisions.

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.



Auction, Information & Integrity Services

Wool Operations, Auction Management and Integrity Services

AWEX offers an auction management service to the Australian wool market and provides administrative and secretarial services to 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)
- AWSS SustainaWOOL or ResponsiWOOL eligibility (declared and undeclared lots)
- Mulesing Status (randomly selected clips)

CHAIR'S REPORT 2024



“At AWEX, we remain committed to driving digital transformation, enhancing sustainability, and supporting the resilience of Australian wool.”

Andreas Clark, Chair

Whilst acknowledging that 2023/24 has been a difficult trading period for many participants in the wool trade, AWEX continued to focus on delivering and enhancing its key services to support the sector. During the year we quietly celebrated 30 years of service to the Australian wool industry, a milestone that highlights the ongoing commitment of AWEX and its members to strengthening the wool supply chain. We firmly believe that AWEX provides an indispensable platform to support the Australian wool industry's preeminent global reputation by playing a critical and leading role in wool traceability, sustainability, and digital innovation.

This year, AWEX's leadership in digital capability has continued to shape the future of the industry. The implementation of eBale and the expansion of WoolClip have been instrumental in improving data accuracy, enabling traceability, and unlocking operational efficiency across the wool supply chain. These digital innovations, alongside AWEX's role in supporting the development of the Australian Wool Traceability Hub (AWTH), are positioning Australian wool as the global benchmark for traceability, credibility and quality.

The launch of the Australian Wool Sustainability Scheme (AWSS) in July 2024 represents another key milestone for AWEX and the wool industry. The AWSS builds on the legacy of the SustainaWOOL Integrity Scheme and addresses the growing demand for sustainably certified wool that meets the demands of our customers across the world. The scheme is designed to meet global

sustainability standards while being fit for Australia's unique production systems, and importantly allows the Australian industry to tell its own proud sustainability story. AWSS aligns with national frameworks, such as the Sheep Sustainability Framework, further reinforcing Australia's leadership in sustainable wool production.

It is important to note that AWEX completed the financial year ended 30 June 2024 with a deficit of \$1.1m which follows the deficit of \$0.7m in 2022-23. The Board recognises that this strategic drawdown on reserves is to specifically support a range of key initiatives in order to deliver on our Strategic Plan. The steady and planned accumulation of reserves over prior years has allowed us to make this decision. As at 30 June 2024, cash and other financial assets were \$6.9m, being outside of the range defined in the Reserves Policy. The Board have a clear roadmap to return to ongoing operating surpluses and complying with the Reserves Policy during the next three years. This will require AWEX broadening its revenue streams to ensure a more equitable user-pays model for those that benefit from AWEX services.

As Chair, I am particularly proud of AWEX's ability to balance innovation with maintaining the integrity of the services we deliver. Our ability to adapt, while staying true to our core values, ensures that we remain a trusted partner for all sectors of the wool supply chain. The industry's collective response to challenges, including biosecurity risks and shifting global market demands, has been a testament to the resilience and forward-thinking nature of our members and partners.

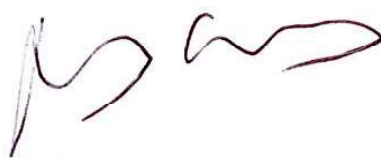
Looking ahead, the opportunities for AWEX and the Australian wool industry are substantial. The Board remains focused on further advancing AWEX's digital transformation efforts, improving traceability, and modernising sustainability certification. These are essential to ensuring Australian wool remains the preferred choice in a highly competitive global market.

The coming year will see the retirement of Mark Grave following 30 plus years with AWEX including 21 years as our CEO. His leadership has been critical to AWEX's growth and success, and his impact on the wool industry will be felt for many years to come.



We wish him all the best in his future endeavors and look forward to celebrating and acknowledging his outstanding contribution.

To the AWEX Board, our members, and staff, thank you for your ongoing support and commitment. Your collaboration continues to be a driving force behind AWEX's success. Together, we are shaping a bright future for the Australian wool industry.

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

Andreas Clark

Chair
October 2024

CEO'S REPORT



“Change is inevitable and I am proud the services and innovations of AWEX are central to the wool industry’s digital future.”

Mark Grave, CEO

AWEX celebrated 30 years of service to the Australian wool industry on 31 August 2023. This is a significant milestone, and one which AWEX Members should take immense pride in. Over the past three decades, AWEX has successfully navigated difficult economic conditions such as the Global Financial Crisis (GFC) and COVID 19, as well as market downturns, while continuing to deliver valued and innovative services to industry.

Now, after 31 years, AWEX’s role has become even more pivotal in influencing the future direction of the wool industry. Australia leads the global wool industry in digital capability, quality and integrity, thanks to valuable industry assets like eBale and WoolClip.

These tools have garnered widespread recognition and support from the Federal Government, wool growers, exporters and processors. AWEX is trusted to deliver comprehensive services to the Australian wool industry that commence on-farm and are relied on by all sectors of the supply chain. This trust is built on AWEX’s governance, the integrity of its data, and the manner in which services are delivered.

The global focus for agriculture is increasingly centered on traceability, digital capability, and the opportunities these advances can bring to all in the value chain. Improved data accuracy, industrial automation, and the ability to offer wool to the market faster than ever before are just a few examples of how these advancements are transforming the wool industry. While traceability

has always been a point of pride, the supply chain now demands more data, delivered with greater speed and flexibility to support informed business decisions in an increasingly dynamic market, creating efficiencies and reducing waste.

Australia’s Federal and State Governments have prioritised digital traceability as an opportunity for agriculture, particularly in defending Australia’s market access in the event of an exotic disease incursion and to ensure Australian agricultural products are the preferred choice globally. The ability to quickly identify the source(s) of an incursion and in turn quarantine potentially impacted products will be critical in an EAD response and will help maintain customer confidence in Australian wool. In this area, Australia is leading the world.

During 2023/24 the AWEX Board commissioned two major independent reviews. The first was a review of the SustainaWOOL Integrity Scheme, conducted by KPMG, and the second was a review of the AWEX Corporate Structure, conducted by Deliberate Practice.

SustainaWOOL Integrity Scheme (SWIS): AWEX had operated the SWIS since 2019, and with the growing demand for sustainability and traceability, the timing was right for a review. A key feature of this review was the consultation undertaken with domestic and overseas stakeholders, revealing a clear message: the Australian wool industry should have its own sustainability scheme, one that allows Australia to tell its story, evidenced by science. The result of this consultation was the launch of the Australian Wool Sustainability Scheme (AWSS) - an industry-led initiative that builds on industry owned assets such as WoolClip and eBale to reduce duplication and costs, while addressing market demands.

AWEX corporate structure: As AWEX’s digital products and services have expanded, so too has the need for new skills, management, and accountability. After a decade of industry contraction, AWEX has successfully grown its services through innovation, leveraging technology to increase productivity and maintain high service standards with a modest 22 employees. The review and implementation of the new corporate structure allowed

AWEX to recruit new staff with new skills and create identifiable accountability with a company structure aligned to deliver better services for our customers.

Another important feature of the structural review was the opportunity to mitigate 'key-person-risk'. AWEX is fortunate to have several long serving valued staff members who collectively have enormous corporate knowledge and add exceptional value to AWEX and its members. Experience is critical in a service organisation, but so too is succession and building capability to ensure the ongoing delivery and development of services.

AWEX continues to introduce new talent to the wool industry, which is already driving new ideas and improvements.

The future for AWEX is exciting.



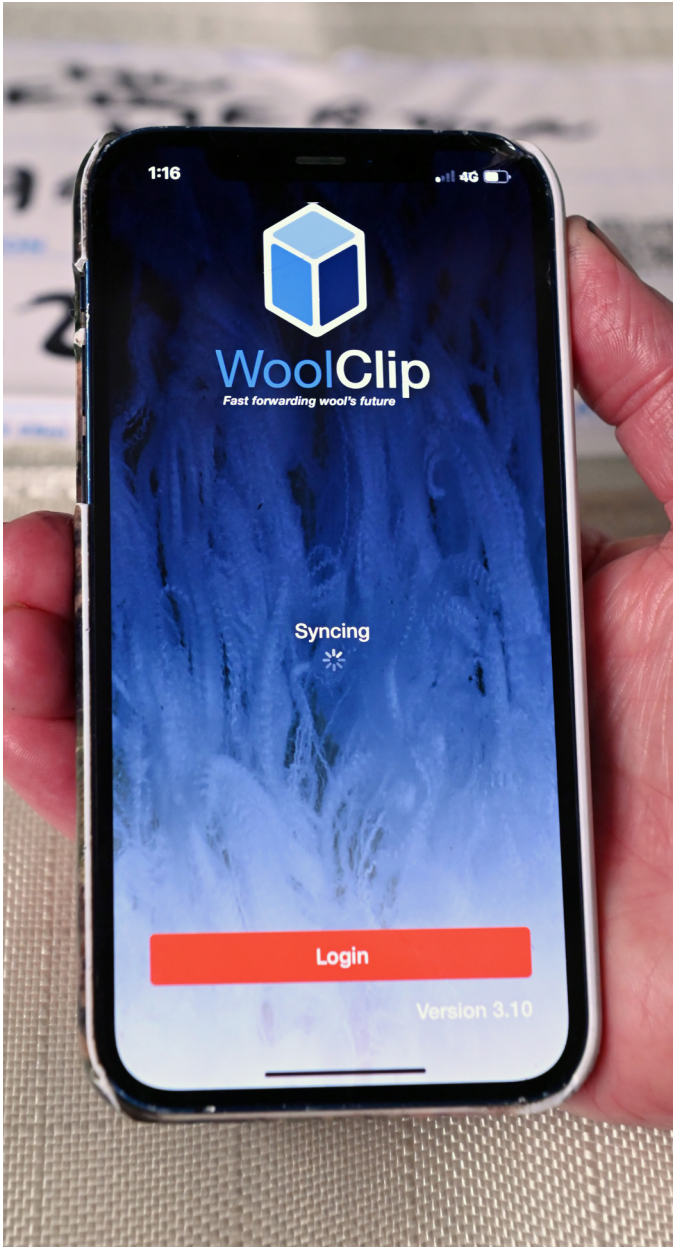
A key success story of 2023/24 was the implementation of eBale. From the 1st July 2023 only RFID/QR Code embedded wool packs are able to be imported into Australia.

The eBale implementation was the result of considerable development, trials and consultation with key domestic and overseas industry organisations. AWEX was able to move quickly to implement eBale after a long history in progressively developing and trialing RFID technology since the mid-late 1990's. The significant decision taken by the AWEX Board to move to eBale was accelerated due to the potential threat of FMD (Foot & Mouth Disease) found in Indonesia in 2022. The AWEX Board's leadership and commitment to lowering costs for industry is well demonstrated by the Board's commitment to purchase 4 million RFID tags, the equivalent of 2.5 years of wool pack production, to achieve a lower and more affordable price for the industry as it adopted this world-class technology.

The uptake of eBale has been slower than expected due to wool growers exhausting old stock. This transition disrupted normal purchasing patterns and was the major contributor to AWEX's lower than expected financial result. As stock of old wool packs are used, former purchasing patterns are expected to resume. Over 2 million eBale labels were sold over the past 18 months – equivalent to just over 12 months of wool production. AWEX continues to work with industry to implement eBale, for the benefit of the industry.

Another success has been the continued rapid adoption of WoolClip. The investment in developing and implementing the WoolClip platform, in particular the extensive schedule of presentations and workshops conducted across Australia, has delivered better than expected results. At the close of the 2023/24 season, 262,222 bales of wool were captured using WoolClip, which is approximately 16% of total wool production.

The significant increase in the use of WoolClip and electronic Specifications has the added benefit of reducing the time it takes to bring wool to market, in some cases up to 10-12 days earlier. This provides growers with increased options when offering their wool to market with the added benefit of improved data with less errors.



The National Wool Declaration (NWD) completed its review in 2023 with an implementation date of 1 July, 2024. A significant change being trialed is in AA verification. States such as Victoria have had Prevention of Cruelty to Animal (POCTA) regulations since 2019 where it is legislated that any mulesing conducted in Victoria since 2019, must use Analgesia/ Anaesthetic. AWEX has determined that to validate AA in Victoria, rather than duplicate regulations and add an

administrative burden for evidential receipts of purchase of AA products, if a grower can prove (purchase invoice) that sheep in a specific mob were born, bred and mulesed in Victoria since 2019, this would stand as evidence of AA validation.

As each State/Territory comes on board with similar regulations, this trial will be expanded. Ultimately, when all states are aligned in this regulation, validation of AA will no longer be required.

During 2023, TAFE introduced a promotional campaign of 'Fee Free in 23' for specific courses. Course fees has been a sensitive topic across Australia, particularly with wool classing being seasonal work. The promotion was a huge success, particularly in NSW, with most wool classing courses recording full enrollments. The benefit to the wool industry is clear, and the rejuvenation of interest in wool classing as a required skill is helping lift registered Classer numbers, currently sitting at more than 15,000.

The ratio of professional (AW) classers to owner classer (OC) classers continues to shift in favour of the professional AW classer. The current ratio is 60.7% professional (AW) and 39.3% owner classer (OC). The 2025-27 wool classer registration period opened in mid-September.

AWEX continues to develop positive working relationships across industry. A strategy of the AWEX Board has been to harness the industry's collective capability and work together wherever possible to eliminate duplication, improve efficiencies and add value.

At the 2024 Annual General Meeting, AWEX members voted to re-introduce a Director elected by Processor members, expanding the Board to seven Directors, with an additional vacancy to expand the Board even further with a second independent Director. This expansion of the Board reflects the growing interest members have in AWEX's services and the impact members have through the Board of Directors.

AWEX staff are the backbone of the services we provide and to our relationship with our members and customers.

This year AWEX celebrated some significant staff milestones:

30 YEARS SERVICE:

Mark Grave, CEO

David Cother, General Manager - Wool Operations

25 YEARS SERVICE:

Suen Lam Kuo, Support Services

Nigel Stewart, General Manager – Information Technology

AUSTRALIAN WOOL INDUSTRY MEDAL:

Dr Kerry Hansford

IWTO SERVICE AWARD:

Dr Kerry Hansford

I'd like to thank those who retired over the last 12 months including Dr Kerry Hansford and Des Warner, for their valued contribution to AWEX and to the wool industry.

AWEX continues to work diligently within and provide services across industry committees including WIEDPUG, AWTH, Skills Impact, NASC, WIA, NWHAT to name only a few. Much of this work is unheralded, but together with our industry colleagues we are all making a difference.



Left to right: David Cother, Mark Grave, Dr Kerry Hansford, Katyana Armen, Nigel Stewart

As I present my final Annual Report, after 21 years as CEO, I want to express my gratitude to the wool industry. It has been a privilege to lead AWEX through growth, innovation and challenge. Over the years, we have built a strong foundation of trust and collaboration that has helped position Australian wool as a global leader in quality, sustainability and integrity.

Thank you to all AWEX members for working with us and challenging us to deliver services worthy of a great industry. To AWEX staff, I am confident your expertise and capability is the envy of the wool industry. Thank you for the significant contributions that you make.

Finally, my sincere thanks to the AWEX Board, in particular AWEX Chair, Andreas Clark, thank you for your support and vision of what AWEX can be. AWEX Members should be proud of your interest, involvement, and the ability to make challenging decisions in the interest of the broader industry. It has been a pleasure working for a Board as committed as AWEX's elected Directors.

As I leave AWEX at the end of this financial year, I am confident in its future. The team and Board are well-positioned to support the industry through its next chapter of innovation and growth. I wish the entire Australian wool industry every success in the years ahead.



Mark Grave

CEO
October 2024

AWEX CONTRIBUTION TO WOOL TRACEABILITY

AWEX leads the way in wool traceability, developing cost-effective, digital solutions that enable seamless data capture from farm to processor. In response to growing global demand for provenance and sustainability, AWEX has made strategic investments in traceability technologies that reinforce the Australian wool industry's integrity.

WoolClip plays a pivotal role in these efforts, capturing key on-farm data—such as wool specifications, and National Wool Declarations (NWD)—all in a digital format. Since its launch in 2018, WoolClip has transformed how wool data is recorded, reducing delays, improving market readiness, and supporting biosecurity protocols in the event of an Exotic Animal Disease (EAD) outbreak.

eBale technology, integrated within WoolClip, adds a unique, scannable ID to each Australian wool bale, enabling real-time traceability. As of July 1, 2023, all wool packs imported into Australia are eBale-enabled, supporting supply chain automation and reducing errors, while enhancing traceability across the board.

In addition, AWEX has been a key participant in the development of the Australian Wool Traceability Hub (AWTH). This collaborative industry initiative uses Property Identification Codes (PIC) and eBale technology as the cornerstone of traceability, aligning with AWEX's vision to ensure systems like WoolClip remain fit-for-purpose in an increasingly digital and data-driven marketplace. These efforts help maintain Australia's competitive edge in wool traceability and sustainability.



eBale: Enhancing Wool Traceability and Efficiency

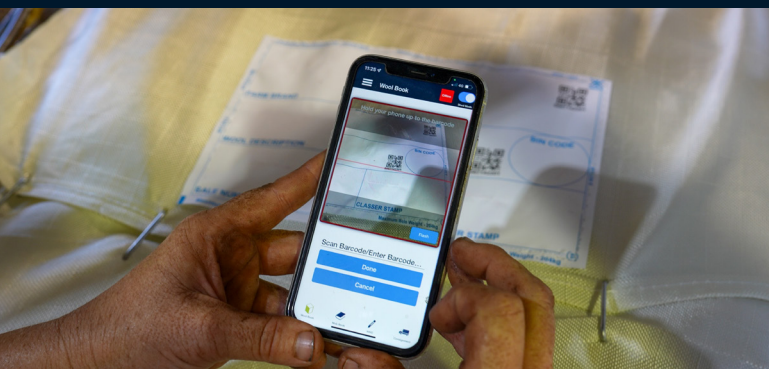
eBale is transforming the wool supply chain by enabling digital traceability for each bale. Embedded with RFID chips and QR codes, every eBale has a unique ID, allowing for seamless tracking from farm to processing. When integrated with WoolClip, eBale means bale details can be captured on-farm and linked directly to the digital specification, enhancing traceability across the industry.

Since July 1, 2023, all wool packs imported into Australia are eBales, driving universal adoption. This technology reduces manual errors, helps streamline inventory management, and supports automated logistics, making it indispensable for both growers and our supply chain. International demand, especially from processors, continues to grow due to eBale's ability to align with digital warehouse and logistics operations.

Despite its cutting-edge technology, eBale remains a low-cost solution, offering exceptional value in terms of efficiency, accuracy, and traceability. The relatively small investment per bale is far outweighed by the benefits of world-class traceability, reinforcing Australia's reputation for innovation and leadership and boosting market confidence.

In addition to operational efficiency, eBale can play a critical role in biosecurity. In the event of an Exotic Animal Disease (EAD) outbreak, eBale technology can enable rapid identification and isolation of affected bales, helping protect the industry and maintain global trust in Australian wool.

AWEX continues to promote eBale through its extension and training programs, helping the industry adopt this technology and fully realise its benefits. Alongside WoolClip, eBale is setting a new standard for wool traceability, ensuring the Australian wool industry remains competitive and innovative on the global stage.



AWEX's Contribution to Industry through IT Innovation and Digital Standards

AWEX continues to play a pivotal role in modernising the wool industry through its extensive IT expertise and digital transformation efforts. A key area of focus in 2023/24 has been AWEX's contributions to improving data standards and traceability across the wool supply chain.

WIEDPUG

AWEX has been actively engaged in the WIEDPUG Standards Review, which aims to modernise the 30-year-old data exchange standards used by the wool industry. The current 80-character format will be replaced with a modern data communication technology that will reduce IT development costs and enable the use of modern and efficient development tools.

AWEX, through its participation in WIEDPUG, has been an instrumental contributor in guiding the shift towards more modern formats like JSON and technologies such as REST APIs over HTTPS, which will enhance data security, flexibility, and ease of integration across the supply chain.

This work ensures the wool industry remains competitive and responsive to global market demands for improved data sharing and automation.



Australian Wool Traceability Hub (AWTH)

AWEX has been a key contributor to the AWTH, a collaborative industry initiative designed to enhance traceability and support the biosecurity plans of the Australian wool industry. AWEX's participation in the working group and steering committee has helped shape this important traceability framework.

The AWTH will benefit from AWEX's WoolClip and eBale technologies, which assist Australian wool to be efficiently and reliably tracked from farm to first stage processing.

Digital traceability is crucial not only for market access, but also to support in the event of an animal disease incursion and to more efficiently trace chain of custody for greasy wool with sustainability credentials.

These projects reflect AWEX's ongoing commitment to harnessing technology to improve efficiency, data accuracy, and traceability across the industry, supporting Australian wool's reputation as a global leader in quality, efficiency and integrity.

AWEX has also been actively collaborating with wool industry software suppliers to implement eBale technology into their software. This will enable their wool industry clients to streamline the movement of wool from farm to sale, providing a more efficient and reliable method of identifying and tracking wool and improving the accuracy and speed of wool handling operations.

National Wool Declaration (NWD): Upholding Integrity and Market Confidence

The NWD plays a key role in ensuring transparency and integrity of Australian wool. Since its introduction in 2008, the NWD has provided critical information on Australian wool's mulesing status, helping secure market access and deliver price premiums for declared wool. It is a globally trusted, voluntary industry standard.

AWEX regularly reviews the NWD to align with market needs. In season 2023/24, the NWD was updated to Version 10.0 (V10.0) after extensive consultation with industry stakeholders via the Industry Consultative Committee (ICC). These reviews, ensure the NWD remains relevant and continues to support

buyer confidence. V10.0, effective July 1, 2024, introduced refinements to definitions, reflecting AWEX's commitment to transparency and market clarity.

The NWD integrates seamlessly with WoolClip, with 96.1% declaration rates for Specifications completed in WoolClip, compared to the latest season declaration rate of 75.6%. The NWD Integrity Program, featuring regular desktop and on-farm audits, reinforces trust in the accuracy of declarations. By maintaining high standards of compliance and transparency, AWEX continues to uphold the global reputation of Australian wool for quality and integrity.

We continue to see the importance of the NWD to its customers, with a consistent discount arising for non-declared wool.

For Merino wool:

At the close of the 2023/24 season, Merino wool that was non-declared (ND) was discounted on average:

- 16-17 micron
– 15 c/kg clean

For Crossbred wool:

- When reviewed the Crossbred wool market, a discount of 1-7 c/kg clean arose for non-declared (ND) wool in the 27-29 micron range.

NWD Declaration Rates (% of FHO Aust bales, P&D Certs only) by Mulesing Status and State for Seasons 2015/16 - 2023/24

Season	2015/16	2020/21	2021/22	2022/23	2023/24
National Decl. Rate	55.0	76.1	75.3	73.6	75.6
By Category					
NM	9.1	15.1	17.6	19.8	21.5
CM	2.8	4.1	3.0	3.2	3.0
LN				0.1	0.1
AA	22.8	40.6	40.5	41.2	43.0
M	20.3	16.3	14.2	9.2	7.9
ND	45.0	23.9	24.8	26.5	24.5
By State					
NSW	63.1	81.4	80.0	77.1	79.2
QLD	47.4	80.3	84.2	86.0	83.9
SA	61.3	83.0	81.3	79.4	80.6
TAS	67.2	87.0	81.2	83.2	85.2
VIC	65.2	82.8	80.1	76.8	78.2
WA	23.9	50.7	51.5	54.2	58.5

NWD Declaration Rates (% of FHO Aust bales, P&D Certs only) and Mulesing Status by State for Season 2023/24

Mulesing Status	NSW	QLD	SA	TAS	VIC	WA	Total Bales
NM	26.4	41.0	13.1	51.0	25.1	6.7	316,750
CM	3.5	3.2	3.0	6.9	3.2	1.0	43,857
LN	0.0	0.1	0.1	0.0	0.5	0.1	2,060
AA	42.0	31.7	54.7	22.7	44.9	38.9	634,366
M	7.2	8.0	9.7	4.6	4.5	11.8	116,649
ND	20.8	16.1	19.4	14.8	21.8	41.5	360,398
Total Bales	578,886	44,718	236,846	48,869	280,307	284,454	1,474,080
% Declared	79.2	83.9	80.6	85.2	78.2	58.5	75.6

Australian Wool Sustainability Scheme (AWSS): Leading the Way in Sustainably Certified Wool

The Australian Wool Sustainability Scheme (AWSS), launched in July 2024, is the evolution of the SustainaWOOL Integrity Scheme (SWIS). It is designed to meet the increasing global demand for sustainably certified wool, while being tailored to Australia's unique conditions, high regulatory standards and industry best practices.

As global sustainability regulations - like the EU Green Claims Directive - intensify, AWSS helps Australian wool growers meet stringent environmental and animal welfare standards, while maintaining and expanding market access. The scheme also recognises the value of quality clip preparation, delivered by Australian Wool Classing, which is highly regarded by global customers.

In order to reflect Australian conditions, such as the need for flystrike management, the scheme provides two certification pathways:

SustainaWOOL™

For Compliant properties that do not practice Mulesing or for properties that have Ceased Mulesing.

ResponsiWOOL™

For Compliant properties that use Mulesing (or Liquid Nitrogen) with Appropriate Pain Relief as part of their animal wellbeing plan.

AWSS integrates seamlessly with WoolClip and eBale technologies, enabling digital traceability from farm to first-stage processor and boosting buyer trust in the sustainability credentials of wool purchases. AWSS Certification is digital, increasing reliability, improving speed and reducing costs and the administrative burden for greasy wool certification. This will help growers maximise realised auction values.

As an industry-led Scheme, AWSS offers significant cost advantages with an annual fee of just \$750 per PIC, with no extra charges to wool growers or certificate issuance. This makes AWSS accessible while maintaining high standards.

By aligning with national frameworks like the Sheep Sustainability Framework and Australian Agricultural Sustainability Framework, AWSS boosts market opportunities for participating growers while reinforcing the Trust in Australian Wool campaign and strengthening the global reputation of Australian wool.

Acknowledgements

AWEX acknowledges the many industry organisations that have supported the development and evolution of AWSS, including the Sheep Sustainability Framework, Wool Producers Australia (WPA), the National Council of Wool Selling Brokers of Australia (NCWSBA), and Australian Wool Innovation (AWI). Additionally, global partners like the International Wool Textile Organisation (IWTO), the Italian Wool Trade Association and its Members, Loro Piana, Sistema Moda Italia (SMI) and Hugo Boss have been instrumental in shaping the scheme.

A key element of the AWSS is its Expert Panel, comprised of industry leaders, producers, consultants, and researchers. This Panel provides ongoing advice on sustainability science and helps guide AWSS Standards, metrics and evidence. AWEX would like to make special acknowledgement of their ongoing contributions.



SustainaWOOL Integrity Scheme: Achievements and Legacy

With the launch of AWSS, the SustainaWOOL Integrity Scheme (SWIS) concludes its journey with AWEX. Since its inception in 2015 and integration in 2019, SWIS has set high standards for sustainable wool production, earning global recognition for its focus on quality wool preparation, animal welfare and environmental stewardship. During the 2023-24 season, certified properties produced over 18.82 million greasy kgs of wool, representing 9.0% of all Australian Merino lots offered at auction.

SWIS's legacy lies in addressing market demand for non-mulesed and sustainably produced wool, while also recognising that mulesing with pain relief is a responsible and humane method for managing flystrike risk in Australia. This balanced approach is carried forward into AWSS, allowing for a holistic view of animal husbandry practices. The scheme acknowledges the importance of pain relief innovations, which are now widely available across Australia, ensuring that animal wellbeing and sustainable wool production go hand in hand.

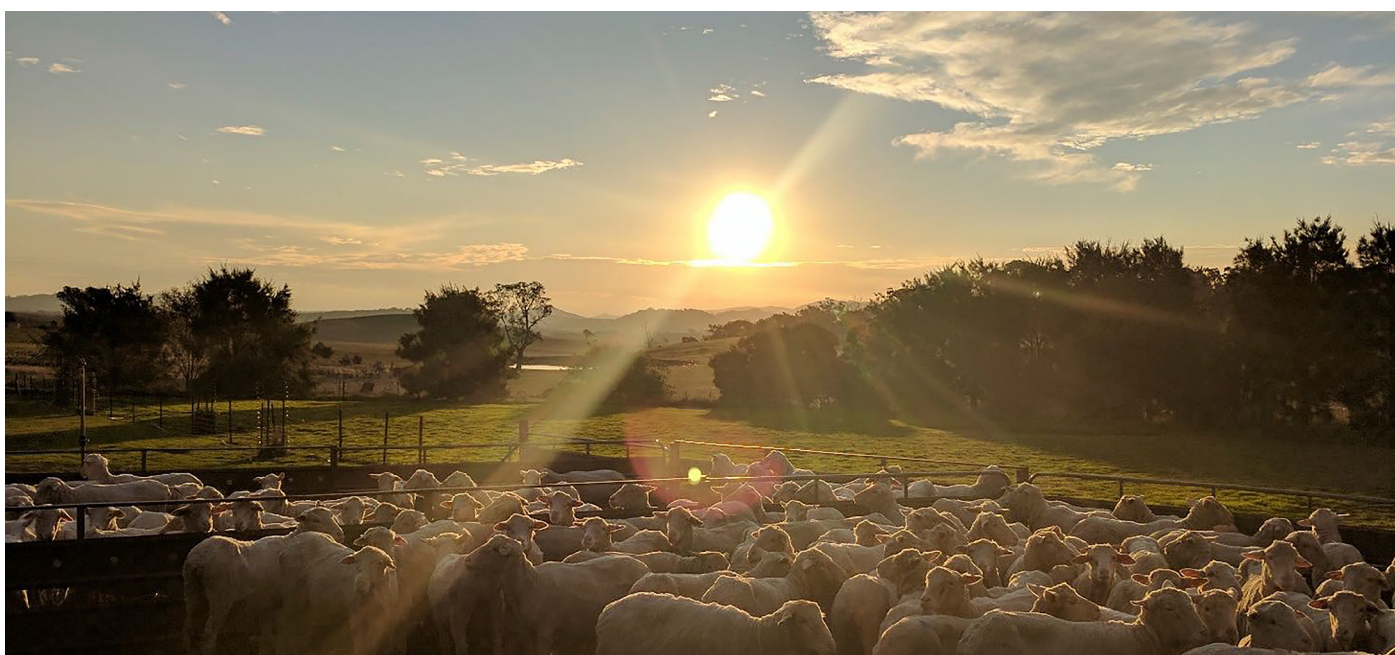
AWEX expresses gratitude to the wool industry's growers, brokers, and global partners, whose efforts contributed to the inception and evolution of SWIS. The foundation built by SWIS will continue to evolve within the AWSS framework, ensuring Australian wool remains a global leader in sustainability, quality, and innovation.

Year-end market share figures for the SWIS program

SW Auction offering (adjusted for SWIS catalogue audit process)	2022/23 Season	2023/24 Season
Bales	109,661	110,739
Lots	21,570	20,655
Share of all bales offered (Mer + XBD)*	8.2%	8.4%
Share of Merino bales offered*	8.7%	9.0%

*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 higher than the previous season.



Wool Classing

Key updates

292 NEW REGISTRATIONS (2023-24)

For the period July 1 2023 – June 30 2024, 292 new Wool Classers registered with AWEX. 259 (88.7%) were Australian Wool Classers, 29 Owner Classers, and 4 Classer Associates.

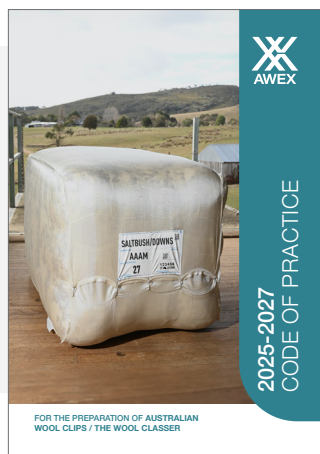
193 (66%) of new Wool Classers in the period were women.

RE-REGISTRATION 2025-27

15,057 Wool Classers will be invited to re-register their registrations for the 2025-27 triennium in September 2024.

EXTENSION WORKSHOPS

WoolClip workshops were the primary extension program in this reporting period. As many attendees were Wool Classers, clip preparation topics were often discussed.



CODE OF PRACTICE REVIEW

The review of the Code of Practice commenced with an invitation to Wool Classers to complete a comprehensive online survey in October 2023. Over 500 contributions were received. An industry working group worked through key items identified through the survey. The editorial objectives were to simplify classing guidelines, reduce duplication (and thus pages), along with additional content on digital documentation and eBale.

KEEP YOUR CLIP CLEAN CAMPAIGN

As a result of concerning feedback from an overseas mill on the incidence of contamination, AWEX refreshed the Keep Your Clip Clean poster. Along with distribution through social media, a printed copy of the poster was included in the March 2024 edition of *Beyond the Bale*, and will be included in the 2025-27 re-registration kit.

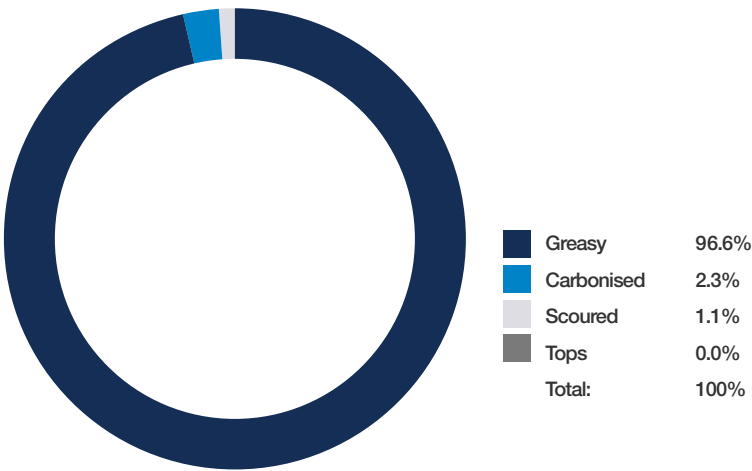


THE MARKET IN REVIEW

TOP EXPORT DESTINATIONS 2023-24

DESTINATION	GREASY EQUIVALENT KG	% CHANGE	% OF TOTAL	VALUE AUD \$	% CHANGE
1. China	294.5 MKG	7%	84.9%	\$2,378.0 m.	-6%
2. India	17.1 MKG	-21%	4.9%	\$134.6 m.	-32%
3. Italy	9.5 MKG	-30%	2.7%	\$132.5 m.	-39%
4. Czech Republic	7.6 MKG	-10%	2.2%	\$40.2 m.	-22%
5. Korea, Republic Of	6.1 MKG	-25%	1.8%	\$33.1 m.	-33%
6. Thailand	2.8 MKG	-16%	0.8%	\$27.0 m.	-21%
7. Egypt	1.6 MKG	-34%	0.5%	\$17.3 m.	-47%
8. Bulgaria	1.4 MKG	54%	0.4%	\$7.6 m.	7%
9. United Kingdom	1.2 MKG	15%	0.4%	\$8.5 m.	1%
10. Germany	1.1 MKG	-30%	0.3%	\$4.6 m.	-35%
11. United Arab Emirates	0.7 MKG	-17%	0.2%	\$7.7 m.	-22%
12. Japan	0.6 MKG	-49%	0.2%	\$4.1 m.	-81%
13. Turkey	0.4 MKG	-24%	0.1%	\$3.1 m.	-29%
14. USA	0.3 MKG	-55%	0.1%	\$2.4 m.	-43%
15. Spain	0.3 MKG	29%	0.1%	\$1.3 m.	11%
16. Others	1.4 MKG	-26%	0.4%	\$8.2 m.	-41%
346.7 MKG				\$ 2,809.9 Mill.	

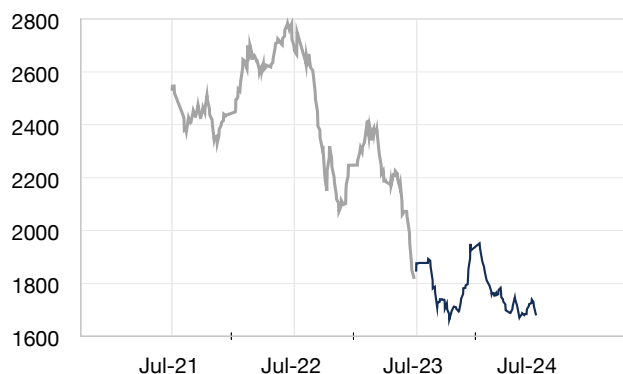
Export Summary by Class (% of mass KG)



MICRON PRICE GUIDES

2023/24 SEASON PERFORMANCE

17 MICRON



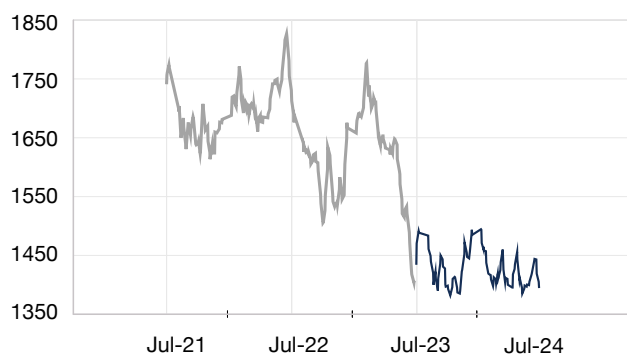
2022/23 close: 1818

2023/24 close: 1679

-139 (-7.6%)

	2021/22	2022/23	2023/24
Season Maximum	2829	2751	1970
Season Average	2548	2279	1763
Season Minimum	2329	1793	1650

19 MICRON



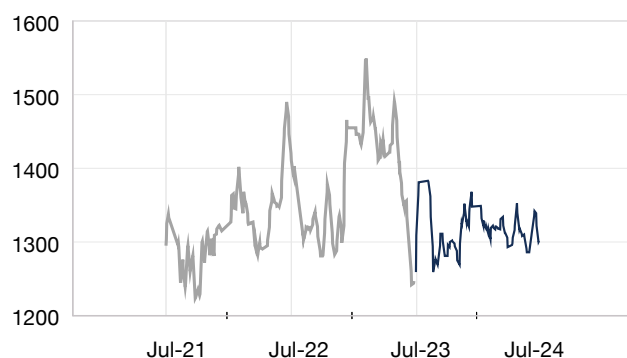
2022/23 close: 1407

2023/24 close: 1395

-12 (-0.9%)

	2021/22	2022/23	2023/24
Season Maximum	1829	1780	1498
Season Average	1698	1616	1426
Season Minimum	1613	1399	1376

21 MICRON



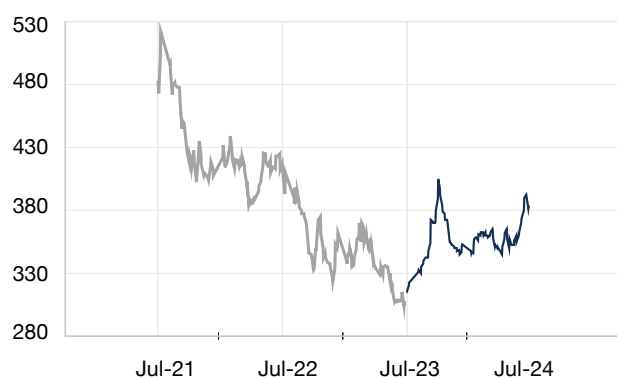
2022/23 close: 1247

2023/24 close: 1301

+54 (+4.3%)

	2021/22	2022/23	2023/24
Season Maximum	1494	1567	1383
Season Average	1319	1384	1316
Season Minimum	1215	1242	1259

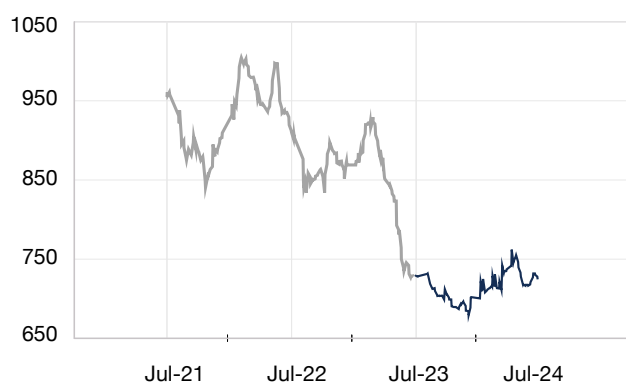
28 MICRON



2022/23 close: 308
 2023/24 close: 384
 +76 (+24.7%)

	2021/22	2022/23	2023/24
Season Maximum	530	417	408
Season Average	427	347	358
Season Minimum	382	290	310

MER. CARD. IND.

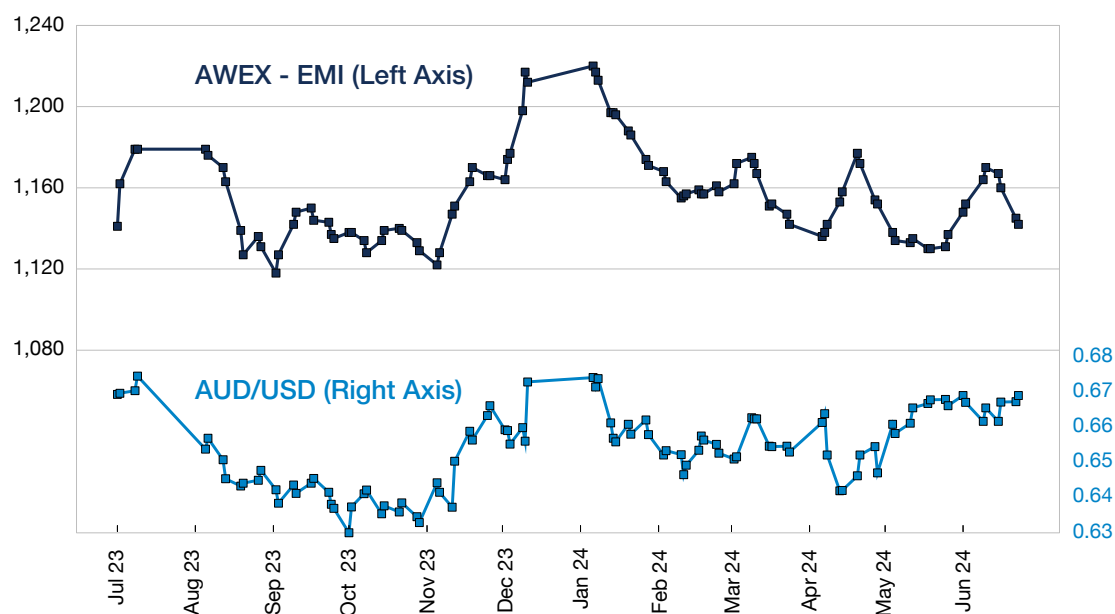


2022/23 close: 728
 2023/24 close: 725
 -3 (-0.4%)

	2021/22	2022/23	2023/24
Season Maximum	1011	931	778
Season Average	931	856	715
Season Minimum	829	708	676



AWEX-EASTERN MARKET INDICATOR



KEY STATISTICS

	17/18	18/19	19/20	20/21	21/22	22/23	23/24
AWEX EMI (ave.)	1734	1944	1459	1206	1385	1301	1157
AWEX EMI USD (AVE.)	1276	1390	975	908	1004	876	756
AUD (\$ US)	0.736	0.714	0.666	0.725	0.752	.6729	.6533
Sheep Shorn (Mil.)	76	72.5	68.6	66.9	71.6	71.5	71.6
Wool Prod. (Mkg)	338 M.	300 M.	284 M.	294 M.	324 M.	328 M.	318
Auction Offered (AU - Mkg)	336.2 M.	295.2 M.	259.4 M.	316.3 M.	329.4 M.	330.7 M.	321.6
Auction Sold (AU Mkg)	317.31 M.	264.2 M.	215.3 M.	279.8 M.	287.7 M.	287.3 M.	296.8
Auction Sold (AU Bales)	1,780,555	1,484,744	1,206,493	1,558,820	1,608,032	1,607,799	1,659,483
Auction Sold (\$ Billion)	\$ 3.43 B.	\$ 3.17 B.	\$ 1.95 B.	\$2.22 B.	\$2.59 B.	\$2.42 B.	\$2.24
19 MPG premium over 21 MPG (¢kg clean)	236 ¢	63 ¢	61 ¢	245 ¢	380 ¢	237 ¢	110 ¢
Exports 19 mic & finer (China market share)	85.0%	83.7%	84.4%	90.9%	87.0%	85.4%	89.5%
Export destinations (% market share)	China 74.8%	China 74.6%	China 77.5%	China(84.4%)	China 79.0%	China 80.6%	China 84.9%
	India 5.6%	India 5.7%	India 5.2%	Czech Rep. (4.0%)	India 4.9%	India 6.3%	India 4.9%
	Czech Rep. 5.0%	Italy 4.8%	Italy 4.5%	India (3.7%)	Italy 4.8%	Italy 4.0%	Italy 2.7%

SEASONAL HIGH/ LOW/ AVERAGES

NATIONAL		HIGH
EMI	9-JAN-24	1220

NATIONAL		LOW
EMI	5-SEP-23	1118

	AVE
EMI	1157

NORTH		HIGH
IND.	9-JAN-24	1279
165	9-JAN-24	2105
17	13-DEC-23	1970
175	13-DEC-23	1825
18	9-JAN-24	1693
185	13-DEC-23	1610
19	13-DEC-23	1498
195	13-DEC-23	1458
20	13-DEC-23	1422
21	23-APR-24	1352
25	5-DEC-23	732
26	4-OCT-23	611
28	5-OCT-23	408
30	10-OCT-23	370
32	5-MAR-24	305
MC	5-JUL-23	752

NORTH		LOW
IND.	5-SEP-23	1156
165	26-JUN-24	1762
17	11-OCT-23	1650
175	5-SEP-23	1567
18	8-MAY-24	1492
185	5-OCT-23	1424
19	8-MAY-24	1382
195	10-OCT-23	1334
20	5-SEP-23	1291
21	27-MAR-24	1284
25	16-AUG-23	695
26	16-AUG-23	468
28	4-JUL-23	310
30	4-JUL-23	280
32	16-JAN-24	285
MC	5-DEC-23	689

	AVE
IND.	1198
165	1885
17	1761
175	1655
18	1558
185	1482
19	1426
195	1382
20	1342
21	1315
25	714
26	534
28	356
30	338
32	296
MC	713

SOUTH		HIGH
IND.	13-DEC-23	1180
165	10-JAN-24	2108
17	10-JAN-24	1950
175	9-JAN-24	1817
18	9-JAN-24	1689
185	9-JAN-24	1579
19	9-JAN-24	1494
195	12-JUL-23	1443
20	12-JUL-23	1426
21	8-AUG-23	1383
22	13-DEC-23	1356
23	24-APR-24	1270
24	19-JUN-24	1072
25	9-AUG-23	836
26	10-OCT-23	629
28	5-OCT-23	402
30	5-OCT-23	382
32	15-FEB-24	320
MC	23-APR-24	778

SOUTH		LOW
IND.	5-SEP-23	1093
165	25-JUN-24	1768
17	9-APR-24	1673
175	9-APR-24	1581
18	14-MAY-24	1491
185	11-OCT-23	1428
19	11-OCT-23	1376
195	11-OCT-23	1334
20	8-NOV-23	1289
21	4-JUL-23	1259
22	1-NOV-23	1248
23	27-SEP-23	1182
24	27-SEP-23	932
25	9-APR-24	679
26	8-MAY-24	505
28	4-JUL-23	320
30	4-JUL-23	285
32	4-JUL-23	250
MC	29-NOV-23	676

	AVE
IND.	1128
165	1885
17	1765
175	1662
18	1563
185	1481
19	1426
195	1379
20	1346
21	1316
22	1293
23	1245
24	997
25	727
26	555
28	359
30	333
32	293
MC	717

WEST		HIGH
IND.	13-DEC-23	1343
175	17-JAN-24	1745
18	13-DEC-23	1645
185	13-DEC-23	1560
19	11-JUL-23	1510
195	11-JUL-23	1450
20	11-JUL-23	1406
21	13-DEC-23	1378
MC	24-APR-24	765

WEST		LOW
IND.	11-OCT-23	1251
175	31-JAN-24	1708
18	21-MAY-24	1477
185	21-MAY-24	1417
19	9-APR-24	1369
195	11-OCT-23	1326
20	27-SEP-23	1292
21	5-SEP-23	1260
MC	8-NOV-23	679

	AVE
IND.	1291
175	1731
18	1542
185	1476
19	1417
195	1378
20	1340
21	1315
MC	721

MEMBERS AS AT 30 JUNE 2024

TRADING MEMBERS

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

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

DIRECTORS' REPORT

The directors present their report together with the financial report of Australian Wool Exchange Limited, ("the company" or "AWEX"), for the year ended 30 June 2024 and auditor's report thereon.

DIRECTORS NAMES

The names of the directors in office at any time during or since the end of the year are:

Mr. Andreas Clark

Mr. Steven Harrison

Mr. Peter King

Mr. Martin Moses

Mr. Gary Turner (Retired 17 November 2023)

Mr. Geoffrey Beath OAM

(Appointed 17 November 2023)

Mr. Jonathon White

The directors have been in office since the start of the year to the date of this report unless otherwise stated.

RESULTS

The deficit of the company for the year after providing for income tax amounted to \$1,103,751 (2023: deficit of \$712,625).

REVIEW OF OPERATIONS

The company continued to engage in its principal activity, the results of which are disclosed in the attached financial statements.

SIGNIFICANT CHANGES IN STATE OF AFFAIRS

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

PRINCIPAL ACTIVITIES

Australian Wool Exchange Limited 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 company are to support the Australian Wool Industry by achieving the following objectives;

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 wool.
- 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.

AFTER BALANCE DATE EVENTS

There has been no matter or circumstance which has arisen since 30 June 2024 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.

INDEMNIFICATION OF OFFICERS

No indemnities have been given or insurance premiums paid, during or since the end of the year, for any person who is or has been an officer of the company.

INDEMNIFICATION OF AUDITORS

No indemnities have been given or insurance premiums paid, during or since the end of the year, for any person who is or has been an auditor of the company.

MEMBERSHIP

Australian Wool Exchange 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 2024 is \$375 (2023: \$380).

The number of members as at 30 June 2024 and the comparison with the prior year is as follows:

	2024	2023
Trading	57	58
Grower	15	15
Associate	3	3
Total	75	76

PROCEEDINGS ON BEHALF OF THE COMPANY

No person has applied for leave of Court to bring proceedings on behalf of the company or intervene in any proceedings to which the company is a party for the purpose of taking responsibility on behalf of the company for all or any part of those proceedings.

AUDITOR'S INDEPENDENT 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.



Andreas Clark, Chair

Dated this 27th day of September 2024



Peter King, Director



Pitcher Partners Sydney
ABN 17 795 780 962

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201 Sussex Street
Sydney NSW 2000

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GPO Box 1615
Sydney NSW 2001

+61 2 9221 2099
sydneypartners@pitcher.com.au

pitcher.com.au

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

In accordance with section 60-40 of the *Australian Charities and Not-for-profits Commission Act 2012*, I declare to the best of my knowledge and belief in relation to the audit of the financial report of Australian Wool Exchange Limited for the year ended 30 June 2024, there have been:

- i. no contraventions of the auditor independence requirements of the *Australian Charities and Not-for-profits Commission Act 2012* in relation to the audit; and
- ii. no contraventions of the ethical requirements of the Accounting Professional and Ethical Standards Board's APES 110 *Code of Ethics for Professional Accountants (including Independence Standards)* in relation to the audit.

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

C I Chandran
Partner

Pitcher Partners
Sydney

27 September 2024

Adelaide Brisbane Melbourne Newcastle Perth Sydney

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The Baker Tilly logo, consisting of a stylized 'b' inside a circle, followed by the text 'bakertilly' in a bold, sans-serif font.
NETWORK MEMBER

pitcher.com.au

STATEMENT OF INCOME AND RETAINED EARNINGS

For the year ended 30 June 2024	Note	2024	2023
		\$	\$
Revenue and other income			
Revenue from ordinary activities	2	6,033,080	5,721,388
Other revenue	2	616,285	331,278
		6,649,365	6,052,666
Less: expenses			
Direct product expenses	3	(1,409,898)	(1,180,515)
Depreciation and amortisation expenses	3	(449,039)	(371,387)
Employee benefit expenses	3	(3,816,460)	(3,242,014)
Occupancy expense		(389,763)	(377,564)
Travel expense		(238,768)	(219,211)
Technology expense		(544,632)	(469,704)
Board expense		(260,847)	(237,271)
Consulting expense		(141,327)	(352,360)
Other expenses		(502,382)	(315,265)
		(7,753,116)	(6,765,291)
Deficit for the year before income tax expense		(1,103,751)	(712,625)
Income tax expense	1(d)	-	-
Deficit from ordinary activities after related income tax expense		(1,103,751)	(712,625)
Opening retained earnings		8,293,950	9,006,575
Deficit attributable to members of the company		(1,103,751)	(712,626)
Retained earnings at the end of the year		7,190,199	8,293,950

The accompanying notes form part of these financial statements.

STATEMENT OF FINANCIAL POSITION

As at 30 June 2024	Note	2024	2023
		\$	\$
CURRENT ASSETS			
Cash and cash equivalents	4	2,514,263	5,497,606
Receivables	5	120,589	36,575
Inventories	6	64,200	121,118
Other current assets	7	180,468	171,449
Total current assets		2,879,520	5,826,748
Non-current assets			
Other financial assets	8	4,427,473	3,907,608
Intangible Assets	9	1,771,361	1,757,958
Property, plant and equipment	10	417,825	559,103
Total non-current assets		6,616,659	6,224,669
Total assets		9,496,179	12,051,417
Current liabilities			
Payables	11	642,002	541,302
Lease liabilities	12	87,869	87,869
Provisions	13	696,619	717,843
Other current liabilities	14	562,267	1,988,902
Total current assets		1,988,757	3,335,916
NON-CURRENT LIABILITIES			
Lease liabilities	12	282,561	381,296
Provisions	13	34,662	40,255
Total non-current liabilities		317,223	421,551
Total liabilities		2,305,980	3,757,467
Net assets		7,190,199	8,293,950
Members' Funds			
Retained earnings		7,190,199	8,293,950
Total Members' Funds		7,190,199	8,293,950

The accompanying notes form part of these financial statements.

STATEMENT OF CASH FLOWS

For the year ended 30 June 2024	Note	2024	2023
		\$	\$
Cash flows from operating activities			
Receipts from customers		4,662,012	4,509,399
Payments to suppliers and employees		(7,183,361)	(6,027,766)
Interest received		210,195	141,008
Interest paid		(27,107)	(31,198)
Distributions received		140,824	81,856
Net cash used in operating activities		(2,197,437)	(1,326,701)
Cash flows from investing activities			
Proceeds from sale of investments		-	1,296
Payment for property, plant & equipment		(23,460)	(318,311)
Payment for investments		(254,599)	(3,252,678)
Payment for Intangible asset		(409,112)	-
Net cash used in investing activities		(687,171)	(3,569,693)
Cash flow from financing activities			
Repayment of borrowings		(98,735)	(81,575)
Net cash used in financing activities		(98,735)	(81,575)
Reconciliation of cash			
Cash at beginning of the financial year		5,497,606	10,475,575
Net decrease in cash held		(2,983,343)	(4,977,969)
Cash at end of financial year	4	2,514,263	5,497,606

The accompanying notes form part of these financial statements.

NOTES TO FINANCIAL STATEMENTS

For the year ended 30 June 2024

NOTE 1: SUMMARY OF MATERIAL ACCOUNTING POLICIES

(a) Basis of preparation

The financial report is a general- purpose financial report that has been prepared in accordance with the *Australian Charities and Not-for-profits Commission Act 2012* and Australian Accounting Standards - Simplified Disclosures, Interpretations and other applicable authoritative pronouncements of the Australian Accounting Standards Board. This includes compliance with the recognition and measurement requirements of all Australian Accounting Standards, Interpretations and other authoritative pronouncements of the Australian Accounting Standards Board and the disclosure requirements of AASB 1060 General Purpose Financial Statements - Simplified Disclosures for For-Profit and Not-for-Profit Tier 2 Entities.

The financial report covers Australian Wool Exchange Limited (“the company” or “AWEX”) as an individual entity. Australian Wool Exchange Limited is a company limited by guarantee, incorporated and domiciled in Australia. Australian Wool Exchange Limited is a not-for-profit entity for the purpose of preparing the financial statements.

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 financial report was approved by the directors as at the date of the directors’ report.

The following are the material accounting policies adopted by the company in the preparation and presentation of the financial report. The accounting policies have been consistently applied, unless otherwise stated.

(b) Property, plant & equipment

Each class of plant and equipment is measured 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.

Class of fixed asset	Useful lives	Depreciation basis
Leasehold improvements	3-5 years	Straight line
Plant and equipment	3-10 years	Straight line
Furniture, fixtures and fittings	3-5 years	Straight line

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 FINANCIAL STATEMENTS

For the year ended 30 June 2024

NOTE 1: SUMMARY OF MATERIAL 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.

Class of intangible asset	Useful Life
Software development	3-10 Years

(d) Income tax

No provision for income tax has been raised as the company is exempt from income tax under Division 50 of the *Income Tax Assessment Act 1997*.

(e) Revenue from contracts with customers

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 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.

Bale label

Performance obligations are satisfied at the time control of the goods has been transferred to the customer. Revenue is recognised upon delivery of bale label order.

Wool Classer

Classer registration fees are payable in advance every triennium, current triennium is 2022-2024. Revenue is recognised for registration fees over the 36 months registration period.

Service fees

Performance obligations are satisfied upon services being delivered. Revenue is recognised upon all services being delivered.

Membership and Subscription fees

Membership and 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).

NOTES TO FINANCIAL STATEMENTS

For the year ended 30 June 2024

NOTE 1: SUMMARY OF MATERIAL ACCOUNTING POLICIES (CONTINUED)

(f) Employee benefits

(i) Short-term employee benefit obligations

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.

(ii) Long-term employee benefit obligations

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.

(iii) Superannuation

The company 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.

(g) Goods and services tax (GST)

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

- where the amount of GST incurred is not recoverable from the Australian Tax Office. In these circumstances GST is recognised as part of the cost of acquisition of the asset or as part of an item of the expense.
- receivables and payables in the statement of financial position are shown 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.

NOTES TO FINANCIAL STATEMENTS

For the year ended 30 June 2024

NOTE 1: SUMMARY OF MATERIAL ACCOUNTING POLICIES (CONTINUED)

(h) 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 (2023: \$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.

(i) Financial assets

The company recognises financial assets and financial liabilities on the date it becomes party to the contractual agreement (trade date) and recognises changes in fair value of the financial assets or financial liabilities from this date.

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.

Derecognition of a financial asset (or, where applicable, a part of 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 any material delay to a third party under a 'pass-through' arrangement; or
- iii) AWEX has transferred its rights to receive cash flows from the asset and either (a) has transferred substantially all the risk 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.

Classification of financial assets

Financial assets recognised by the company are subsequently measured in their entirety at either amortised cost or fair value, subject to their classification and whether the company irrevocably designates the financial asset on initial recognition at fair value through other comprehensive income (FVtOCI) in accordance with the relevant criteria in AASB 9.

Financial assets not irrevocably designated on initial recognition at FVtOCI are classified as subsequently measured at amortised cost, FVtOCI or fair value through profit or loss (FVtPL) on the basis of both:

- (a) the company's business model for managing the financial assets; and
- (b) the contractual cash flow characteristics of the financial asset.

NOTES TO FINANCIAL STATEMENTS

For the year ended 30 June 2024

NOTE 1: SUMMARY OF MATERIAL ACCOUNTING POLICIES (CONTINUED)

(i) Financial assets (Continued)

Impairment of financial assets

The company recognises a loss allowance for expected credit losses on financial assets which are either measured at amortised cost or fair value through other comprehensive income. The measurement of the loss allowance depends upon the Company's assessment at the end of each reporting period as to whether the financial instrument's credit risk has increased significantly since the initial recognition, based on reasonable and supportable information that is available, without undue cost or effort to obtain. Where there has not been a significant increase in exposure to credit risk since the initial recognition, a 12-month expected credit loss allowance is estimated. This represents a portion of the asset's lifetime expected credit losses that is attributable to a default event that is possible within the next 12 months.

Where a financial asset has become credit impaired or where it is determined that credit risk has increased significantly, the loss allowance is based on the asset's lifetime expected credit losses. The amount of expected credit loss recognised is measured on the basis of probability weighted present value of anticipated cash shortfalls over the life of the instrument discounted at the original effective interest rate.

For financial assets measured at fair value through other comprehensive income, the loss allowance is recognised within other comprehensive income. In all other cases, the loss allowance is recognised in profit or loss.

(j) Comparatives

Where necessary, comparative information has been reclassified and repositioned for consistency with current year disclosures.

(k) 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.

NOTES TO FINANCIAL STATEMENTS

For the year ended 30 June 2024

NOTE 1: SUMMARY OF MATERIAL ACCOUNTING POLICIES (CONTINUED)

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

(i) Lease term

The lease term is a significant component in the measurement of both the lease asset and lease liability. Judgment 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.

(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 FINANCIAL STATEMENTS

For the year ended 30 June 2024	2024	2023
	\$	\$
NOTE 2: REVENUE FROM ORDINARY ACTIVITIES		
<i>Operating Activities</i>		
Sale of goods - Bale labels	2,983,696	2,703,433
Wool Classer registration fees	1,644,101	1,610,165
Service fees	748,732	854,748
Membership joining and annual subscription fees	656,551	553,042
	6,033,080	5,721,388
<i>Other Income</i>		
Interest and distributions received	303,218	222,863
Fair value gain on investments	313,067	93,415
Reversal of provision for doubtful debt	-	15,000
	616,285	331,278
Total revenue from Ordinary Activities	6,649,365	6,052,666

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
2024	\$	\$	\$	\$	\$
Timing of revenue recognition					
At a point in time	2,983,696	-	748,732	-	3,732,428
Over time	-	1,644,101	-	656,551	2,300,652
Total	2,983,696	1,644,101	748,732	656,551	6,033,080
2023					
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
Total	2,703,433	1,610,165	854,748	553,042	5,721,388

NOTES TO FINANCIAL STATEMENTS

For the year ended 30 June 2024	2024	2023
	\$	\$
NOTE 3: OPERATING DEFICIT		
Deficit before income tax has been determined after:		
Direct product expenses	1,409,898	1,180,515
Depreciation and amortisation expense	449,039	371,387
Employee benefit expenses	3,816,460	3,242,014
NOTE 4: CASH AND CASH EQUIVALENTS		
Cash on hand	351	400
Cash at bank	593,709	851,172
Term deposits	1,920,203	4,646,034
	2,514,263	5,497,606
NOTE 5: RECEIVABLES		
Trade debtors	120,589	36,575
NOTE 6: INVENTORIES		
Bale labels	64,200	121,118
NOTE 7: OTHER CURRENT ASSETS		
Prepayments	70,583	77,866
Other debtors	109,885	93,583
	180,468	171,449
NOTE 8: OTHER FINANCIAL ASSETS		
Managed investment portfolio at fair value through profit or loss	4,427,473	3,907,608

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:

NOTES TO FINANCIAL STATEMENTS

For the year ended 30 June 2024

NOTE 8: OTHER FINANCIAL ASSETS (CONTINUED)

- Level 1: quoted prices (unadjusted) in active markets for identical assets or liabilities;
 - 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
 - Level 3: inputs for the asset or liability that are not based on observable market data (unobservable inputs).
- All equity investments held by the company are Level 1 investments.

	2024	2023
	\$	\$
NOTE 9: INTANGIBLE ASSETS		
Capitalised development costs	3,418,046	3,203,935
Accumulated amortisation	(1,838,354)	(1,445,977)
	1,579,692	1,757,958
Work in progress development costs	191,669	-
Depreciation charge for the year	1,771,361	1,757,958
(a) Reconciliations		
Reconciliation of the carrying amounts of intangible assets at the beginning and end of the current financial year		
<i>Capitalised development costs</i>		
Opening balance	1,757,958	1,890,997
Additions	217,444	199,720
Disposal	-	(1,169)
Depreciation	(395,709)	(331,590)
Closing balance	1,579,693	1,757,958
<i>Work in Progress development costs</i>		
Opening balance	-	-
Additions	191,669	-
Closing balance	191,669	-
NOTE 10: PROPERTY, PLANT AND EQUIPMENT		
Leased premises at cost	557,036	557,036
Accumulated amortisation	(222,815)	(111,407)
	334,221	445,629

NOTES TO FINANCIAL STATEMENTS

For the year ended 30 June 2024	2024	2023
	\$	\$
NOTE 10: PROPERTY, PLANT AND EQUIPMENT (CONTINUED)		
Leasehold improvements at cost	89,442	82,382
Accumulated amortisation	(83,441)	(82,382)
	6,001	-
Plant and equipment at cost	296,007	289,588
Accumulated depreciation	(219,658)	(178,026)
	76,349	111,562
Furniture, fixtures and fittings at cost	74,349	75,792
Accumulated depreciation	(73,095)	(73,880)
	1,254	1,912
Total property, plant and equipment	417,825	559,103
(a) Reconciliations		
Reconciliation of the carrying amounts of property, plant and equipment at the beginning and end of the current financial year		
<i>Leased premises</i>		
Opening carrying amount	445,629	550,740
Additions	-	6,296
Amortisation expense	(111,408)	(111,407)
Closing carrying amount	334,221	445,629
<i>Leasehold improvements</i>		
Opening carrying amount	-	82,382
Additions	7,060	-
Amortisation expense	(1,059)	(82,382)
Closing carrying amount	6,001	-
<i>Plant and equipment</i>		
Opening carrying amount	111,562	34,681
Additions	15,614	116,678
Amortisation expense	(50,827)	(39,797)
Closing carrying amount	76,349	111,562

NOTES TO FINANCIAL STATEMENTS

For the year ended 30 June 2024	2024	2023
	\$	\$
NOTE 10: PROPERTY, PLANT AND EQUIPMENT (CONTINUED)		
(a) Reconciliations (Continued)		
<i>Furniture, fixtures and fittings</i>		
Opening carrying amount	1,912	75,792
Additions	785	-
Depreciation	(1,444)	(73,880)
Closing carrying amount	1,253	1,912
NOTE 11: PAYABLES		
Trade creditors	261,032	181,267
Accrued expenses	380,970	360,035
	642,002	541,302
NOTE 12: LEASE LIABILITIES		
Lease liabilities - current	87,869	87,869
Lease liabilities - non current	282,561	381,296
Maturity analysis of future lease payments		
Not later than 1 year	129,510	124,199
Later than 1 year and not later than 5 years	275,702	405,212
Expenditure Commitments	405,212	529,411
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.		
NOTE 13: PROVISIONS		
CURRENT		
Employee benefits	696,619	717,843
NON CURRENT		
Employee benefits	34,662	40,255

NOTES TO FINANCIAL STATEMENTS

For the year ended 30 June 2024	2024	2023
	\$	\$
NOTE 14: OTHER CURRENT LIABILITIES		
CURRENT		
Unearned income	562,267	1,988,902
Unearned income represents Wool Classer registration fees received for the period 1 January 2022 to 31 December 2024.		
NOTE 15: RELATED PARTY TRANSACTIONS		
(a) Director and director-related entity transactions		
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.	83,014	111,497
Purchase of IT services from directors' related entity	1,595	1,407
Current receivables (Sales of Services)	5,070	3,795
Current payables (IT Services)	133	129
NOTE 16: KEY MANAGEMENT PERSONNEL COMPENSATION		
Total compensation paid or payable to key management personnel	1,482,498	1,195,692

For the year ended 30 June 2024, AWEX has determined key management personnel as those in the following roles:

- Chief Executive Officer
- Chief Financial Officer and Company Secretary
- General Manager, Brand and Integrity
- General Manager, Information Technology and Business Insights
- General Manager, Wool Operations

For the year ended 30 June 2023, AWEX has determined key management personnel as those in the following roles:

- Chief Executive Officer
- Chief Financial Officer and Company Secretary
- General Manager, Information Technology and Business Insights
- General Manager, Wool Operations

NOTES TO FINANCIAL STATEMENTS

For the year ended 30 June 2024	2024	2023
	\$	\$
NOTE 17: REMUNERATION OF AUDITORS		
Remuneration of auditors for:		
Audit and assurance services		
- Audit of the financial report	41,000	32,400
NOTE 18: CONTINGENT LIABILITIES		
A contingent liability exists for bank guarantee provided by the company in respect of		
Lease obligations	93,301	93,301
NOTE 19: COMMITMENTS		
The company had \$3,049,517 (2023: \$2,247,310) in costs committed for the purchase of bale labels.		

NOTE 20: EVENTS SUBSEQUENT TO REPORTING DATE

There has been no matter or circumstance, which has arisen since 30 June 2024 that has significantly affected or may significantly affect:

- (a) the operations, in financial years subsequent to 30 June 2024, of the company, or
- (b) the results of those operations, or
- (c) the state of affairs, in financial years subsequent to 30 June 2024, of the company.

DIRECTOR'S DECLARATION

The directors declare that:

In the director's opinion, the financial statements and notes thereto, as set out on pages 29-44, satisfy the requirements of the *Australian Charities and Not-for-profits Commission Act 2012*, including:

- (a) complying with Australian Accounting Standards - Simplified Disclosures and the Australian Charities and Not-for-profits Commission Regulation 2022; and
- (b) giving a true and fair view financial position as at 30 June 2024 and performance for the year ended on that date of the company.

Signed in accordance with subsection 60.15(2) of the Australian Charities and *Not-for-profit Commission Regulation 2022*.

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

Andreas Clark,
Chair

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

Peter King,
Director

Dated this 27th day of September 2024



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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

Opinion

We have audited the financial report of Australian Wool Exchange Limited ("the company"), which comprises the statement of financial position as at 30 June 2024, the statement of comprehensive income, the statement of changes in equity and the statement of cash flows for the year then ended, and notes to the financial statements including material accounting policy information, and the directors' declaration.

In our opinion, the accompanying financial report of Australian Wool Exchange Limited is in accordance with Division 60 of the *Australian Charities and Not-for-profits Commission Act 2012*, including:

- (a) giving a true and fair view of the Registered Entity's financial position as at 30 June 2024 and of its financial performance for the year then ended; and
- (b) complying with Australian Accounting Standards and Division 60 of the *Australian Charities and Not-for-profits Commission Regulations 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 Registered Entity in accordance with the auditor independence requirements of the *Australian Charities and Not-for-profits Commission Act 2012* ("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 of the financial report that gives a true and fair view in accordance with Australian Accounting Standards and the ACNC Act, and for such internal control as the directors of the company determines is necessary to enable the preparation of the financial report that gives a true and fair review and is free from material misstatement, whether due to fraud or error.

In preparing the financial report, the directors of the company 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 directors of the company either intends to liquidate the company or to cease operations, or has no realistic alternative but to do so.

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Responsibilities of directors 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 company's annual report for the year ended 30 June 2024, 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 control.
- 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 control.
- Evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by the directors of the company. .
- Conclude on the appropriateness of the directors of the company's 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.
- 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.

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**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)

We communicate with the directors of the company 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.

Independence

We confirm that the independence declaration required by the ACNC Act, which has been given to the directors of the company, would be in the same terms if given to the directors of the company as at the time of this auditor's report.

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

C I Chandran
Partner

27 September 2024

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

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