

Q2 / 2025–2026

Welcome to the AWEX Update

As we begin the second half of the 2025–26 season, we recognise that many in the wool industry are currently facing extremely challenging conditions, with floods and fires impacting businesses, families and communities across the country.

Against this backdrop, we also recognise that AWEX still has a job to do to improve the understanding of the full suite of AWEX products and services and the value they generate to industry. We have traditionally flown under the radar, chipping away in the background to deliver for industry and ensure you have confidence in the integrity systems supporting the wool market.

As the AWEX agenda has evolved, so too has our requirement to be a more outward facing organisation that has a more visible presence. This has led to increased efforts to both communicate and educate the market about AWEX products and services while refining the way we engage with members and other industry participants.

While there is still a way to go, we hope that members are starting to see a more professional approach to AWEX communication efforts.

A fresh new AWEX website, an emerging social media presence, along with an additional effort to engage face to face with our members at the coalface are just a few of the areas we are focussing on to ensure that you can see what AWEX is working on and what value we are delivering.

In 2026, AWEX will be facing more changes to the wool industry operating environment that will require us to continue to look at the products and services we deliver and shape them accordingly. We will continue to canvass AWEX member insights about our services over the course of 2026 with a view to continuing to improve our services to industry. Please feel free to reach out to the AWEX team at any time if you have ideas that you would like to share.

Charlie McElhone, CEO

A close-up photograph showing a pair of hands holding a wool sample card. The card is white with blue text and a QR code. The background is blurred, showing a person in a dark jacket. The text 'Led by Industry, Managed by Industry, for the Benefit of Industry' is overlaid in white on the bottom left of the image.

**Led by Industry,
Managed by Industry,
for the Benefit of Industry**

2025 AWEX AGM Outcomes

The 2025 AWEX AGM was held virtually on November 21st. Key Outcomes:

- 1 Members approved the 2024/25 Financial Report.
- 2 Jonathon White reappointed as Director representing Broker (Large Brokers) members.

For further information, please contact **Tony Checchia**, AWEX Company Secretary at tchecchia@awex.com.au

AWEX People News

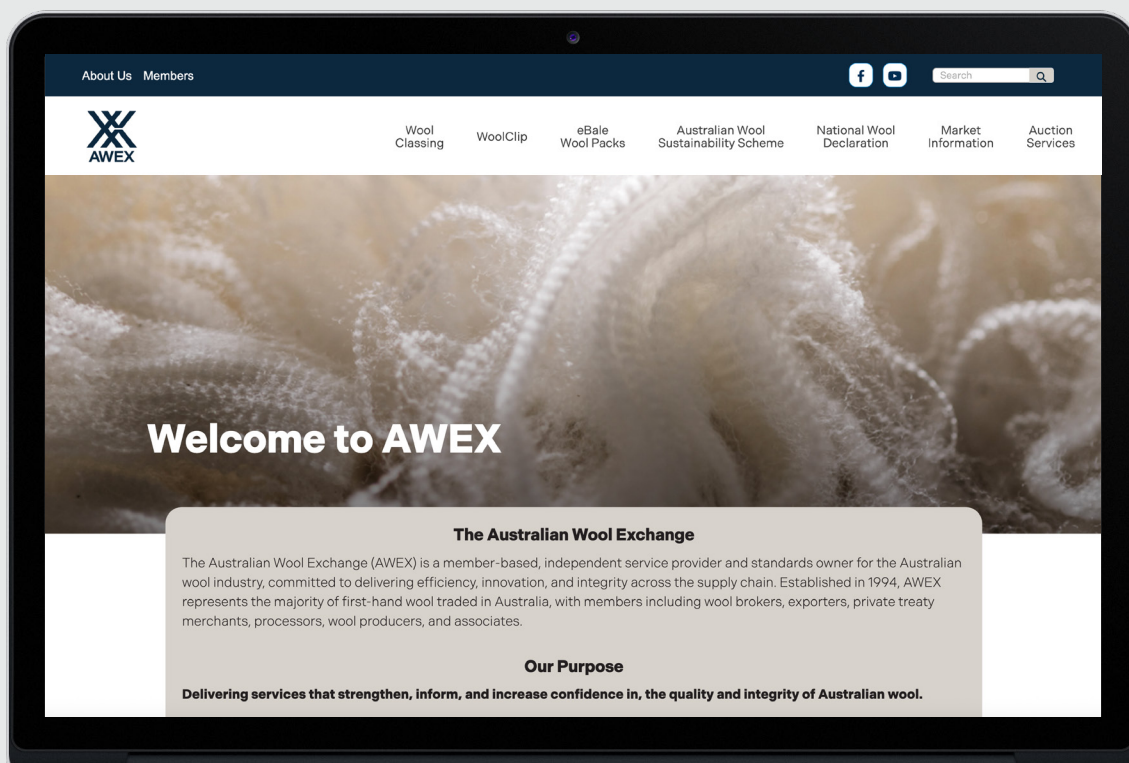
At the recent AGM and following a call for nominations, Mr Jonathon White was re-appointed for a further three years as the AWEX Director – Broker (Large Brokers).



AWEX Launches New Corporate Website

AWEX has been supporting the Australian wool industry for more than 30 years, delivering a unique suite of services — including auction and market information services, wool classing and registration, WoolClip, eBale wool packs, the National Wool Declaration (NWD) and the Australian Wool Sustainability Scheme (AWSS). Together, these programs help maintain confidence in — and add value to — Australian wool.

Feedback told us we could do more to explain what we do and how these programs connect. Our new corporate website is an important step forward, providing clearer information, easier navigation, and a more complete picture of the value AWEX delivers to industry. The site will continue to be built out over the coming months, and in the meantime some links will take users to an archive site where existing content and functionality are still housed.





Global Support Builds for the AWSS

AWEX has been working closely with domestic and international partners to strengthen understanding, recognition and support for the Australian Wool Sustainability Scheme (AWSS). This work is has already translated into strong endorsements from key customer markets.

A major milestone in 2025 was the formal endorsement of AWSS by Wool Industries Australia (WIA) as the preferred certification framework for Australian greasy wool. WIA President David Michell described certification as “no longer a niche demand — it’s rapidly becoming a market expectation,” and highlighted AWSS as the right mechanism to deliver more certified wool to market while reducing cost and duplication for industry.

WIA has committed to working with partners to promote AWSS and support recognition across downstream markets, including close engagement with the Nanjing Wool Market (NWM). Through a joint statement with WIA, the Chinese industry confirmed its support for AWSS as a practical and efficient way for Australian wool to meet expectations around environmental performance, quality consistency and animal welfare.

Nanjing Wool Market Chair of the China Australia Joint Working Group, Madam Yang said “It is so important that Australia can ensure its wool meets current international demand in terms of environmental contribution, quality consistency and animal treatment ethics. The Chinese industry is very pleased to provide its full support to the AWSS.”

Support has also been secured from Italy, one of Australia’s most influential value-adding markets. The Italian Wool Textile Association (IWTA), representing the Italian and international wool textile chain, has formally endorsed AWSS as a credible and future-focused framework.



IWTA President Claudio Lacchio said that “as sustainability, transparency and animal welfare become essential priorities for consumers, brands and supply chains, IWTA welcomes AWSS as a credible, practical and forward-looking framework that strengthens the global reputation of Australian wool.”

IWTA also highlighted AWSS’s industry ownership, integration with Australia’s wool classing system, and its next-generation digital traceability — including the eBale and WoolClip — as key points of differentiation.

This endorsement has been reinforced by letters from eight leading Italian textile companies, including E. Thomas, Lanecardate, Lanificio Zignone, Pettinatura Lane di Romagnano Sesia, Reda, The Schneider Group, Vitale Barberis Canonico, and Zegna Baruffa noting that sustainability and traceability are now “essential values” for their customers and brands, and welcoming AWSS as a framework that delivers clear standards, independent verification and the confidence needed to communicate transparently with consumers.

Together, these outcomes send a clear message from major markets: there is strong demand for certified Australian wool, and AWSS is widely supported as a fit-for-purpose, credible and efficient certification pathway.

AWSS Partner Program

The AWSS Partner Program continues to grow, reflecting strong local and international support for Australia's industry-led sustainability certification. We thank all our partners for their commitment and collaboration in helping increase the volume of certified Australian wool.

PARTNERS



STRATEGIC PARTNERS



WOOL INDUSTRIES AUSTRALIA PARTNERS



If your organisation is not yet an AWSS Partner and would like to join, you can apply via the AWSS website australianwoolsustainability.com.au/Partners/. You're also welcome to contact Brett Matthews, Head of Business Development, at bmatthews@awex.com.au to discuss partnership benefits.

Certified Wool: Demand growing but supply remains limited

Certification is rapidly becoming a baseline requirement for access to many global wool markets. Messaging from international forums and customers of Australian wool continues to reinforce that certified wool underpins regulatory compliance, brand commitments and customer expectations.

Australian auction data confirms that demand for certified wool — and premiums where supply allows — is real. However, the volume of certified Australian wool available to the market remains limited, creating both a risk and an opportunity for the industry.

Certification Uptake Lags Behind On-Farm Practice – Significant Untapped Potential

Between October 2024 and October 2025, only 8% of the Australian wool clip sold at auction carried a Certified Integrity Scheme (CIS).

- **22%** of the clip was declared non-mulesed or ceased-mulesed, with only **7.37%** certified
- **40%** declared anaesthetic/analgesic (AA), with only **3.32%** certified.

The gap between on-farm practice and recognised certification highlights a clear opportunity to lift certified supply without the need for production systems change.



Certified Wool Does Achieve Premiums – With Important Context

Analysis from the 2025 season shows that:

- All certified wool achieved premiums above non-certified wool of the same micron and mulesing status.
- Certified non-mulesed wool realised premiums of up to 150 c/kg clean.
- Certification premiums increased as the market strengthened, rising from around 1% in 2023–24 to almost 8% by November 2025.

However, certification premiums are not always linear or clearly visible.

Wool pricing remains driven by fibre quality — micron, strength, length, VM and style — with certification influencing buyer participation and competition rather than replacing these fundamentals. Auction data also does not capture premiums achieved through direct sales, where significant volumes of high-value certified wool are traded.

Finally, for many customers, certification is now a minimum requirement, not a diversification or marketing value-add. In these cases, the “premium” is market access itself — uncertified wool may simply be excluded from consideration.

Clean cents/kg	Season	Micron					
		16	17	18	19	20	21
SustainaWOOL	24	41	67	62	53	22	6
	25	78	78	46	144	40	138
RWS	24	102	92	83	82	95	89
	25	132	121	12	141	146	128
Others NM/CM	24	36	15	12	4	6	6
	25	53	11	13	2	4	21
ResponsiWOOL	24	44	16	28	8	3	4
	25	55	35	33	26	-1	
Others (AA)	24	2	0	0	3	4	4
	25	19	1	5	5	5	3

Table 1: Premiums achieved by certification type vs comparable NWD declaration alone. Season 25 data to end November 2025.

What This Means for Industry Participants

Certification is increasingly a ticket to play in high value markets, not just a price lever. As a result, AWSS certification offers a clear commercial proposition:

- It protects growers’ access to high-value and regulated markets
- It supports stronger buyer competition where wool quality attributes aligns
- It helps ensure Australian wool remains eligible as customer expectations tighten

AWSS provides an Australian-designed, practical pathway that helps safeguard market access, support buyer competition and align Australian wool with evolving customer expectations.

For AWSS enquiries, please contact AWEX at awss@awex.com.au

AWSS Step-Up Bonus Update

The AWSS Step-Up Bonus remains available for eligible growers selling AWSS-certified wool into 2026. The Bonus continues to be an important mechanism to help grow the supply of Certified Australian wool to meet market demand.

The Step-Up Bonus was introduced to encourage growers to certify with the Australian Wool Sustainability Scheme (AWSS) and increase the volume of certified wool available to buyers.

Early participation has been strong, demonstrating industry appetite to scale certified supply:

- Over 1,600 AWSS-Certified bales have received the Bonus.
- 32 PICs have successfully claimed payments.
- Six AWSS Partner Brokers have submitted claims on behalf of clients.

What is the Step-Up Bonus?

- \$5 per AWSS-certified bale capped at 60 bales/\$300 per certified PIC.
- Bonus paid monthly via your AWSS Partner Selling Agent.
- Round One – eligible bales that meet all AWSS certification requirements sold from 1 July 2025 until funds exhausted.

Selling agents play a key role in facilitating access to the Bonus and are encouraged to use the Step-Up Bonus to assist with getting their clients AWSS certified to meet ongoing demand for Certified Australian wool.

To submit claims for their clients, agents must be an AWSS Partner. Organisations not yet participating are encouraged to engage with AWEX to understand how the AWSS Partner Program can support them and their grower clients.





WoolClip Excellence Program – launching January 2026

From January 2026, AWEX will launch the WoolClip Excellence Training Program — a new learning pathway for wool selling agents to build capability and confidence in Australia's digital wool specification platform.

Since launch, more than one million bales have been processed through WoolClip. Today, over one in four bales are prepared using the platform, reflecting strong industry uptake. Now is the ideal time for wool broking teams to deepen their knowledge and better support grower clients transitioning to eSpeci.

The program has been developed in response to strong demand from wool broking staff seeking practical, hands-on skills in WoolClip and digital specification workflows.

With support from the Australian Government's National Agricultural Traceability Grants Program, reduced course fees will apply until June 2026.

Two course levels will be available to suit different experience and skill needs.

Level	Course	Format	Duration	Best suited to
Level 1 – WoolClip Essentials	Introduction to WoolClip	Workshop	1½ day	New or infrequent users
Level 2 – WoolClip Expertise	Advanced WoolClip Skills	Workshop	1½ days	Frequent users or in-house trainers

Training workshops available in person only.

Program Benefits

- ✓ **Formal Certification**
Stand out with industry-recognised credentials from AWEX and lead the transition to a digitally evolving supply chain.
- ✓ **Professional Development**
Level up your skillset, boost your confidence, and build your reputation as a trusted WoolClip specialist.
- ✓ **Exclusive Tools and Resources**
Access premium support materials, updates, and ongoing learning that keep you and your business ahead of the curve.
- ✓ **Community Connection**
Join a growing network of certified professionals driving digital traceability, integrity, and efficiency across the wool industry.

Ready to Get Started?

Secure your spot in the next available session – or talk to us about tailored training for your organisation.

E: woolclip@awex.com.au

W: awex.com.au/WoolClip/





WoolClip Releases – App Updates Improving Utility & Flexibility

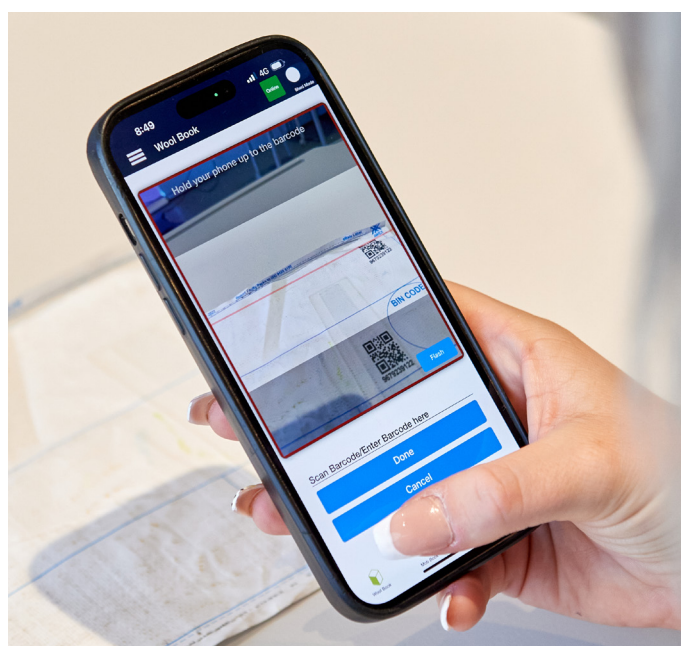
There are two WoolClip update releases planned between January and June 2026.

The 2026 January release includes improvements in App performance and layout.

- Users with significant numbers of jobs or bales in their Wool Book(s) will have the opportunity to:
 - Control which Jobs they want data to their App at an individual user level.
 - Choose at a Job level to download only bales that have not been placed on a Specification.
- When bales are missing a stencil, a new feature has been added to allow the Wool Classer or Job Administrator to update bales without a stencil when they add a classer to the Team.
- Warnings to the user when an email or SMS has failed to send (for example sending an NWD).
- Changes to the App Wool Book page to improve field visibility, with the Stencil field moved to a more prominent position.
- Ability to update bales with ebale-ID after it is on a Specification.
- Some managed administration features for selling agents who have successfully completed the Level 2 WoolClip Excellence Program.

The 2026 March/April WoolClip update will be a major release. This release will include:

- A change in how WoolClip captures Owner/Manager related data with enhanced NWD forms.
 - As part of the NWD process, Owner/Managers (O/M) will be asked to provide PICs and Quality Scheme details (where registered).
 - Where the O/M nominates multiple PICs they will also be asked to nominate which Mobs belong to each PIC.
- The current Job Page will be simplified because of the change above.
- Tighter integration with AWSS Registration database.
- A new AWSS Status page in the Workflow will appear on Jobs where the Owner/Manager has a PIC that is certified with AWSS.





Showfloor Clip Inspections – Supporting Australia’s high standards of wool preparation

The AWEX Showfloor Clip Inspection and Catalogue Audit (CICA) Service provides a valuable insight into wool preparation standards both at a spot and higher- level perspective (including trends over time).

When it comes to reporting clip preparation matters, AWEX uses a scaled approach, with lots reported as Scale 1 items being relatively minor feedback matters. The more serious items are scaled as Level 3 – Non-Conforming.

What does Non-Conforming (Clip Preparation) mean?

A non-conforming lot is one that either:

- varies significantly from the Wool Classing Code of Practice(s), and/or
- represents significant commercial risk to downstream users.

Examples of Scale 3 items include: Mixed Quality, Mixed Lengths, Mixed Categories, Bale descriptions clearly not representing the wool, Urine stain in fleece, Combing/carding, Mixed Breeds, Wool containing significant quantities of skirting material Fly blown wool in a non-Fly line.

The tables, above right, give an insight in to the quantities of Non-Conforming Lots as reported by AWEX staff (July–December 2025). In some cases, lots tested as D or B are intentionally prepared to another standard.

Table 1: Non-Conforming Rates by Certificate Type (First Time Offered – Lots and Bales)

	Lot Certificate Type (Catalogued)						
	Classed			Other			All
	P	Q*	I*	D	B*	Untested	
Lots	0.6%	3.6%	0.8%	4.0%	5.6%	2.1%	1.52%
Bales	0.5%	3.5%	0.8%	4.1%	4.9%	1.7%	1.47%

*contain wool from multiple sources

Table 2: Non-Conforming Rates by Centre and Classed Status (First Time Offered Lots)

Centre	All	Classed	Other
Sydney	0.6%	0.2%	2.3%
Melbourne	2.3%	1.1%	5.9%
Fremantle	0.9%	0.7%	2.4%

Table 3: Non-Conforming Rates by Certificate Type & Wool Type Group (First Time Offered Lots)

	Lot Certificate Type (Catalogued)						
	Classed			Other			All
	P	Q*	I*	D	B*	Untested	
MFLC	0.5%	4.9%	0.6%	3.8%	7.1%	0.0%	1.1%
MSKT	0.5%	2.1%	0.4%	4.0%	4.1%	2.7%	1.1%
XBFS	1.2%	6.2%	2.8%	4.7%	8.6%	17.6%	3.7%
ODDS	0.7%	1.6%	0.6%	2.4%	2.5%	1.4%	1.3%
All	0.6%	3.6%	0.8%	4.0%	5.6%	2.1%	1.5%

Statistics

Mid way through the 2024/25 selling season, the national declaration rate sits at 78.9%. Premiums and discounts for mulesing status continues to affirm a discount of -7-29 cents/kg for Non-Declared (ND) Merino wool.

SEASON	2024	2025	+/-
National Decl. Rate	76.8	78.9	2.1
By Mulesing Status (%)			
NM	22.7	24.4	1.7
CM	2.6	3.5	0.9
LN	0.2	0.1	-0.1
AA	44.5	45.1	0.6
M	6.8	5.9	-0.9
ND	23.2	21.1	-2.1
By State (%)			
NSW	84.3	84.6	0.3
QLD	86.7	87.4	0.7
SA	84.1	84.2	0.1
TAS	86.6	87.3	0.7
VIC	77.7	77.0	-0.7
WA	58.2	57.5	-0.7

Declaration rates (%) by Mulesing Status and State for Seasons 2024/25 to 2025/26 (as at 31.12.25)

Mulesing Status	NSW	QLD	SA	TAS	VIC	WA	Total Bales
NM	29.8	43.2	15.7	52.6	24.3	8.0	144,358
CM	3.0	6.8	4.7	7.3	4.5	1.2	20,656
LN	0.0	0.0	0.0	0.0	0.5	0.0	539
AA	45.6	30.5	55.5	25.1	45.3	41.6	266,937
M	5.9	6.2	8.2	1.6	3.1	7.4	34,823
ND	15.7	13.3	15.9	13.4	22.3	41.8	124,807
Total Bales	264,070	22,695	86,299	19,076	100,196	99,784	592,120
% Declared	84.3	86.7	84.1	86.6	77.7	58.2	78.9

NWD Declaration rates (%) and Mulesing Status by State for Season 2025/26 (as at 31.12.25)

		MERINO							NON-MERINO			
		16	17	18	19	20	21	22	27	28	29	30
NON MULESED (NM)												
Season	2023	19	17	17	7	2			0	5	4	
	2024	25	20	9	8	5				5		
	2025	17	12	7	3					1	5	
CEASED MULESING (CM)												
Season	2023			12	5	2	1					
	2024		20	8	6	2				2		
	2025	20	10	7	4							
MULESED with ANALGESIC and/or ANAESTHETIC (AA)												
Season	2023			8	5	2	1		0	4	4	
	2024	8	7	7	6	2				2	2	
	2025	13	5	5	3	3						
NOT DECLARED (ND)												
Season	2023	-15	-15	-7	-5	-5	-1		-7	0	-1	
	2024		-27	-20	-1					-6	-4	
	2025	-29	-15	-10	-7	-7				-10		

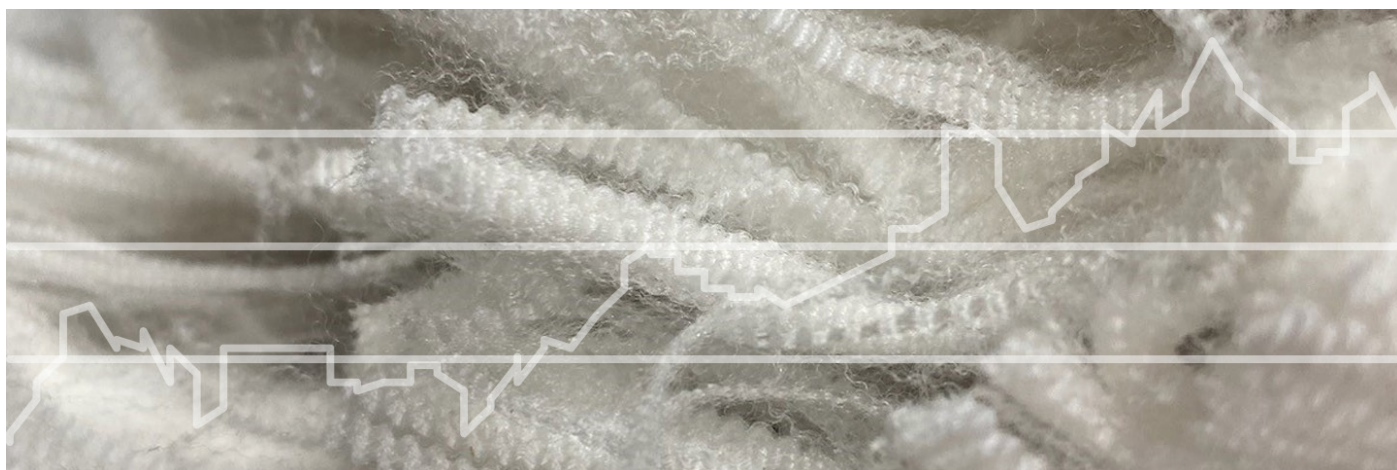
Premiums and Discounts for mulesing status as at EOM December 2025

Not Declaring (ND) continues to attract discounts

During the 2025/26 selling season we continue to see discounts for Non-Declared (ND) wool compared to wool declared as Mulesed (M).



Changes to Market Reporting & the EMI



In response to industry feedback and declining wool volumes, AWEX is proposing a number of changes to AWEX Market Reporting. These changes are intended to improve reporting accuracy and better align with current buying-trade practices.

Proposed changes include:

- **AWEX-EMI** – Certified Integrity Scheme (Non-Mulesed) wool is currently excluded from all indicator baskets. Due to increasing volumes, these types will be included in the AWEX Eastern Market Indicator. Due to their smaller basket size and potential price impact, it is not proposed to include these types in the Micron Price Guides.
- **Micron Price Guides** – reporting will transition to an East/West basis. AWEX has published Eastern MPG's within the National Market Report since 2023 after a request from industry. These are currently published alongside the regional MPG's and are represent a weighted average of the Northern and Southern regions. The proposed structure will formalise the Eastern focus by removing the Northern and Southern MPG's.

- **Regional Reports** – As a consequence of the MPG changes, it is proposed that a number of reports transition from a North/South basis to an Eastern basis. Affected reports include:
 - Early Market Reports
 - Regional Market Reports
 - SMS Reports
 - Premium & Discount Reports

These changes will enable larger volumes to be incorporated into AWEX reporting, supporting improved accuracy and consistency.

AWEX is seeking industry comment on the proposed changes. Feedback should be directed to **Lionel Plunkett** at lplunkett@awex.com.au.



AWEX Key Dates

AWEX Board Meeting	February 16
AWEX Strategy Day	February 16
Wool Classing Competition, Sydney Royal Easter Show	April 7