

18th August 2014

National Wool Declaration

The National Wool Declaration (NWD) was first introduced into Australian auction catalogues in August 2008, with AWEX introducing the on farm inspection program in 2010.

The NWD and its Integrity Program is reviewed regularly through consultation with industry stakeholders to ensure it relevance and to improve the rates of compliance.

NWD Key Auction Statistics

Table 1: Auction Statistics for 2008 – 2014 (First Hand Offered Australian Clip Wool)

| On a "Bale" Basis | 2008/09 | 2009/10 | 2010/11 | 2011/12 | 2012/13 | 2013/14 |
|----------------------------|-----------|-----------|-----------|-----------|-----------|-----------|
| % of Wool Clip Declared# | 37.7 | 37.0 | 42.1 | 44.3 | 44.6 | 43.3 |
| Total Bales | 1,416,656 | 1,467,058 | 1,589,514 | 1,456,151 | 1,567,166 | 1,452,077 |
| % Declared NM/CM/PR | | | | | | |
| % Declared NM/CM/PR | 8.7 | 11.5 | 16.6 | 20.3 | 23.0 | 22.9 |
| Total NM/CM/PR Bales | 123,564 | 168,596 | 264,272 | 295,375 | 364,883 | 332,879 |
| % Change Y-O-Y | | 36.4 | 56.7 | 11.8 | 23.5 | -8.8 |
| Non Mulesed (NM) | | | | | | |
| Total NM Bales | 44,255 | 56,218 | 83,677 | 88,929 | 103,421 | 91,287 |
| % Change Y-O-Y | | 27.0 | 48.8 | 6.3 | 16.2 | -11.7 |
| Ceased Mulesed (CM) | | | | | | |
| Total CM Bales | 36,604 | 36,513 | 49,102 | 32,831 | 37,650 | 35,683 |
| % Change Y-O-Y | | -0.2 | 34.5 | -33.1 | 14.7 | -5.2 |
| Pain Relief (PR) | | | | | | |
| Total PR Bales | 42,705 | 75,865 | 131,493 | 173,615 | 223,812 | 205,954 |
| % Change Y-O-Y | | 77.6 | 73.3 | 32.0 | 28.9 | -8.0 |

Includes wool declared as non-mulesed, ceased mulesing, pain relief and mulesed.

National Wool Declaration Integrity Program (NWD-IP)

NWDs are randomly selected to validate the integrity of the mulesing status declarations. The NWD-IP includes a desk-audit scheme, authentication of the use of Pain Relief, on-farm inspections as well as education and extension programs.

Traceability through the supply chain is possible through data and documentation including electronic sales data, test certificates and the NWD. AWEX's inspections and audits of declarations add value and integrity to the information as each purchase is uniquely identifiable. Through AWEX, buyers are able to verify the mulesing status of their purchases.

The NWD-IP has been developed by AWEX in consultation with industry to provide confidence to customers in Australian wool and the information provided.

Desk Audits

- ☒ Randomly selected weekly audits of NWDs are conducted prior to sale to ensure that they have been completed correctly and the correct information is available to buyers prior to purchase.
- ☒ The desk-audit program assesses the completed NWD with the woolclasser's specification and associated trading information such as the catalogue/test information. The Selling Agent (broker) is made aware of the incorrect declaration allowing feedback through to the grower.
- ☒ Approximately 1,000 desk audits are performed annually.

Table 2: Number and Percentage of Correct Desk Audits from 2008 – 2013/14 (based on individual NWDs for a Property/Brand)#

| | Number | Compliant (Number) | Compliant (%) |
|-----------|--------|--------------------|---------------|
| 2008/2009 | 781 | 515 | 66% |
| 2009/2010 | 944 | 650 | 69% |
| 2010/2011 | 1362 | 882 | 65% |
| 2011/2012 | 984 | 571 | 58% |
| 2012/2013 | 981 | 665 | 68% |
| 2013/2014 | 846 | 623 | 73% |

Note, at the individual sale lot level; more than 80% of declarations are correct.

Pain Relief Authentication

- ☒ 100 declarations for the use of Pain Relief (PR) at mulesing are authenticated yearly. The Owner/Manager is asked to supply proof of purchase of the Pain Relief product.

Table 3: Desk-Top Authentication of PR: results for 2010 – 2012, 2012 – 2013 and 2013 – 2014

| | Number | Compliant | Non-Compliant |
|-----------------------|--------|-----------|---------------|
| 2010 – 2012 (2 years) | 200 | 176 | 12 |
| 2012 – 2013 | 100 | 92 | 8 |
| 2013 – 2014 | 100 | 90 | 10 |

On-Farm Inspections

- ☒ On-farm inspections commenced on 1st September 2010, with properties declaring NM and CM status eligible to be inspected.
- ☒ 690 properties were selected on a random basis for an on farm inspection for the period September 2010 to June 2013, with 237 selected during the 2013 – 2014 season.
- ☒ Inspections are made on any declaration of NM or CM, regardless of the breed of sheep.

Table 4: 690 properties randomly selected for inspection the period 2010 – 2013

| | Number | Compliant | Non-Compliant |
|---|--------|--------------|---------------|
| No Inspection (advised inspector by phone that mulesed sheep in mob) | 44 | 6 (14%) | 38 (86%) |
| On Farm Inspections | 646 | 569 (88%) | 77 (12%) |
| TOTAL | 690 | 575 (83%) | 115 (17%) |

Table 5: 237 properties randomly selected for inspection for the year 2013 – 2014

| | Number | Compliant | Non-Compliant |
|---|--------|--------------|---------------|
| No Inspection (advised inspector by phone that mulesed sheep in mob) | 44 | 27 (61%) | 17 (39%) |
| On Farm Inspections | 193 | 179 (93%) | 14 (7%) |
| TOTAL | 237 | 206 (87%) | 31 (13%) |

Buyers are advised of non-compliant declarations.

In support of the NWD, AWEX remains committed to continuing all aspects of the NWD-Integrity Program, including on-farm inspections.

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