

2007 – 2009

Rules for Classing House Registration

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Key changes to Rules for Classing House Registration

The following key changes have been made to the Rules for Classing House Registration 2007-09.

- ▶ The Quality Classing House (QCH) category has been removed. All references to Quality Classing Houses have been removed. Only a single Classing House is now recognised under Registration.
- ▶ The Registration Review Committee is an AWEX committee established to review the performance of woolclassers and Classing Houses. The Registration Review Committee is recognised in the Rules.
- ▶ Shearing Sheds operating as a result of commercial feedlots, sheep exports or meat processing works are now to be registered as a Classing House.
- ▶ A Classing House shall be subject to a routine audit. Mandatory Annual Audits for a Classing House are required where product is not routinely audited through auction processes.
- ▶ Where a Registered Classing House stencil has been applied to the bales and the vendor is declaring the wool as classed to the AWEX Classing House or Woolclasser Code of Practice, the Stencil Number must be included in all data and documentation supplied to AWEX for audit purposes. A Registered Classing House declaring the wool as classed in either data, document or bales by application of its Classing House Stencil, Stamp or Number shall be deemed as accepting responsibility for the preparation of the wool.

1. Introduction

1.1 Overview of the Rules for Classing House Registration

- 1.1.1 The Classing House Registration Scheme is managed by the Australian Wool Exchange Limited (AWEX).
- 1.1.2 This document contains:
 - (i) an explanation of the Scheme;
 - (ii) the administration procedures for registration and renewal under the Scheme; and
 - (iii) the Rules of the Scheme.
- 1.1.3 The Rules relate to Classing Houses only, there are separate rules for the registration of woolclassers.

1.2 Key changes to the Rules

The following changes have been made to the Rules for the 2007-09 Classing House Rules of Registration:

- 1.2.1 The Quality Classing House (QCH) category has been removed. All references to Quality Classing Houses have been removed. Only a single Classing House is now recognised under Registration.
- 1.2.2 The Registration Review Committee is an AWEX committee established to review the performance of woolclassers and Classing Houses. The Registration Review Committee is recognised in the Rules.
- 1.2.3 Shearing Sheds operating as a result of commercial feedlots, sheep exports or meat processing works are now to be registered as a Classing House.
- 1.2.4 All Classing Houses shall be subject to a routine audit. Mandatory Annual Audits for Classing Houses are required where product is not routinely audited through auction processes.
- 1.2.5 Where a Registered Classing House stencil has been applied to the bales and the vendor is declaring the wool as classed to the Classing House Code or Woolclasser Code, the Classing House ID must be included in all data and documentation supplied to AWEX for audit purposes. A Registered Classing House declaring the wool as classed in either data, document or bales by application of its Classing House ID shall be deemed as accepting responsibility for the preparation of the wool.

1.3 Definitions

In this document the following definitions apply. See also the definitions in the International Wool Textile Organisation's (IWTO) Core Test Regulations, where appropriate.

- 1.3.1 **AWEX:** The Australian Wool Exchange Limited (ABN 35 061 495 565).

- 1.3.2 **AWEX Management:** The Chief Executive Officer of AWEX or his or her nominee from time to time.
- 1.3.3 **Bulkclassified:** Wool originating from various sources that has been classed/prepared into sale lots.
- 1.3.4 **Classing House:** An organisation registered with AWEX as a Classing House that abides by the Classing House Code and complies with the specific requirements of these Rules.
- 1.3.5 **Classing House Code:** The Code of Practice for the AWEX Quality System, Classing Houses.
- 1.3.6 **Classing House ID:** The unique registration identification number issued by AWEX to a Classing House upon registration under these Rules.
- 1.3.7 **Corrective Action:** Measures taken by a Classing House to rectify an identified breach of the Classing House Code or these Rules and to ensure the breach does not re-occur. Corrective Action may include, though is not limited to:
- (i) changes in procedures or practices;
 - (ii) staff training;
 - (iii) increased inspection of product; and
 - (iv) site audit.
- 1.3.8 **Deregister:** The Classing House's registration is made void on the AWEX register.
- 1.3.9 **ID Materials:** The stamp and stencil issued to the Classing House on registration, which are used to apply the Classing House ID.
- 1.3.10 **Interlotted Wool:** The combination of individual farm lots into a single sale lot. This includes subjective matched interlots (SMI), objectively matched interlots (OMI) and objectively matched lots (OML).
- 1.3.11 **Reclassing:** The process of re-classing wool from a single source into sale lots.
- 1.3.12 **Registered Classing House:** A Classing House registered in accordance with clause 4.1.3.
- 1.3.13 **Registrar:** The Registrar of Classing Houses, appointed by the AWEX Board under clause 3.2.
- 1.3.14 **Rehandled Wool:** Wool that has been prepared for sale either as bulkclassified or reclassified wool.
- 1.3.15 **Reprimand:** A statement from the Registrar outlining the problems and consequences of the identified faults or breach or the repeated contravention of the Classing House Code or these Rules.
- 1.3.16 **Retraining:** The successful completion, by Classing House operational staff, of an AWEX approved re-training program based on the course for Woolclasser training or other AWEX approved courses. Retraining is conducted by AWEX or an educational institution approved by AWEX.

- 1.3.17 **Rules:** The rules in respect of Classing House Registration, as set out in this document.
- 1.3.18 **Scheme:** The Classing House Registration Scheme, managed by AWEX.
- 1.3.19 **Suspension:** The record of the Classing House is marked as inoperative on the register. The Classing House must not place their ID number (stamp/stencil) on a bale until Corrective Action has been undertaken and the inoperative mark removed from the Classing House's record on the register.
- 1.3.20 **Woolclasser Code:** The Code of Practice for AWEX Quality System – Preparation of Australian Wool Clips – The Woolclasser.
- 1.3.21 **Woolclasser ID:** The unique registration identification number issued by AWEX to a Woolclasser upon registration under the Woolclasser Registration Scheme administered by AWEX.

2. The Classing House registration scheme

2.1 Purpose of the Scheme

- 2.1.1 Unless otherwise stated or agreed between buyer and seller, all wool with or without certified data prepared by an Australian Woolclasser, Owner Classer or Classing House shall be prepared in accordance with the Classing House Code or the Woolclasser Code. Such preparation will be evidenced by the display of a current Classing House ID or Woolclasser ID on the bales.
- 2.1.2 At the time of sale, greasy wool that does not meet industry preparation requirements shall not carry a Classing House ID or Woolclasser ID.

2.2 Objectives of the Scheme

The objectives of the Scheme are to:

- 2.2.1 acknowledge the functions of Classing Houses in preparing wool for sale;
- 2.2.2 provide assurance to purchasers of wool that the Classing House is an organisation that possesses the skills, knowledge and systems to perform the classing and rehandling functions to the industry standard;
- 2.2.3 provide a means of identifying that the classing or matching of a particular wool lot has been carried out by a Registered Classing House;
- 2.2.4 provide for a mechanism to ensure that all Classing Houses keep up to date with developments in wool and woolclassing technologies and practices; and
- 2.2.5 provide the means to introduce quality management systems into Classing House operations.

2.3 Confidentiality of Information

- 2.3.1 AWEX regards the information obtained as part of the operation of the Scheme as strictly confidential. All confidential information will be treated in accordance with the AWEX Privacy Policy, which is available upon request.
- 2.3.2 Details collected from Classing Houses in the course of the conduct of the Scheme will not be disclosed to any third party external to the administration processes described in these Rules unless permission is granted by the Classing House, that permission not to be unreasonably withheld, or the third party is entitled by legislation to access that information.
- 2.3.3 De-personalised and aggregated information may be released to relevant wool industry entities or the Classing House community to assist performance benchmarking.
- 2.3.4 Classing House operators should be aware that under various Commonwealth and State laws, AWEX may be required to disclose some or all of this information to government bodies, such as the Australian Taxation Office.

2.4 Corrective Action Program

- 2.4.1 The purpose of the Corrective Action and Retraining is to increase awareness of the need for quality assurance in the Classing House and to continuously improve industry standards. Refer to clause 7.3 for further information regarding the Corrective Action Program.

3. AWEX and other relevant Bodies and Committees

3.1 The Australian Wool Exchange Limited

- 3.1.1 AWEX is the central body in Australia for:
 - (i) the development and management of wool selling policies and practices; and
 - (ii) the maintenance and improvement of the quality of the Australian wool clip.
- 3.1.2 In particular, AWEX is responsible for those functions that relate to:
 - (i) facilitating the efficient transfer of wool; and
 - (ii) adopting measures to improve and safeguard the quality of the Australian wool clip.
- 3.1.3 AWEX will establish bodies and/or committees from time to time to assist in accomplishing these functions.
- 3.1.4 The AWEX Board may from time to time establish and vary procedures to be followed for the proper administration of these Rules.

3.2 The Registrar of Classing Houses

- 3.2.1 The AWEX Board will appoint a person as the Registrar of Classing Houses who must:
- (i) maintain a register of Classing Houses;
 - (ii) issue unique identification to each Registered Classing House for each category of registration;
 - (iii) investigate complaints and administer the Corrective Action program; and
 - (iv) act as a point of contact for enquires for Classing Houses.
- 3.2.2 At all times the Registrar is responsible to the AWEX Board and Management.

3.3 AWEX Committees

- 3.3.1 AWEX will from time to time establish specific bodies or committees to act as formal Committees of AWEX. These bodies or committees ('AWEX Committees') will assist AWEX in its interaction with the industry in the management of accreditation schemes, registration schemes and development of other codes and standards supporting wool quality.
- 3.3.2 AWEX presently has schemes for:
- (i) registration of Woolclassers;
 - (ii) registration of Classing Houses;
 - (iii) registration of Showfloors and Sampling Sites;
 - (iv) accreditation of Wool Appraisers; and
 - (v) wool pack quality.
- 3.3.3 The role and objectives of these AWEX Committees in relation to the Scheme include:
- (i) assisting in the formulation of the Rules of the Scheme;
 - (ii) assist in the formulation of the Classing House Code;
 - (iii) acting as a review panel for activities relating to the Scheme;
 - (iv) monitoring clip preparation standards;
 - (v) hearing and deciding upon complaints from any individual or organisation which may be dissatisfied with any decision taken by the Registrar in relation to the scheme; and
 - (vi) considering matters of education and training that support the Scheme.

3.4 Registration Review Committee

- 3.4.1 The Registration Review Committee is an advisory committee established to review industry and/or Registrar complaints made about Classing Houses and to recommend to AWEX Management appropriate (corrective) actions to take in relation to Classing Houses who breach the Classing House Code, the Woolclasser Code or these Rules.
- 3.4.2 The Registration Review Committee will be made up of:
- (i) One Member who is a representative from a Registered Training Organisation (voting);
 - (ii) One member who is an AWEX representative (voting);
 - (iii) Up to four members who have significant experience or qualification in one or more of the following disciplines: wool producing; wool preparation; wool appraisal; wool buying; wool processing; training or registration processes (voting); and
 - (iv) A Chairman who will be nominated by AWEX. The Chairman may be selected from the members in (i), (ii) or (iii) above, or be in addition to these members.

3.5 Decisions of AWEX Committees

- 3.5.1 Any decision of an AWEX Committee, in relation to Classing House registration issues, shall be taken by majority vote. In the event of equal votes, the Chairperson of the Committee shall have a casting vote as well as a deliberative vote.
- 3.5.2 Any decision of an AWEX Committee will be referred to AWEX for action.

4. Registration requirements and procedures

4.1 Who must be registered as a Classing House

- 4.1.1 Any organisation wishing to prepare or present wool that will be offered for sale as “classed” wool must be registered under these Rules.
- 4.1.2 Organisations eligible to apply for registration include:
- (i) organisations applying for registration for the first time that comply with the requirements for registration. These organisations will be required to demonstrate that they have the facilities, skills and operating procedures to perform the functions of a Registered Classing House. Guidelines are available from AWEX upon request; and
 - (ii) current Classing Houses registered with AWEX at 31 December 2006 (2004-2006 Classing House Registration has been extended to 30 November 2007).
- 4.1.3 An organisation registered under these Rules as a Classing House is referred to as a Registered Classing House.

4.2 Registration Non-transferable

Classing House registration is non-transferable between organisations or localities.

4.3 Initial Registration

- 4.3.1 Clause 4.3 applies to organisations seeking registration for the first time as a Classing House.
- 4.3.2 An organisation seeking registration for the first time as a Classing House must make an application in accordance with these Rules and provide all necessary information as required. AWEX reserves the right not to register any organisation that makes an application for registration.
- 4.3.3 Applicants must complete the appropriate registration form, available from AWEX. When completing the application form ensure that:
 - (i) all details are printed clearly; and
 - (ii) the form is signed by the applicant.

Registration Form

- 4.3.4 When completing the application form the Classing House must:
 - (i) provide all required details;
 - (ii) nominate at least one employee who is a current and registered Australian Woolclasser. One of the nominated Australian Woolclassers must be in attendance during all activities relating to the preparation of greasy wool for sale. The Australian Woolclasser is responsible for the supervision of all greasy wool preparation, lotting and inspection;
 - (iii) nominate the house brand(s) to be registered with AWEX. The house brand must readily identify the Classing House and will include the Classing House trading name, or an abbreviation of this name that is acceptable to AWEX;
 - (iv) declare whether the main purpose of registration is for:
 - (A) rehandling wool; and/or
 - (B) inspection of wool prepared on-farm;
 - (v) submit the information required to demonstrate that the Classing House has the facilities, skills and operating procedures to perform the functions of a Registered Classing House.

- 4.3.5 The application form must be:
- (i) signed by an authorised officer of the Classing House;
 - (ii) accompanied by the fees listed on the application form; and
 - (iii) sent to the Registrar. Refer to clause 8 for address details.
- 4.3.6 AWEX will seek verification that the organisation can comply with the requirements of registration. Registrations will not be processed until this verification has been provided.
- 4.3.7 Upon receipt by AWEX of the registration form, the appropriate registration fees and verification of all information, a Classing House ID number and ID Materials for the 2007-2009 registration period will be issued to the registering organisation.

4.4 Registration Renewal

- 4.4.1 If an organisation is currently registered as a Classing House (that is, holds registration that is valid until 30 November 2007) and makes an application accompanied by the relevant fee in accordance with the registration procedures set out in these Rules, the Registrar may register that organisation as a Classing House under these Rules.
- 4.4.2 AWEX reserves the right not to register any organisation that makes application for renewal of registration.
- 4.4.3 The renewal period is from 1 December 2007 to 31 December 2009.
- 4.4.4 All registration and renewal fees are non-refundable.
- 4.4.5 The registration fee (including the first audit fee) is payable upon submitting the registration renewal. The annual audit fee for subsequent years is payable one year in advance and will be invoiced by AWEX on 1 January each year.
- 4.4.6 Upon receipt by AWEX of the registration notice and the appropriate registration fees, a Classing House ID and ID Materials set for the 2007-2009 registration period will be issued to each Classing House.
- 4.4.7 An organisation that held registration as a Classing House at 31 December 2006, and has made a valid application for registration in the 2007-2009 registration period, may continue to use their Classing House ID issued for the 2004-006 registration period until they receive the new Classing House ID, or until 30 November 2007, whichever is the sooner.
- 4.4.8 All ID Materials issued for the 2004-2006 registration period become invalid after 30 November 2007 and shall not be used.

4.5 Changes to Registration Details

4.5.1 It is the responsibility of each Classing House to notify the Registrar of any permanent change to registration details, such as:

- (i) postal address;
- (ii) organisation contact;
- (iii) nominated Australian Woolclasser; or
- (iv) registered house brands.

Failure to do so may result in the Classing House not receiving important correspondence, such as registration notices, which could lead to cancellation of registration.

4.6 Cancellation of Registration

4.6.1 Registration may be cancelled under the following circumstances:

- (i) by the Registered Classing House requesting cancellation, in writing, from the Registrar;
- (ii) by the Registered Classing House requesting replacement ID Materials, as per clause 5.4; and
- (iii) where the Classing House is deregistered under these Rules.

4.6.2 Registration will also be cancelled where the Classing House fails to renew their registration upon the expiration of a registration period. It is the Classing House's responsibility to ensure that they are registered and have paid the nominated fees. A failure to do so will result in cancellation of registration within 3 months of the expiration of the last registration period.

5. Classing House identification (ID)

5.1 Identification

5.1.1 At registration each Classing House is issued with a unique Classing House ID. The Classing House ID will be used and displayed on all ID Materials issued by AWEX.

5.1.2 The ID Materials issued to a Classing House consist of the following components:

- (i) a stamp; and
- (ii) a stencil.

5.1.3 The ID Materials remain the property of AWEX at all times.

5.1.4 Registration and the associated ID Materials are NOT transferable between organisations or localities.

5.1.5 Classing Houses may purchase duplicate ID Materials for ease of operation within one locality.

- 5.1.6 Classing House Identification becomes invalid:
- (i) upon the issue of new ID Materials, either as a replacement or for a new registration period; or
 - (ii) where registration is suspended (the ID Materials will be re-validated once suspension is lifted); or
 - (iii) where registration is cancelled in accordance with these Rules (see clause 4.6); or
 - (iv) upon deregistration of the Classing House.
- 5.1.7 Under no circumstances shall invalid ID Materials be used to mark bales.

5.2 Use of Classing House ID

- 5.2.1 In all instances the Classing House assumes responsibility for the standard of preparation through application of their Classing House ID using the ID Materials.
- 5.2.2 The nominated Australian Woolclassers must inspect and/or prepare and/or supervise the preparation of the wool at the registered locality of the Classing House. Only then can the bales be eligible to carry their Classing House ID.
- 5.2.3 The ID Materials cannot be used away from the registered stencil address and the Classing House ID must only be applied to bales at the registered locality of the Classing House.

The Classing House ID must not be applied to greasy wool bales prepared outside Australia or to wool of non-Australian origin.

5.3 Application of Classing Houses ID by Classing Houses

- 5.3.1 The Classing House ID may be applied to:
- (i) bales containing bulk classed wool that have been prepared by the Classing House in accordance with the requirements of the Classing House Code and identified with a house brand of that Classing House registered with AWEX;
 - (ii) bales containing reclassified wool prepared to the Classing House Code;
 - (iii) bales that have been prepared on-farm without a registered classer's stencil and, upon inspection by the Classing House, meet the preparation standards required in the Woolclasser Code; and
 - (iv) bales that have been interlotted and still carry the original Woolclasser ID applied on farm by the Woolclasser responsible for preparing the bales.

5.4 Lost Identification

- 5.4.1 Registration and the associated ID Materials are issued in sets. If a Classing House's ID Materials have been lost, replacements may be requested from the Registrar. Where one component of the ID Materials has been lost, all must be replaced.
- 5.4.2 Upon receipt of a request for replacement, all existing registration details and Classing House ID will be cancelled and a new Classing House ID Materials set will be issued. Only the new Classing House ID may be used, once a replacement has been issued.
- 5.4.3 A fee for each new set of ID Materials shall be applicable.

5.5 Replacement or Additional Identification

- 5.5.1 If a Classing House's ID Materials are worn out and require replacement or additional sets ID Materials are required, these may be requested from the Registrar. The fee for this is available on request from AWEX.

5.6 Payment of Fees for replacement ID

- 5.6.1 All fees include GST, postage and administration charges. Payment is to be by electronic funds transfer (EFT), cheque or Visa/MasterCard for the appropriate fee. Cheques should be made payable to the Australian Wool Exchange Limited. Please do not send cash. Payment must be accompanied with a covering letter, explaining reasons for seeking the replacement ID Materials, to the Registrar.

6 Obligations of registered Classing Houses

6.1 Classing Houses

- 6.1.1 An organisation with Classing House registration must ensure that all greasy wool bales carrying the Classing House ID comply with the requirements contained in the Classing House Code.
- 6.1.2 All Classing Houses registered with the Scheme must nominate at least one individual who is a current and registered Australian Woolclasser. The nominated Woolclasser/s must be in attendance at all times that wool is being prepared and accept responsibility for preparation standards being applied in the Registered Classing House.
- 6.1.3 Classing Houses must register their house brand(s) with AWEX. The house brand will readily identify the Classing House and will include the Classing House trading name or an abbreviation acceptable to AWEX. These registered brands shall be used on all bulk classed wool prepared by the Classing House.

- 6.1.4 The Classing House must notify the Registrar of any changes or additions to the house brand(s) before they are used to identify bales.
- 6.1.5 Classing Houses must supply a complete list of all current and registered Australian Woolclassers employed to supervise or handle wool at the single locality and promptly advise the Registrar of any change to the list.
- 6.1.6 Classing Houses must be able to demonstrate compliance with the Classing House Code.

6.2 Required Training

Australian Woolclasser Training

- 6.2.1 To gain registration as an Australian Woolclasser, a person will be required to successfully complete an approved competency based program conducted by an educational institution approved by AWEX.
- 6.2.2 For information regarding approved AWEX courses contact should be made with an approved educational institution or the Registrar.

Classing House Staff Training

- 6.2.3 AWEX may require from time to time throughout the current registration period that Classing House staff undertake training courses. The purpose of this training is to update classers and Classing House staff on the latest trends and requirements of the wool industry and, where necessary, upgrade skills. Participation in specific courses may be a requirement for registration in the next registration period. Classing Houses will be notified of any such requirement.

Retraining

- 6.2.4 As detailed in clause 7.3 there will be circumstances where AWEX will request Classing House operational staff to undergo training as part of corrective action.
- 6.2.5 Retraining will involve undertaking a number, or all, of the components from the current course for Woolclasser training or other relevant training. This may require Classing House staff to demonstrate the necessary knowledge and skills in selected unit(s) of competence within the specified course. The time required to fulfil this requirement will vary according to the number of units to be completed and the staff's level of competency.

6.3 Audit

- 6.3.1 In addition to the requirements at 6.1, Classing Houses must also demonstrate compliance with the Classing House Code through external product and/or site audit(s) undertaken by AWEX (or its nominee).

Minimum Audit Frequency

- 6.3.2 The site audit frequency for Classing Houses that are not subject to routine product audit (through the auction) shall be once per year.
- 6.3.3 Site audits of Registered Classing Houses that are subject to frequent product audits (e.g. via auction offering) shall be once per registration period. One or more additional Site audit(s) on any Classing House may be initiated under a Corrective Action request.

Product Audit

- 6.3.4 Where a Classing House ID has been applied to the bales and the vendor is declaring the wool as classed to the Classing House Code or Woolclasser Code, the Classing House ID must be included in all data and documentation supplied to AWEX for audit purposes.
- 6.3.5 A Registered Classing House declaring the wool as classed in either data, document or bales by application of its Classing House ID shall be deemed as accepting responsibility for the preparation of the wool.

6.4 Australian Wool Industry Preparation Standards

- 6.4.1 The duties of a Registered Classing House must be carried out in accordance with the Classing House Code. Correct performance of those duties will be demonstrated by the Classing House placing a current Classing House ID on the bale.
- 6.4.2 Any bales containing wool that has not been prepared in accordance with the standards in the Classing House Code must not carry a Registered Classing House's ID at the time of sale.
- 6.4.3 Where a bale carrying a Classing House ID is not prepared in accordance with the Classing House Code, the Registrar may investigate the Registered Classing House and take action in accordance with the procedures set out in clause 7.

7. Breach of Code of Practice or Rules

- 7.1.1 The Registrar shall be responsible for investigating complaints and administering the Corrective Action and Retraining Programs set out in these Rules. All decisions will be made by AWEX based on the information and recommendations made to AWEX Management.
- 7.1.2 Where a wool sale lot carries a currently Registered Classing House ID and it is identified as not being prepared in accordance with the Classing House Code, or there is a breach of these Rules, contact will be made with the Classing House and, where appropriate, the wool producer from whom the wool originated. The nature of the problem will be identified to the Classing House and they will be required to undertake either Corrective Action or, where appropriate, a suitable Retraining Program to ensure the problem identified does not re-occur.

7.2 Investigating Complaints

- 7.2.1 If a complaint is made to AWEX, or the Registrar, that a Classing House is in breach of the Classing House Code, the Woolclasser Code or these Rules, the procedures as outlined in this section must be followed.
- 7.2.2 Upon receipt of a complaint the Registrar shall:
- (i) obtain particulars of the complaint in writing;
 - (ii) make such other enquiries considered appropriate;
 - (iii) where necessary, contact the wool producer from whom the wool subject to the complaint originated;
 - (iv) decide to take no further action; or
 - (v) send such particulars of the complaint to the Classing House as the Registrar deems necessary and ask the Classing House to comment on the complaint within 14 days.
- 7.2.3 In reply the Classing House may:
- (i) deny the accuracy of the complaint; or
 - (ii) admit the breach and advise the Registrar of Corrective Action taken.
- 7.2.4 If the Registrar is not satisfied with the Classing House's reply and considers further action is required, or the Classing House does not reply within 14 days, the Registrar may:
- (i) issue a request for Corrective Action; or
 - (ii) refer the complaint to the Registration Review Committee, established for the purpose of hearing and deciding on such complaints, and notify the Classing House if the matter is to be so referred, of:
 - (A) particulars of the Classing House Code, Woolclasser Code or of these Rules, which are alleged to have been breached;
 - (B) particulars of the complaint on which reliance is placed;
 - (C) the date on which the complaint will be heard; and
 - (D) particulars of the actions that may be applied.
- 7.2.5 If the Registration Review Committee finds a Classing House has breached the Classing House Code or these Rules, it may recommend to AWEX Management that:
- (i) no further action to be taken;
 - (ii) the Registrar Reprimand the Classing House;
 - (iii) the Registrar requests the Classing House undertake appropriate Corrective Action;
 - (iv) the Registrar places the Classing House registration on probation subject to successful completion of Corrective Action;

- (v) the Registrar suspends the Classing House registration for a specified period or until appropriate Corrective Action has been demonstrated by the Classing House;
 - (vi) the Registrar suspends the Classing House from applying its stencil to one or more application types described in clause 5.3 or
 - (vii) the Registrar deregisters the Classing House.
- 7.2.6 If AWEX Management decides to take any of the actions at clause 7.2.5 it will direct the Registrar to:
- (i) notify the Registered Classing House in writing of the proposed action and the reasons for it;
 - (ii) in respect of actions at clause 7.2.5 (iii), (iv), (v), (vi) or (vii) allow the Classing House to provide a written response, or for an authorised representative of the Classing House to appear before the Registration Review Committee, within a period of 28 days from the date of the letter of notification.
- 7.2.7 Before initiating any of the actions at clause 7.2.5(iii), (iv), (v), (vi) or (vii) AWEX Management will consider any response from the Registered Classing House.

7.3 Corrective Action

- 7.3.1 All costs associated with the Corrective Action will be borne by the Classing House.
- 7.3.2 The Registrar, or AWEX Committee, may require a Classing House to undertake Corrective Action after inspection of sale lots (pre or post sale) bearing a Classing House ID or declared as bearing a Classing House ID, where a complaint has been forwarded to the Registrar or there is a breach of these Rules.
- 7.3.3 Corrective action may be required for the following reasons:
- (i) Where non-approved wool packs have been used, in contravention of AWEX rules and standards.
 - (ii) Where lots are subject to AWEX inspection or audit and are found to breach the standard of preparation as detailed in the Woolclasser Code. This may include but is not limited to:
 - (A) pigmented wool in white;
 - (B) stain in fleece wool;
 - (C) mixed breeds and breed crosses;
 - (D) mixed length, eg, combing and carding lengths together;
 - (E) mixed quality number; and
 - (F) others - e.g. incorrect bale marking, the presence of sheep marking substances, etc.
 - (iii) Where contamination from foreign objects has occurred within a bale that is likely to cause:

- (A) machine damage, eg, wood, iron; or
 - (B) fibre contamination, eg, synthetic materials.
 - (iv) Where a Classing House has not complied with any requirement of the Classing House Code.
 - (v) Where there is evidence of practices that result in wool not meeting industry standards, such as bale contents being misdescribed.
 - (vi) Repeated occurrences of failure to comply with the Classing House Code or these Rules.
 - (vii) Any other breach of the Classing House Code, the Woolclasser Code or these Rules.
- 7.3.4 To maintain registration, Classing Houses will be asked to demonstrate that appropriate corrective action has taken place to address the concerns raised.
- 7.3.5 Corrective action may include:
- (i) satisfactory completion of on-site audit(s);
 - (ii) retraining of operational staff;
 - (iii) changes in procedures;
 - (iv) increased inspection of inward or outward product; and;
 - (v) any other initiative which is appropriate.
- 7.3.6 The Registrar may offer advice as how best to achieve and maintain the requirements set out in the Classing House Code, the Woolclasser Code and these Rules. This may include retraining of operational staff to address the problem(s) identified. The Registrar or AWEX Committee has discretion to determine which is the most appropriate action. In so doing, the Registrar or AWEX Committee must follow the procedures for investigating complaints as set out in clause 7.2 of these Rules.
- 7.3.7 Where a Classing House has successfully completed corrective action, the relevant record of fault will be made void after a period of 3 years.
- 7.3.8 Where a corrective action requirement is implemented, the Classing House must complete the requirement within 3 months (where no shorter time limit is stipulated as part of the corrective action) of confirmation of the corrective requirement by the Registrar or AWEX Committee.
- 7.3.9 Where more than one breach occurs in any three year period, the Classing House's registration may be suspended. The Registrar may also issue a Reprimand and mark the record of the Registered Classing House accordingly.
- 7.3.10 A Classing House whose registration was suspended under clause 7.3.9 may apply to have the registration reinstated, upon successful completion of a corrective action.

- 7.3.11 From time to time, the Registrar may require the Classing House and the nominated registered Australian Woolclassers to undertake certain requirements (such as refresher training) as part of the appropriate corrective action to maintain registration.

7.4 Deregistration

- 7.4.1 If a Registered Classing House under clause 7:
- (i) fails to undertake Corrective Action, as required;
 - (ii) repeatedly contravenes the requirements contained in the Classing House Code, the Woolclasser Code or these Rules;
 - (iii) misuses the Classing House ID by (but not limited to):
 - (A) lending the ID Materials to a third party;
 - (B) placing the Classing House ID on a bale not prepared by that Registered Classing House;
 - (C) use of a Classing House ID in a standard farm classing environment (excluding shearing sheds associated with feedlot, sheep export or meat processing enterprises) and
 - (D) use of an invalid Classing House ID;
 - (iv) is found to have:
 - (A) falsely packed bales;
 - (B) misrepresented the contents of a bale without proper excuse; or
 - (C) applied their Classing House ID to bales prepared outside Australia or to wool of non-Australian origin; or
 - (iv) repeatedly fails a site audit, the Classing House will be investigated and may be deregistered under the procedures set out in this clause.
- 7.4.2 Before initiating any deregistration the Registrar must:
- (i) notify the Registered Classing House in writing of the proposed action and the reasons for it;
 - (ii) allow the Classing House to provide a written response, or an authorised representative of the Classing House to appear before the AWEX Committee, within a period of 28 days from the date of the letter of notification; and
 - (iii) consider any response from the Registered Classing House.
- 7.4.3 A Classing House who has been deregistered under these Rules may apply to AWEX for registration upon demonstrating appropriate Corrective Action has been undertaken. The scope of the corrective action will be determined at the time of deregistration and will be communicated to the Classing House. The application for registration will be treated as an Initial Registration in accordance with these Rules. This clause does not in any way limit the right of AWEX not to re-

register a Classing House.

- 7.4.4 AWEX reserves the right not to re-register any Classing House that has been deregistered.

7.5 Appeals

- 7.5.1 If a Classing House is dissatisfied with a decision of the Registrar under these Rules, the Classing House may appeal the decision. The appeal must be in writing. The Registrar will provide contact details for such an appeal. An AWEX Committee, formed for the purpose of hearing appeals, must hear the appeal.
- 7.5.2 If a Classing House is dissatisfied with a decision of any AWEX Committee under these Rules, the Classing House may appeal to the Appeals Committee of AWEX in accordance with the Rules of AWEX. The Registrar will provide contact information and details of the appeal procedures and protocol for such an appeal.

8. Australian Wool Exchange addresses

Registrar

AUSTRALIAN WOOL EXCHANGE

PO Box 649

Lane Cove NSW 1595

AWEX Wool Services

Telephone: (02) 9428 6140

Facsimile: (02) 9420 9633

email: info@awex.com.au

Northern Region

Australian Wool Exchange

PO Box 193

Guildford NSW 2161

Telephone: (02) 9632 6166

Facsimile: (02) 9632 6333

email: northernregion@awex.com.au

Southern Region

Australian Wool Exchange

Victorian Wool Centre

691 Geelong Rd

Brooklyn VIC 3025

Telephone: (03) 9318 0277

Facsimile: (03) 9314 5392

email: southernregion@awex.com.au

Western Region

Australian Wool Exchange

PO Box 1280

Fremantle WA 6959

Telephone: (08) 9434 6999

Facsimile: (08) 9434 6988

email: westernregion@awex.com.au



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