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## NATIONAL AUCTION SELLING COMMITTEE

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### SUMMARY OF OUTCOMES: MEETING NASC50-2016

FRIDAY 20<sup>TH</sup> MAY 2016, 11.00AM AEST

AUSTRALIAN WOOL EXCHANGE LTD

2 EDEN PARK DRIVE, MACQUARIE PARK, NSW

**TELECONFERENCE**

#### N50/16/1.0 PRESENT/WELCOME

Les Targ	Chairman
Dean Collison	North Buyer
Michael de Kleuver	South Seller
Simon Hogan	Large Seller
Greg Horne	West Buyer
Lyndon Hosking	West Seller
Josh Lamb	4 <sup>th</sup> Buyer
Gordon Litchfield	North Broker
Len Tenace	South Buyer
David Cother	Secretary

The Chairman welcomed Mr. Hogan after being elected as the Large Seller Representative.

#### N50/16/2.0 APOLOGIES

Nil.

#### N50/16/3.0 MINUTES PREVIOUS MEETINGS

##### Amendment

NASC49: Item 9.0.

“NASC considered a request for a photo to be taken of Northern Region buyers and brokers. This was ~~accepted~~ given support but was not deemed to be NASC business and was to be referred back to the proposer to organise.”

#### N50/16/4.0 OPEN ACTION ITEMS/ISSUES ARISING (up to including NASC49)

Item ID	Description/Action	Status
N40/4.0	Terms of Reference	NASC-50
N42/10.5	New entrant protocol <i>Committee raised specific examples where this needs to be addressed.</i>	Yet to commence. <b>NASC50</b>
N47/5.0	Transfer and Bidding Agreements	In progress
N49/5.2	Tentative 2017-18 Wool Selling Program	NASC50

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### **N50/16/5.0 WOOL SELLING PROGRAMS**

#### **5.1 2017/18 TENTATIVE 2017/18 WOOL SELLING PROGRAM**

Arising from NASC49, the Committee considered the Tentative 2017/18 Annual Wool Selling Program. Under consideration was the timing of the mid-year July Recess, and specifically moving (the Recess) from weeks 3-4-5 to weeks 1-2-3.

There was support for a move (to weeks 1-2-3) from the North and South Buyer (constituent) groups. Other groups reported either split support, or a preference to retain the current (3-4-5) pattern.

On balance there was not majority support for a change to be made to the Program.

It was AGREED:

The Tentative 2017/18 Wool Selling Program was to be issued with the mid-year July Recess set to weeks 3-4-5.

**ACTION(S)**      Tentative 2017/18 Wool Selling Program to be released.

### **N50/16/6.0 WESTERN REGION SELLING ARRANGEMENTS - UPDATE**

The Western Region representatives provided an update on Selling Arrangements under a one sale room configuration: with details from a review meeting held after the Easter Recess as agreed to previously with the local participants. Both representatives believed the one sale room arrangement was working (well) with some details bedding in as volumes change. The sale commencement time was recently moved from 1030 to 1100 due to smaller offerings volumes (normal for this time of the year). This is likely to revert once larger offerings are present.

### **N50/16/7.0 SELLING ARRANGEMENTS: NUMBER OF SELLING TEAMS**

Concerns have been raised with NASC about the impact on a Sale's Selling Arrangements where one or more brokers are running a single selling team (as a business model) and requires non clashing sale rooms to enable the single team to offer the catalogues. *(Please note: Discussion on this Item excludes the case where a broker makes an occasional request to have non clashing rooms due to staff being elsewhere).*

From a Selling Arrangement perspective:

1. The situation can reach a point where the Selling Arrangement cannot (mathematically) achieve what is required and that rooms clashes are inevitable,
2. Brokers with two selling teams can be disadvantaged due to the Arrangements accommodating the one selling team broker(s), and
3. The impact on the Selling Arrangement can be relative to the size of the broker and the sale room totals on the sale day.

NASC considered a number of options that may be implemented. Before resolving a formal solution it has recommended that (admin) contact be made with the one selling team brokers to highlight these concerns and to see what options they can put to assist this situation.

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It was AGREED:

1. NASC Secretary is to contact brokers with this business model.

**ACTION(S)**      **Secretary to contact brokers with one selling team.**

### **N50/16/8.0 SYDNEY ROYAL EASTER SHOW (SRES) & IWTO AUCTIONS**

The Secretary provide the Committee with a brief overview of the conduct of the two feature auctions. Representatives present at one or both auctions provided Additional comments.

NASC reviewed the survey results (de-personalised) from participants at the SRES auction. The two main items arising from the SRES survey was the occasionally high level of noise in the pavilion, and the number of lots offered per sale day.

Committee members congratulated the Secretary and the AWEX staff involved for their successful management of both auctions.

The Chairman asked the Northern region representatives, the large seller and fourth buyer representative whether they felt support was present to hold an SRES Sale in 2017. They believed it did.

The Secretary advised that the RAS-NSW had indicated it was keen to hold the auction again in 2017 at the SRES and that he would relay NASC's position.

### **N50/16/9.0 TERMS OF REFERENCE**

NASC considered the NASC Terms of Reference.

It was AGREED:

1. The NASC Terms of Reference is to be circulated to all NASC members with the annual fee renewals.

**ACTION(S)**      **Circulate the NASC Terms of Reference with the annual fee renewals.**

### **N50/16/10.0 PRE-SALE ESTIMATES**

The Secretary briefed the committee on recent Sale Estimate activity.

It was noted that Northern and Southern brokers are now submitting their forecasts, roster and selling arrangement figures online. Sale Rosters and Selling Arrangements for these region are being published live from this system. Approximately half of Western region brokers are now entering data online with the balance to be invited on in the coming fortnight. It is expected the system will be live for all regions by week 51.

The Secretary briefed the Committee on the error made of a forecast value for M43 published in Week 41.

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### **N50/16/11.0 BUYER SERVICE CHARGE**

#### **11.1 SOUTHERN REGION ZONES**

NASC discussed a document provided by Mr. Tenace recommending brokers in Southern Region review their BSC delivery boundaries as many are out of date. The document identified possible new boundaries that encompassed the current destination locations. Comments noted during this discussion included:

- a) Not all brokers used the same definitions (when defining their delivery conditions),
- b) It was noted that a change in boundaries could impact on delivery rates (if they are larger than current and/or incur greater transport costs as a result of a re-zone);
- c) It was also noted that (there had been some comment) that an alternative to a zone approach may be under consideration by some sellers.

The Chairman noted that the definition of boundaries and/or delivery conditions were (individual) commercial decisions for brokers as part of their Post Sale Charge(s) and not something within the scope of NASC. He accepted that NASC could remind brokers to review their delivery conditions to ensure they are current and relevant.

It was AGREED:

1. That NASC recommend to Southern Region brokers review their delivery boundaries.

#### **11.2 MOVEMENT OF WOOL POST RECEIVAL/PRE SALE**

NASC was briefed on a situation where wool was moved post-receival and pre-sale. The new destination was not published on the catalogue. NASC noted that matter raised was not a concern about the movement of wool, but the shortfall of information on the current storage location in the catalogue.

In this specific case, it was reported that it was not an intentional omission and the entities had policies which were consistent with those of NASC (see next para.)

NASC confirmed that broker catalogues need to be correct and transparent with respect to the presale handling of wool. This in turn needs to be supported by correct PSC values in the catalogue to enable buyers to price and source wool correctly.

**ACTION(S)**      **A reminder to be sent to brokers regarding correct, consistent and transparent publication of pre-sale details (to buyers) of storage locations and PSC rates.**

### **N50/16/12.0 RECONDITIONED WOOL – BEST PRACTICE GUIDELINES**

NASC reviewed a first draft of best practice Guidelines for Reconditioned wool. This document is intended to be a reference sheet by brokers and buyers. Need to cross reference with recent AWTA document to ensure no duplication.

**ACTION(S)**      **Second Draft to be finalised and circulated for committee review.**

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### **N50/16/13.0 NEW ENTRANT PROTOCOL**

NASC reviewed a first draft of a new entrant protocol. This document is intended to be sent once an EDI code has been assigned.

**ACTION(S)**      **Second Draft to be finalised and circulated for committee review.**

### **N50/16/14.0 ROOM SHERIFF – ROLE DESCRIPTION SUMMARY**

NASC reviewed a first draft of a position description for the Room Sheriff. This document is intended to be a reference sheet by brokers and buyers.

**ACTION(S)**      **Second Draft to be finalised and circulated for committee review.**

### **N50/16/15.0 OTHER BUSINESS**

#### **15.1 CATALOGUE FIELD CVH**

Mr. Tenace raised a request to add CVH to be added to the catalogue. There was some concern about whether there was space for the field and the level of demand for this field to be published. It was noted that with increasing use of handheld appraisal devices and customized bidding catalogues that the level of demand from buyers may be mixed. Buyer representatives are to discuss further with constituents.

*(Post meeting comment: The catalogue standard does provide a space for the optional publication of this field.*

*[www.awex.com.au/media/1061/printed-catalogue-standard-layout-release-january-2010.pdf](http://www.awex.com.au/media/1061/printed-catalogue-standard-layout-release-january-2010.pdf) )*

**ACTION(S)**      **Buyer Representatives to discuss with constituents as to level of demand.**

### **N50/16/16.0 NEXT MEETING SCHEDULE**

Meeting Code	Week	Date	Time	Type
NASC-51	07	Friday 19 August 2016	11AM AEST	TELE-CONFERENCE
NASC-52	18	Friday 4 November 2016	11AM AEDT	TELE-CONFERENCE
NASC-53	34	Friday 24 February 2017	9AM AEDT	FACE TO FACE
NASC-54	47	Friday 26 May 2017	11AM AEST	TELE-CONFERENCE

Meeting Closed: **1.10pm AEST**

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For more information: NASC representatives

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