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# NATIONAL AUCTION SELLING COMMITTEE

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## SUMMARY OF OUTCOMES: NASC12-2007

HELD FRIDAY 18<sup>TH</sup> MAY 2007, 9.30 AM AEST

AUSTRALIAN WOOL EXCHANGE LTD

318 BURNS BAY RD

LANE COVE

### FACE TO FACE (EAST)/ TELCONF (WEST)

#### **N12/07/1.0 PRESENT/ WELCOME**

Andrew Blanch  
Michael de Kleuver  
Graham Evans  
Peter Morris  
Jim McDonald  
Chris McDonnell  
Ken Walker  
Rowan Woods  
Sas Douglas (Chairman)  
David Cother (Secretary)

#### **N12/07/2.0 APOLOGIES**

Nil.

#### **N12/07/3.0 MINUTES PREVIOUS MEETING/ACTION ITEMS**

NAS011-2006

**Minutes accepted without amendment.**

##### **ACTION LIST/ISSUES ARISING**

- Secretary briefed the Committee on progress in relation to charging AWEX non members for NASC services.

##### **3.1 SELLING CENTRES**

The Chairman updated the Committee with correspondence and conversations exchanged since the last NASC meeting. Correspondence received included letters from Australian Superfine Wool Growers Assoc (New England), Newcastle Wool Selling Brokers and Schute Bell Badgery.

The Chairman specifically addressed a number of issues raised within the correspondence.

##### **3.1.1 NEWCASTLE**

In the previous meeting, it had been agreed that 4 trial sales would be rostered during the Newcastle sale weeks, the coordination of the Sydney roster to be discussed with Buyers and Sellers by the NASC Northern Regions delegates.

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This matter received extensive discussion. The following extracts summarise some of the debate:

- Split Sales may create logistical difficulties to Buyers who wish to cover both centres, subject to the final format.
- Buyers prefer not to have split sales, but majority continue to be concerned about their costs to support two selling centres in the North, and favour sales in Sydney.
- Newcastle Wool Selling Brokers Assoc. do not support split sales.
- Other Northern Sellers are prepared to offer wool in Sydney during the Newcastle week. Estimated quantity is between 5000 and 6000 bales.
- There was potential for a compromise position should Newcastle Sellers be prepared to offer 2 designated Newcastle sales by separation in Sydney.

It was AGREED that:

To test the possibility of a compromise to avoid a split selling trial, NASC Members would consult with their constituents over the next few weeks as to which of the two trials had greater support:

- A) 2 Newcastle Sales in 2007/08 (nominated by Sellers) to be displayed and offered in Sydney by separation; or
- B) Split Sale trials during 4 of the rostered Newcastle sale weeks.

### **3.1.2 LAUNCESTON**

It was AGREED that NASC would write to Launceston Sellers advising its preferred position was to conduct a split sale in week 33 with wool offered in Melbourne and Launceston. NASC believes that Launceston sellers should offer a specialty sale and will encourage discussion between sectors to determine how this may be structured.

### **3.2 TWO DAY SALE SERIES**

The Committee considered a request to change the standard two day sale series from Wednesday/Thursday to Tuesday/Wednesday. This request was from the exporting sector to assist payment and shipping functions.

It was AGREED that the Two Day Sale Series should remain as Wednesday/Thursday as the standard format. It was noted that Tuesday/Wednesday selling was valid and could be used where necessary (for example Week 52 or pre Christmas).

### **3.3 AUCTION START TIMES**

The Committee was requested to consider standardised start times for Fremantle, Sydney and Melbourne on two and three day sales. [This item refers to start times between days NOT West versus East times.]

The Committee discussed three options (11/11.30/12) but a majority view was not forthcoming. A standard 11 am start was not accepted due to workloads on smaller operators and usually a longer mid sale break. A noon

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start was seen problematic particularly with the split centre sales (notably 691 Geelong Rd/Frederick St).

Members believed a standard start time was desirable, but that existing rules on day start times were not currently a major issue.

**It was AGREED that the current start times should be retained.**

### **3.4 VOLATILITY OF OFFERING**

The Committee has received requests in relation to reducing extreme volatility in offering, particularly following extreme price events.

The Committee considered a paper which assessed extreme (price and offering) events and canvassed a number of possible options that may be considered.

There was some support for supply management (under extreme conditions) from the Exporter survey responses. Sellers did not support the proposal. Sellers noted that extreme offering changes were unlikely in the current environment given the very low level of stocks on hold. This reduces the capacity to flood the market.

The Committee noted that Sellers should attempt to improve estimates particularly around the breaks where estimates tended to be more volatile (regardless of price signals).

**It was AGREED that the paper was not to be developed/circulated further and that a mechanism to manage extreme offering events was not required at this time.**

### **3.5 IDENTIFICATION OF OWNERSHIP STATUS**

Committee considered the issue of identifying lots in a sale catalogue where a buyer has an interest (e.g. Buyer Reoffers).

**It was AGREED that the Identification of Ownership in the catalogue was not required.**

### **N12/07/4.0 REMOVAL OF SAMPLES POST SALE**

The Committee considered a complaint about the early removal of samples over the ANZAC Day break. The Committee confirmed the complaint was justified. The incident was believed to be accidental and unlikely to reoccur.

Another specific instance of difficult access for post sale inspection was raised.

**The Committee AGREED that the nominated sellers should receive a letter from NASC on the issues raised and seeking corrective action.**

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### **N12/07/5.0 OTHER BUSINESS**

#### **5.1 SELLER INSPECTED**

Secretary informed committee that the AWEX-ISAC Committee was reviewing the practice of seller inspected (where a classing house stencil is applied to non farm classed wool). An industry discussion paper is to be circulated for comment.

#### **5.2 ORGANIC WOOL**

Secretary noted that AWEX had received a letter from Fletcher International with concerns relating to [incorrect] certification of organic wool. This would be tabled at the AWEX Standards committee (ISAC) and circulated to Sellers.

#### **5.3 DMF/RUN WITH LOTTING**

As a result of some sector enquiry the Secretary sought a clarification with respect to the lotting requirements for Merino wool declared as Run with Shedding Breeds.

The Committee clarified [that wool run with shedding breeds must be lotted in the Dark \(and Medullated\) Fibre section and is to be offered in Room 2.](#)

Mr Woods sought clarification of lotting where sellers may wish to lot catalogues in declared/undeclared sequence (within the normal rooms).

[Provided the "Run with", or Risk Rating 6 lots are offered in the Dark and Medullated section, then the balance may be offered in normal sections in declared/undeclared sequence \(this being at the sellers' discretion.\)](#)

#### **5.4 P CERTIFICATE**

Mr McDonald raised the issue of lots declared as P certificate types which he believes should be multi source wool. This was an AWTA issue as the source of the wool is established by the test house. Where these lots are suspected by exporters they should be raised with the AWEX Auditor to relay to AWTA.

### **N12/07/6.0 NEXT MEETINGS**

<b>NASC-12B</b>	<b>Friday 8<sup>th</sup> June 9.30AM AEST</b>	<b>TELCONF</b>
NASC-13	Friday August 10 <sup>th</sup> 9.30 AM AEST	TELCONF
NASC-14	Friday October 26 <sup>th</sup> 9.30 AM AEST	TELCONF
NASC-15	Friday February 29th	FACE TO FACE

**Meeting Close: 12.15PM AEST**

*NASC Summaries can be found on the AWEX Web site [www.awex.com.au](http://www.awex.com.au) in the [Auction] [NASC] section.*