

TUESDAY/WEDNESDAY SELLING TRIAL

SUMMARY REPORT

Introduction

A trial on Tuesday/Wednesday Selling was conducted to allow auction participants an opportunity to evaluate the benefits, costs, strengths and weaknesses of rostering auctions earlier in the sale week rather than later. This method of rostering was proposed by representatives on the Joint China Australia Working Group as potentially offering benefits to the pipeline.

A trial period of 4 weeks was authorised by NASC commencing Monday 13th February 2012 (Sale Weeks 33 to 36, Season 2011/12), with all selling centres included. Aside from the change in Selling Days, the only change made to the standard operating protocols was an advance in the catalogue and showfloor deadlines for Tuesday Sellers (to noon Friday) from 3pm to 12 noon local time.

Participants in the trial were surveyed pre and post trial.

NASC Conclusion(s) & Recommendation

1. Insufficient operational and/or financial benefits were recorded or perceived by enough Australian buying and broking participants during the trial period to implement Tuesday/Wednesday selling as a standard national operating protocol.
2. Tuesday/Wednesday selling is not to be implemented as a national rostering protocol at this time.

Summary of Trial Outcomes

1. Sector Outcomes
 - Most benefits or opportunities arising from the trial were perceived, identified or realised by the buyer and Chinese sector. These benefits are associated with opportunities for sales, early payment & shipping logistics. There remains a level of support from some Australian buyers for this method of rostering due to benefits these areas. In some cases this support was tempered, or negated by some of the operational implications related to auction operations.
 - The Chinese survey responses pre and post trial reported support and benefits for Tuesday/Wednesday selling on payment. 37% of the Australian buyer sector reported some early payment.
 - Brokers did not report a significant change in early payment and shipping patterns. From the trial results it is not possible to determine the reasons for the difference between the China, buyer and broker responses.
 - The broker sector did not report or identify many operational benefits arising from the trial; more than half reported additional costs and operational difficulties.
 - From a broking perspective, administrative and clerical functions were reported as less adversely affected than technical functions (client support, showfloor operations, testing functions).
 - The current (relatively low) level of staffing in both buyer and broker sectors was thought to be a factor in the ability to support and sustain Tuesday/Wednesday rostering.

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- The timing of catalogue availability for Tuesday sales was a point of difference between buyer and broker sectors during the trial. This was identified pre-trial and was supported by post trial results. Buyers (generally) advocated the need to access official catalogues on Friday with Tuesday selling. Many but not all, brokers believe advancing the deadline on a permanent basis would be a disadvantage with respect to cataloguing and operational logistics associated with client servicing, testing and auction attendance.

Implementation of Tuesday/Wednesday selling as a permanent feature would likely require modification to existing operational deadlines relating to catalogues and showfloors for Tuesday (and possibly Wednesday) Sellers. Whilst NASC declared a common deadline for the purpose of the trial there is not cross sector consensus on this position.

- The Trial did not examine the implications of Tuesday/Wednesday Selling on the business rules relating to the days on which individual brokers sell (either on a rotating or fixed basis).

2. Regional Outcomes

The level of support for Tuesday/Wednesday selling varied by region. The geographic and operating structure of a region was found to contribute significantly to the level of support.

Southern Region (Melbourne and Launceston)

- Due to offering volumes over the trial period, Southern Region did not require a 2 day Sale. All weeks in the period were 3 day Sales rostered as Tuesday, Wednesday and Thursday as is normal procedure. As such the impact of the trial in terms of reported benefits regarding earlier payment or shipping were absorbed into the standard sale structure.
- Notwithstanding the 3 day Sales, Southern Region operated under trial conditions where catalogues for Tuesday Brokers were available at noon on the previous Friday (an advance from 3pm).
- Buyers supported the trial condition of earlier catalogue availability for Tuesday catalogues. (Currently these are supplied under informal arrangements with Brokers).
- In general, Southern Region Buyers and Brokers raised less concerns about the implications of this trial. This is attributed to Southern Region usually having 3 day Sales with Tuesday selling.

Northern Region (Sydney and Newcastle)

- Northern region experienced the largest operational impact of the trial with three 2 day Sales, a 3 day Newcastle Sale, coupled with transitional effects between the two centres.
- Nearly all regional Brokers (i.e. based outside of Sydney) reported operational costs and difficulties when required to meet earlier catalogues and showfloor deadlines.
- Brokers reported concerns about disruptions to staff attending shed starts (which frequently commence earlier in the week).
- Buyers with administration functions in Northern Region (operating on the Tuesday/Wednesday trial cycle) reported Thursday as a “dead” day as they required Southern region Sales (on Thursday) to finish to complete order finalisation.

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- Northern Region Buyers (particularly those operating on most lots or with limited resources) remain firm in their view that Tuesday catalogues would/should be available on Friday morning for valuing. Some stated they could support Tuesday/Wednesday selling provided Friday morning valuing was able to be provided.

Western Region

- Western Region operated with four 2 Day Sales. A Sale week with a Public Holiday was included during the trial period.
- A number of local Buyers believed earlier sale days would be/was beneficial to allow faster delivery of shipping (due to close proximity of the port.)
- Catalogues would be required on Friday morning for Tuesday selling if this proposal was to be implemented. This would represent no change to the current practice if a Tuesday Sale is rostered in Western Australia.

3. General/Other Outcomes

- The length of the trial period (4 weeks) and conditions were deemed to be adequate by auction participants to evaluate the proposal of Tuesday/Wednesday selling.
- From a market impact perspective a number of positions were identified during the trial, though not resolved:
 - Some participants preferred Sales to close with 2 selling centres operating (as is the current practice) rather than a selling centre closing the week in isolation (which occurred during the Tuesday/Wednesday Selling trial).
 - Others believe the market benefits with earlier selling (in the week) and with all centres on the opening day (accepting a centre in isolation on the last day).
 - From an industry Market Reporting perspective the benchmark Eastern Market Indicator is stronger when two (Eastern) centres are operating. Some prefer a stronger signal on the closing day rather than the open.
- There was a small increase in fast or express testing to get wool into Sale. AWTA reported only small impact on the normal testing profile and assessed that wool missing sales due to missing results was not above normal frequency.
- Concerns about potential work conditions on the showfloor on Friday afternoons particularly warehouse heat (summer) and (lack of) light (winter) was raised. Fremantle notably experienced warm conditions during the trial period. Most showfloor valuing is currently performed in the morning and early afternoon.

Appendix

1. *Trial Operating Protocol*
2. *Summary of Survey Responses by Broker (Seller)*
3. *Summary of Survey Responses by Buyer*
4. *Summary of Survey (China)*
5. *Operational report from the Australian Wool Testing Authority Ltd.*
6. *Operational report from Australian Wool Exchange Ltd.*

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Acknowledgement

The National Auction Selling Committee thanks and acknowledges the cooperation of auction participants in the trial and additionally the assistance of the following people with the Trial survey.

John Billing
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Peter Morgan
Robert Wang
Chris Wilcox

Australian Wool Testing Authority
Australian Wool Exchange Ltd (Chinese translation)
Australian Council of Wool Exporters and Processors
Australian Wool Testing Authority (Chinese translation)
National Council of Wool Selling Brokers of Australia

National Auction Selling Committee (NASC)

TUESDAY/WEDNESDAY SELLING TRIAL (WEEKS 33-36)

General Notice to Buyers and Sellers of wool at Australian Auctions

As announced prior to Christmas, the National Auction Selling Committee (NASC) has authorised a national four week trial to allow assessment and evaluation of potential costs and benefits associated with conducting auction sales earlier in the week. This trial will commence from the 13th February 2012 (Week 33).

To assist buyer and sellers with the operational layout for this period, the following page contains a reference guide detailing sale day and catalogue/showfloor arrangements. These details will also be printed on operational documents such as Sale Rosters and Selling Arrangements.

Sales during this period will commence on Tuesday, regardless of whether a Sale requires one, two or three selling days (which is determined by volume). There is one exception to this case; Week 36 in Western Region will offer a one day Sale on Wednesday due to the Public Holiday on Monday.

When rostered on Wednesday or Thursday sellers will use arrangements that currently exist. Sellers rostered on Tuesday will have a modified program.

If you have any questions on this reference guide, or something is unclear please contact your NASC representative or the NASC secretary on 02 9428 6100.

These details will also be printed on weekly Sale Roster and Selling Arrangements.

National Auction Selling Committee (NASC)

TUESDAY/WEDNESDAY SELLING TRIAL (WEEKS 33-36)

REFERENCE GUIDE – SALE DAYS AND DEADLINES

NORTHERN REGION

Week	Commencing	Sale	IF 1 DAY SALE	IF 2 DAYS	IF 3 DAYS
33	13/02/12	S33	TU*	TU*/W	TU*/W/TH
34	20/02/12	S34	TU	TU/W	TU/W/TH
35	27/02/12	N35	TU	TU/W	TU/W/TH
36	05/03/12	S36	TU	TU/W	TU/W/TH

Tuesday Sales commence at 12 noon, all other days 11am, except Thursday Newcastle N35 (10am).

Catalogue/showfloor deadlines:

Tuesday sellers: Friday NOON AEDST (electronic, printed & showfloor)

Wednesday sellers: Friday 3pm AEDST (electronic), 7am AEDST Monday (printed & showfloor)

Thursday sellers: Monday 3pm AEDST (electronic), 7am AEDST Tuesday (printed & showfloor)

* Please note the trial commences with Week 33 Tuesday seller catalogues/showfloor due by Noon Friday 10th February.

SOUTHERN REGION

Week	Commencing	Sale	IF 1 DAY SALE	IF 2 DAYS	IF 3 DAYS
33	13/02/12	L33/M33	TU*	TU*/W	TU*/W/TH
34	20/02/12	M34	TU	TU/W	TU/W/TH
35	27/02/12	M35	TU	TU/W	TU/W/TH
36	05/03/12	M36	TU	TU/W	TU/W/TH

Tuesday Sales commence at 12 noon, all other days 11am.

Catalogue/showfloor deadlines:

Tuesday sellers: Friday NOON AEDST (electronic, printed & showfloor)

Wednesday sellers: Friday 3pm AEDST (electronic), 7am AEDST Monday (printed & showfloor)

Thursday sellers: Monday 3pm AEDST (electronic), 7am AEDST Tuesday (printed & showfloor)

* Please note the trial commences with Week 33 Tuesday seller catalogues/showfloors due by Noon Friday 10th February.

WESTERN REGION

Week	Commencing	Sale	IF 1 DAY SALE	IF 2 DAYS	IF 3 DAYS
33	13/02/12	F33	TU*	TU*/W -	
34	20/02/12	F34	TU	TU/W	-
35	27/02/12	F35	TU	TU/W	-
36	05/03/12	F36	W**	-	-

All Sale days commence at 12 noon.

Catalogue/showfloor deadlines:

Tuesday sellers: Friday NOON AWST (electronic, printed & showfloor)

Wednesday sellers: Friday 3pm AWST (electronic), 7am AWST Monday (printed & showfloor)

** 7am AWST Tuesday (printed & showfloor) Week 36

Thursday sellers: Monday 3pm AWST (electronic), 7am Tuesday (printed & showfloor)

* Please note the trial commences with Week 33 Tuesday seller catalogues/showfloors due by Noon Friday 10th February.

These details will also be printed on weekly Sale Roster and Selling Arrangements.

Summary of Survey Results from SELLERS
 NASC: Tuesday/Wednesday Selling Trial

No	Question	Response Summary
1	Company Name/Responses	21
2	Were grower clients (delivering wool/offering in sale) aware of the trial?	Yes: 66.7% No: 33.3%
3	Over the period of 4 weeks, were any of your growers advantaged by the change in rostering?	Yes: 0 % No: 100%
4	Over the period of 4 weeks, were any of your growers disadvantaged by the change in rostering?	Yes: 42.9% No: 57.1%
5	Did you, or any of your staff, miss any shed starts as a result of the trial conditions?	Yes: 61.9% No: 38.1%
6	As a result of the trial, how many lots (if any) had their test request service type upgraded to accommodate an earlier sale (i.e. Normal to Fast, Fast to Express or Normal to Express)?	
7	Did any lots miss a Sale as a result of the change in scheduling?	Yes: 57.1% No: 42.9%
8	In terms of client servicing could you please rate the impact of the trial on your business: - Resource	1. Much More: 4 2. Slightly more: 9 3. Much the same: 6 4. Slight less: 2 5. Much less: 0 Average rating: 2.3 (negative)
9	In terms of client servicing could you please rate the impact of the trial on your business: - Workflow	1. Much Worse: 9 2. Slightly worse: 6 3. Much the same: 6 4. Slight better: 0 5. Much better: 0 Average rating: 1.9 (negative)
9	Impact on Sale Operations: Pre Sale Preparation - Lotting/Cataloguing - Resource	1. Much More: 2 2. Slightly more: 6 3. Much the same: 12 4. Slight less: 1 5. Much less: 0 Average rating: 2.6 (negative)
10	Impact on Sale Operations: Pre Sale Preparation - Lotting/Cataloguing - Workflow	1. Much Worse: 5 2. Slightly worse: 4 3. Much the same: 11 4. Slight better: 1 5. Much better: 0 Average rating: 2.4 (negative)
11	Impact on Sale Operations: Showfloor setting - Resource	1. Much More: 3 2. Slightly more: 9 3. Much the same: 8 4. Slight less: 1 5. Much less: 0 Average rating: 2.3 (negative)
12	Impact on Sale Operations: Showfloor setting - Workflow	1. Much Worse: 4 2. Slightly worse: 8 3. Much the same: 7 4. Slight better: 2 5. Much better: 0 Average rating: 2.3 (negative)
13	Impact on Sale Operations: Appraising (typing) and Grower price valuation - Resources	1. Much More: 6 2. Slightly more: 5 3. Much the same: 10

Summary of Survey Results from SELLERS
 NASC: Tuesday/Wednesday Selling Trial

		4. Slight less: 0 5. Much less: 0 Average rating: 2.2 (negative)
14	Impact on Sale Operations: Appraising (typing) and Grower price valuation - Workflow	1. Much Worse: 7 2. Slightly worse: 5 3. Much the same: 9 4. Slight better: 0 5. Much better: 0 Average rating: 2.1 (negative)
15	Impact on Sale Operations: Sale Room activities (attending sale/selling/invoicing) - Resources	1. Much More: 2 2. Slightly more: 2 3. Much the same: 17 4. Slight less: 0 5. Much less: 0 Average rating: 2.7 (negative)
14	Impact on Sale Operations: Sale Room activities (attending sale/selling/invoicing) - Workflow	1. Much Worse: 7 2. Slightly worse: 4 3. Much the same: 10 4. Slight better: 0 5. Much better: 0 Average rating: 2.1 (negative)
15	Impact on Sale Operations: Post Sale (showfloor pulling down) - Resources	1. Much More: 2 2. Slightly more: 2 3. Much the same: 15 4. Slight less: 0 5. Much less: 0 Average rating: 2.6 (negative)
16	Impact on Sale Operations: Post Sale (showfloor pulling down) - Workflow	1. Much Worse: 3 2. Slightly worse: 3 3. Much the same: 14 4. Slight better: 0 5. Much better: 1 Average rating: 2.7 (negative)
17	Impact on Sale Operations: Transitions between 1 to 2 day Sales, (or) 2 to 3 days, (or) 3 to 2 days, (or) 2 to 1 day Sales (where experienced)	1. Much Worse: 4 2. Slightly worse: 6 3. Much the same: 10 4. Slight better: 1 5. Much better: 0 Average rating: 2.4 (negative)
18	Seller Rotations/day position Was there any impact arising from the trial in relation to your position in the selling rotation?	1. Much Worse: 2 2. Slightly worse: 3 3. Much the same: 15 4. Slight better: 1 5. Much better: 0 Average rating: 2.7 (negative)
19	Percentage paid pre prompt- NORTH	Week 29: 29.4% Week 30: 29.5% Week 31: 20.9% Week 32: 23.9% Week 33: 27.9% Week 34: 24.1% Week 35: 18.3% Week 36: 28.3%
19	Percentage paid pre prompt- SOUTH	Week 29: 14.5% Week 30: 11.5% Week 31: 15.7%

Summary of Survey Results from SELLERS
 NASC: Tuesday/Wednesday Selling Trial

		Week 32: 12.7% Week 33: 15.0% Week 34: 11.0% Week 35: 15.1% Week 36: 13.5%
19	Percentage paid pre prompt- WEST	Week 29: 11.5% Week 30: 11.5% Week 31: 11.0% Week 32: 11.5% Week 33: 10.1% Week 34: 10.9% Week 35: 10.7% Week 36: 12.4%
20	Can you identify if there was actual (or potential) financial benefit(s) to your business arising from the trial?	Yes: 0% No: 100%
21	Can you identify if there were actual (or potential) financial costs to your business arising from the trial?	Yes: 57.1% No: 42.9%
22	Was the trial period long enough for you to adequately assess the implications of this proposal:	Yes: 95.2% No: 4.8%
23	Overall please rate the impact of the trial on your business: - Resources	1. Much More: 5 2. Slightly more: 8 3. Much the same: 8 4. Slight less: 0 5. Much less: 0 Average rating: 2.1 (negative)
24	Overall please rate the impact of the trial on your business: - Worklow	1. Much Worse: 8 2. Slightly worse: 7 3. Much the same: 6 4. Slight better: 0 5. Much better: 0 Average rating: 1.9 (negative)
25	Please indicate which of the following statements summarises your views: I support the introduction of Tuesday/Wednesday selling because of the following reasons (please specify): I would support Tuesday/Wednesday selling but would need the following conditions to be met: I do not support Tuesday/Wednesday selling because of the following reasons: I am neither, in favour of, nor against Tuesday/Wednesday selling. (please specify)	9.5% 0.0% 81.0% 9.5%
<ul style="list-style-type: none"> - Everything seemed rushed due to new deadlines because sale was earlier. Thursdays before the Tuesday sale are horrible as all the work in checking the catalogue is rushed. Essentially thursday had become Thursday & Fridays work in the same day which was way too rushed. Its too easy to make a mistake. Puts pressure on staff all around. - Everyone in the industry has there procedures in place and this trial has done nothing but disrupt those procedures. - When one centre is selling over a three day period. None of the claimed benefits can be acheived in any center. So what is the point of this futsle trial? - Too much impact on our clients, our staff and our business. There was no real perceived benefit to the Tues/Wed trial for our clients + business. Most of our issues I'm sure could be changed + resolved if a real benefit was seen. Cut-off times for coring could be moved forward to solve most of these issues if there was a benefit. That benefit was certainly not seen from the trial. - Tuesday is an important day for our field staff to be servicing clients tuesday. Sale will add more cost to our showfloors and office staffing requirements. - Impact on person life-working on weekends to contact clients. 		

Summary of Survey Results from SELLERS
NASC: Tuesday/Wednesday Selling Trial

- No benefits to our business
- Increase in charges to clients
- Increase in wages to our business
- No improvements in post sale payment.
- Northern Region Roster on rotation basis. Sell last day in 3 day series-next week 2 day series on first day unworkable-need more staff.
- Noon: Catalogue transmission unworkable extra coring costs + AWTA costs.
- No Real benefits to brokers receival close off date earlier than the norm.
- Not selling on a Thurs spreads work over the week better.
- Current system works well
- Some growers are disadvantaged by earlier cut-off
- No evidence of quicket payments
- We are not strongly against but struggle to see the benefit of change
- Logistically it is not the most efficient way to collect and present wool for sale. It concentrates workload at the front end of the week due to shed starts. client appraisal contact and sales. All occuring early in the week. If this was to become the ??????. extra staff would be required to cover extra workload early in the week. ?????-Finish of sale required staff to stay back later o run sale
- Doesn't suit our business structure.
- Would prefer the current Wednesday + Thursday selling arrangement.
- With the wool gathers setting showfloor and organising the presale jobs. We would have to employ extra staff so we could have these men on the road.
- Our staff, operation and procedures are programmed for Wednesday Selling.
- The trial resulted in more expenses as staff had to work overtime.
- Impact on our business when people undertake dual roles in the country- ????? clients and computing sales and pre and post sale activities.
- restricting client access to sales (ie testing)
- physical movements restricted early in the wk
- hrs worked early in wk/overtime
- reduced capacity to move staff btwn 2 stores
- denies clients opportunity for PI lots next wk
- reschedule AWTA staff from normal rostered day
- To busy at the start of the week, small businesses need to even out the work load.
- Higher Costs. Unbalanced system. More staff stress! No early shipment, No early payment so No potential benefit to clients.

Summary of Buyer responses to Tuesday/Wednesday Selling Trial

No	Question	Response Summary
1	Company Name	32
2	Were your overseas clients aware of the change in selling conditions during the trial period:	81.3% Yes
3	Were there any changes in overseas sales enquiries, or modifications to existing commitments, as a result of the trial ?	53.1% No
4	In terms of servicing your clients could you please rate the impact of the trial conditions on your business (please circle number):	1. Much Better: 6 2. Slightly Better: 1 3. Much the Same: 10 4. Slightly Harder: 4 5. Much Harder: 11 Average rating: 3.4 (negative)
	<ul style="list-style-type: none"> Not enough time to advise clients fully re selection reports- and give detailed advice re types/quantities available. (RE time zones) as a result less competition would be achieved. Some enquiry moved forward in the week as a result of the earlier selling Enquires & Business concluded earlier in week. and new orders placed prior to following week, not usually the case. Clients more active earlier in the week. but less towards the end. Meet their needs earlier. Our indent clients required offering totals on Monday in order to confirm sale pimits for Tuesdays selling Slightly greater and earlier information flow from clients in regards to their requirements. Slightly less enquiries especially 534 with no Thursday sale. Business concluded earlier in the week. Early start enabled wool to be purchased and shipped within the week. Yes: Valuing Friday which is my office day. I need to be quoting the market to my clients and batching and shipping etc. Yes, because the majority of enquiries were Friday after the East-Sold Thursday. When west sell wed/thur we have enquiries for sales wed night and there after. with regular Tuesday selling we noticed more purchase inquiry mid week Less time pre sale to advise selection + extract client interest. 24 hours when allowing for time zones (Europe) is a big factor. Catalogues were not always available as per trial guide lines. These notifications were sent via AWEX. Melbourne sale (thursday) on it's own was often cheaper(Refer AWEX Reports) I advised my clients of the changes & they had to prepare under stress their needs for the week on Monday. I received their inquiry on Monday night prior to the sale Increased early week enquiry - business concluded prior weekend Some clients may have been aware but not all and some wouldn't care either. better for negotiations on sales 	
5	Pre Sale Preparation - Order management/foreign exchange arrangements - Resource requirement	1. Much More: 8 2. Slightly more: 4 3. Much the same: 19 4. Slight less: 1 5. Much less: 0 Average rating: 2.4 (negative)
6	Pre Sale Preparation - Order management/foreign exchange arrangements - Workflow	1. Much More: 10 2. Slightly more: 6 3. Much the same: 13 4. Slight less: 2 5. Much less: 1 Average rating: 2.3 (negative)
7	Showfloor activities (catalogue pickup/sample appraisal-typing) - Resource Requirement	1. Much More: 10 2. Slightly more: 6 3. Much the same: 16 4. Slight less: 0 5. Much less: 0 Average rating: 2.2 (negative)
8	Showfloor activities (catalogue pickup/sample appraisal-typing) - Workflow	1. Much Worse: 11 2. Slightly worse: 6

Summary of Buyer responses to Tuesday/Wednesday Selling Trial

		<p>3. Much the same: 11 4. Slight better: 2 5. Much better: 2 Average rating: 2.3 (negative)</p>
9	Sale Room preparation (selection reporting/limits/bidding catalogues) - Resource	<p>1. Much More: 10 2. Slightly more: 6 3. Much the same: 16 4. Slight less: 0 5. Much less: 0 Average rating: 2.2 (negative)</p>
10	Sale Room preparation (selection reporting/limits/bidding catalogues) - Workflow	<p>1. Much worse: 9 2. Slightly worse: 14 3. Much the same: 7 4. Slight better: 2 5. Much better: 0 Average rating: 2.3 (negative)</p>
11	Sale Room activities (attending sale/room buying) - Resource	<p>1. Much More: 5 2. Slightly more: 2 3. Much the same: 21 4. Slight less: 1 5. Much less: 0 Average rating: 2.7 (neutral)</p>
12	Sale Room activities (attending sale/room buying) - Workflow	<p>1. Much worse: 8 2. Slightly worse: 2 3. Much the same: 21 4. Slight better: 1 5. Much better: 0 Average rating: 2.5 (neutral)</p>
13	Post Sale (order allocation/post sale sample inspection)- Resource	<p>1. Much More: 5 2. Slightly more: 1 3. Much the same: 21 4. Slight less: 3 5. Much less: 2 Average rating: 2.9 (neutral)</p>
14	Post Sale (order allocation/post sale sample inspection)- Workflow	<p>1. Much worse: 5 2. Slightly worse: 1 3. Much the same: 21 4. Slight better: 3 5. Much better: 2 Average rating: 2.9 (neutral)</p>
15	Transitions between 1 to 2 day Sales, (or) 2 to 3 day, (or) 3 to 2 day, (or) 2 to 1 day Sales (where experienced) - Workflow	<p>1. Much worse: 11 2. Slightly worse: 5 3. Much the same: 15 4. Slight better: 1 5. Much better: 0 Average rating: 2.2 (negative)</p>
16	Payment/Delivery Orders - Workflow	<p>1. Much worse: 5 2. Slightly worse: 1 3. Much the same: 17 4. Slight better: 3 5. Much better: 6 Average rating: 3.1 (neutral)</p>
17	Shipping - Workflow	<p>1. Much worse: 3 2. Slightly worse: 1 3. Much the same: 19 4. Slight better: 3</p>

Summary of Buyer responses to Tuesday/Wednesday Selling Trial

		5. Much better: 6 Average rating: 3.2 (neutral/+)
18	As a result of the trial conditions were any payments to brokers made earlier than otherwise would have been?	Yes: 37.5% No: 62.5%
19	As a result of the trial conditions were any shipments able to be made earlier than otherwise would have been?	Yes: 31.3% No: 68.7%
20	Can you identify if there was actual (or potential) financial benefit(s) to your business arising from the trial?	Yes: 29.0% No: 71.0%
21	Can you identify if there were actual (or potential) financial costs to your business arising from the trial?	Yes: 25.8% No: 74.2%
22	Was the trial period long enough for you to adequately assess the implications of this proposal:	Yes: 80.6% No: 19.4%
23	Overall please rate the impact of the trial on your business: - Resource	1. Much More: 7 2. Slightly more: 7 3. Much the same: 14 4. Slight less: 4 5. Much less: 0 Average rating: 2.5
24	In total please rate the impact of the trial on your business: - Workflow	1. Much worse: 13 2. Slightly worse: 2 3. Much the same: 11 4. Slight better: 4 5. Much better: 1 Average rating: 2.3
25	Please indicate which of the following statements summarises your views: I support the introduction of Tuesday/Wednesday selling because of the following reasons (must be specified): I would support Tuesday/Wednesday selling but would need the following changes: I do not support Tuesday/Wednesday selling because of the following reasons (must be specified); I am neither, in favour of, nor against Tuesday/Wednesday selling.	22.6% 16.1% 51.6% 9.7%
<ul style="list-style-type: none"> • Catalogues (Printed & Electronic) would have to be made available Friday 7am in all centres. • Did not receive an answer for this question. • Total improvement of business efficiencies cashflow stockturns extra day of productivity i.e. Tuesday ability to visit other centres in a week overseas travel same week a sale. • Plain Dumb. Customer needs his buyer to properly assess and value his wool etc etc. This is a backward step. Most ridiculous thing I have seen in 50 years in this Trade. Try trialling one room wed/thurs then there is some advantages. • Catalogue Transmissions need to be Friday AM. • Catalogue to be transmitted 8am Friday or 30m thurs. • As in our biz we finance ourselves the pre sale minor hardships is par outweighed by smoother/easier/more timely movement of wool. This then saves on broker storage, then client payment. 'This is a more efficient way of our cash flow usage which is under more and more pressure given these new/higher sale levels. • -wed/thur works well for all (if its not broken, don't try to fix) -Tue/Wed does not give enough time for sale ???? to have both rooms. -There is no financial advantage(Early payments will not increase. Bottom line, only reduce margins) -The main supporter of this (QCT) didn't even show up for 2 of the trial weeks. -Majority of exporters, said that they would prefer 3 day sale than Tue/Wed(which happened during trial) even though it would easily fit into 2 days. In Summary this trial is an EPIC FAIL. • Enabled better dialogue with clients-who saw value in ability to get wool on the water sooner. 		

Summary of Buyer responses to Tuesday/Wednesday Selling Trial

- Enable greater turnover of wool as a consequence.
- -No advantages however many functions are duplicated because of transmission times and inadequate compliance to cut-off times by brokers.
- As mention several times, selling Tue/Wed does not allow me enough time to value properly. Does not allow me enough time to put prices in catalogue. Does not allow me enough time to promote the offering. Does not allow me enough time to get basis from clients.
- Our staff, operations and procedures are programmed for Wednesday Selling. The Trial for Tuesday selling disrupts our operation.
- -Allows trading to start 24 hours earlier each week
- -allow more time at the end of each week for order preparation and marked analysis
- -disclaimer trial was not effective or a true test due to the number of 3 day sale in Melb.
- Not really in favor or not, just seems the status quo was slightly better. We have given the chinese some face by taking them seriously and implementing a trial- now give them a polite NO as to much disruption
- Because of small offerings much better to sell Tues/Wed, It suits us
- -Too disruptive to our business
- -Wool not correctly valued because pressure too great to finish on time hence we found we were rushing our valuations to get to sale in time.
- -Problems arising from computers/clients demands, meeting etc eat into our valuing time. These things occurred on to occasion during the trial.
- Tue/Wed Selling makes it impossible for XXXXX to carry out the services we provide to our overseas customers at an acceptable level.
- -Worse utilization of staff.
- -No benefit in Purchasing/Shipping
- -Prefer to value Mnday with full set of instructions/infromation from clients.
- -less efficient use of staff
- -less time for sample inspection (Basis of industry practise)
- -Four days work compressed into three
- -No financial benefit to us what so ever
- as a sole operator appraising time is greatly reduced forcing weekend work. extra after hours work required to prepare wool payments, delivery orders & shipping documentation. Reduced time to support the other major section of the industry, The Private Treaty Wool merchants. A total inefficient way to market the wool of Australia
- easier operation particularly logistics
- strong message from overseas buying clients that they want a change to tues/weds selling
- STAFF LEVELS - ALL DAY FRIDAY VALUING LEAVES LESS TIME TO FOCUS ON CORE BUSINESS.
- We would need Cat deadlines and electronic deadlines to be moved forward by all brokers by a day, ie Printed at 7.00 am Friday and Electronic by 3pm Thursday. We place a lot of importance on valuing the wool correctly and don't see any value in having less time to appraise the wool prior to selling. We have no room in moving on these deadline times.
- selling catalogues to be available on Thursday
- It does not allow for an easy flow of work hours early in the week
- I am solely talking for us personally as stated various times through this survey. That with myself attending both auctions North & South it just places to much pressure on having limits/bidding catalogues ready in time for sale. With extra day just makes easier on this side. Now you may say if 3 day sale widn't this be the same. Yes to a degree it does but doesn't seem quite as bad because South 3 days and North generally is only 2 days so still have more time in South to organize everything.
- more chances for business and earlier shipments
- Valuing time not sufficient
- As long as Brokers have first day selling to value on the Friday prior to sale week
- Are there competition issues for the industry with this proposal? AWEX should obtain a legal opinion.
- -Larger companies have an advantage over smaller
- -Potential to lead to lower prices.
- No consideration is being given to the proper appraisal of wool. The powers behind this seem to assume all people appraise wool off a catalogue. Skirtings & Carding in particular must be valued as should the Fleece. We have a code of practice to prepare wool for shipment but it seems we are prepared to throw it away by not allowing buyers to adequately & correctly appraise & market the product. A sole operator needs 2 full days as answered previously but another point of consideration is, if the sole operator is ill for day thus giving him no chance to catch up
- NOT IN FAVOUR DUE TO MINIMAL STAFFING LEVELS
- Personally I feel that changing (2 day) sales to Tues/Wed will not benefit our company at all I feel the disadvantages far out weigh the advantages. Also with my client base (100% Chinese) that it will not also benefit them. So in my opinion all 2 day sales shld be Wed/Thurs. I think that there are other ways you can improve the selling of wool at auction in return giving most growers/brokers/exporters more advantages and having the systems run smoother. Just a few examples (only rough). Having brokers interlot more wool

Summary of Buyer responses to Tuesday/Wednesday Selling Trial

on behalf of growers far to many 1 bale lots which take sametime to sell as 10 bale lots. Also may actually benefit growers by getting more compt on their wool. Due to fact logistically easier to handle. Balance up selling difference (lots) between Room 1 & 2 having some lots sold in No 1 Room (maybe XBD'S) may mean little more work for brokers short term by having to re-figure catalogues but think cld be balanced up by hours in sale room. Obviously wld need a bit of work done on this being mainly Northern catalogues set up differently to Southern. Looking at centralizing actual wool (bales) instead of having so many different stores having 1 central store that brokers have wool stored (cld be independant or co-op) that way making easier moving wool into dumps and so on. Again wld need big commitment from brokers but maybe retrieve any extra costs in actual compt on lots or actual slightly better price. Due to smaller volume be offered in North (or even South) maybe look at selling in 1 room only cld possibly spread sale out now of coarse all of this based with lower quantities we have if this changes then again wld have to reassess like any changes made based on lower volume. All of these changes sometimes very difficult to see financial benefit. But hopefully can be measured in various areas that overall add up to better financial return. As I said I feel personally if we were to improve other areas other than selling days wld have much more benefit for those concern.

- Eastern States still sold on the Thursday which is our preference so don't understand this at all
- It is better for Tue/Wes sales

TUESDAY/WEDNESDAY SELLING TRIAL

Responses to Chinese Survey.

Company Name : Nanjing Wool Market Survey (36 Wool Trade company)

- 1. Does your company buy wool directly or through a broker at the Australian Wool Auction?**
According to the survey, 3 companies buy wool directly from the Auction. 33 companies buy wool through local broker.
- 2. Is your company aware of the Trial that the Australian industry has conducted regarding bringing the selling days forward.(Tue/Wed Sale) Yes**
If so, please choose which source you have got this information from (can choose more than one option)
Chinese/Australian Wool working group or Nanjing Wool Market 100% (36 companies)
- 3. Due to rescheduling the selling days, has your company created or modified your plan for buying Australian Wool? Yes**
If you have modified your plan, please specify...
34 companies advised that;

 - The deadline for setting the wool purchasing plan will be decided earlier (weekend of the sale week);
 - Wool top purchasing time can also be brought forward.
- 4. When the selling days has been brought forward, has your company paid earlier when buying wool. Yes**
34 wool companies advised that;

 - Have paid at least 4 days earlier.
 - Able to sell on the same week, five days earlier for completing the business transaction and receiving payment.
 - Convenient for completing the business contract on the same week.

The other 2 wool companies advised that there are no changes.
- 5. When the selling days has been brought forward, has your company gained faster and more efficient service regarding sea transportation?**
Yes
34 wool companies advised that;

 - Can shorten the number of days in packing and transportation (5-7 days);
 - Due to completing the selling preparation earlier, it is more convenient for wool top buyers.
 - Minimize the affect due to foreign exchange rate.

16th March 2012

To : Australian Wool Exchange
Attn : To whom it may concern

Dear Sir/Madam,

This is Anna Ren from China, a wool selling agent for PJ Morris Wools and other Australian wool exporters. I am writing to you to thank-you for your efforts in running a 3 week trial for the adjusted auction schedule for Tuesday/Wednesday selling.

I have done some investigation and obtained some feedback from my clients on their opinions and experience with this 3 week trial and am happy to report that their feedback has been very positive with everyone reporting benefits from this adjustment.

With Tuesday as a central auction day my clients can begin their discussion with their clients earlier in the week. Currently there is very little chance for our/your clients to do business on Monday and Tuesday as everyone must wait until Wednesday before the main auctions begin in three centres. Furthermore, for my clients who are also exporters into Europe and the US, most of their clients do business on a Thursday afternoon and negotiate on Friday afternoon/evening. Our clients become no longer interested in Australian offers on Thursday as they are too busy servicing their own clientele in other overseas countries. Often Chinese export business is concluded late Friday and it is too late for our topmaker client to purchase the greasy wool from Australia. Our clients have little or no opportunity to purchase during that week and must wait until Monday. When they attempt to buy wool on the Monday it is often a totally different market feeling and currency has changed.

With the adjustment to Tuesday/Wednesday selling as the main auction sale days our Chinese clients can offer locally on Tuesday and offer overseas on Wednesday night. They continue to work on business with Australian exporters throughout Thursday and Friday whilst still in their own negotiations with their clients.

Kindly find below a listing of my clients who support the adjustment to Tuesday/Wednesday auction selling roster:

AEROSPACE COMMUNICATIONS HOLDINGS C O.,LTD.
ZHANGJIAGANG FREE TRADE ZONE XINLE WOOL WEAVING CO.,LTD.
JIANGYIN ZHENXIN WOOLLEN TEXTILE CO., LTD
ZHANGJIAGANG DEYU WOOLEN TOP CO.,LTD
ZHANGJIAGANG FREE TRADE ZONE JIAHUI INTERNATIONAL TRADE CO.,LTD
JIANGSU HIGH HOPE INT'L TONG YUAN IMP. & EXP. CO.,LTD
ZHANGJIAGANG LIANHE WOOLLEN PRODUCTS CO.,LTD.
ZHANGJIAGANG FREE TRADE ZONE LUGANG INTERNATIONAL TRADE CO.,LTD.
ZHANGJIAGANG XIPU WOOL SPINNING CO.,LTD
CHANGSHU WEIYE WOOL SPINNING CO.,LTD.
JIANGSU HENGRI TEXTILE CO.,LTD.
ZHANGJIAGANG CONSERVATOR REVENUE AREA XIANGXUELAN INTERNATIONAL TRADE CO.,LTD.
CHANGSHU LIHE WOOLLEN SPINNINGS CO.,LTD.
CHANGSHU HUIFENG WOOL TOP CO.,LTD.
ZHANGJIAGANG JINMENG FEATHER SPIN CO.,LTD.
ZHANGJIAGANG GOLDEN SUN WOOL SPINNING CO.,LTD.
ZHANGJIAGANG AOYANG RAW MATERIALS CO.,LTD.
WUXI HUAJIA WOOLEN CO.,LTD.
JIANGYIN HENGHAO TRADE CO.,LTD.
NINGBO LONGSHENG INTERNATIONAL TRADE CO.,LTD

Page 1/2

JIANGSU SHENZOU WOOLEN CO.,LTD.
JIANGYIN GEMEI WOOL TEXTILE CO.,LTD

On behalf of above companies, we believe this is a meaningful change to help the Australian and Chinese wool industry and I look forward to your approval on this adjustment.

Please contact me on my below contact details should you wish to discuss the benefits further.

Best regards

A handwritten signature in black ink, appearing to read 'Anna Ren', with a stylized, cursive script.

Anna Ren
Nexus East Limited
email : anna.nexuseast@gmail.com
M: +86 137 7322 5768



A.C.N. 006 014 106 A.B.N. 43 006 014 106

EMAIL ATTACHMENT

Head Office

Ref : DPMRW:L001-2012/JPB

16 March, 2012

Mr David Cother
Secretary
National Auction Selling Committee
Ground Floor
318 Burns Bay Road
Lane Cove
NSW 2066

Dear David,

RE : Feedback on Tuesday-Wednesday Selling Trial

I am writing in response to the request from NASC for feedback on the modified selling program in weeks 33 to 36 and its impact on AWTA. Specifically, this covers the effect on our sampling/testing operations, service performance and the completion of tests to meet earlier sale catalogue deadlines.

As you are aware, NASC requested we conduct the following measures during the trial period;

- a) Effect on service profile and performance during the nominated sale weeks;
- b) Level of "rushed" tests for sales in weeks 33 to 36; and
- c) Rate of tests missing sale catalogue deadlines due to incomplete testing.

AWEX kindly assisted this process by providing lists of the lots in each sale, as sellers do not always update AWTA certificates when reoffering lots or changing sale allocations. These lists were matched to our testing records to determine the service mix and average service times for lots nominated for the particular sale, as well as for all presale tests completed in that week (ie. including private treaty and other non-sale tests). Figures for the four sales proceeding the trial period were also calculated to act as a benchmark. This data is summarised in the attached graphs.

The impact of the trial on the service profile in each Laboratory is shown in graphs 1-4. To summarise them, they show;

- Fremantle experienced a 20% increase in Express testing leading into on Wk33 which had levelled off by the end of the trial period. Conversely, the proportion of Normal core testing increased 6% during the trial.
- Express core testing in Melbourne almost doubled during the trial, up 7% over the same period. However, much of this was private-treaty or other non-sale testing and so does not relate directly to the changed sale days.

L001-2012 AWTA Ltd Feedback On Tuesday-Wednesday Selling Trial New.Docx

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North Melbourne Vic 3051
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Fax: (03) 9371 2190

Fremantle Laboratory

PO Box 1546
Bibra Lake WA 6965
Tel: (08) 9418 5333
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Branches:

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Brisbane
Geelong
Goulburn
Launceston
Newcastle
Portland
Sydney

The effect of the trial on Laboratory service performance is shown in graphs 5-8. They show;

- The average service performance in the Fremantle Laboratory was stable across most service levels. The higher average service time for Normal core tests over the trial period reflects the increase in normal work discussed above.
- Service performance in the Melbourne Laboratory remained stable throughout.

In general, the data shows that many sellers adjusted their coring schedules and service levels to meet the new deadlines. However, we did encounter a few Eastern brokers who had not done so. They acknowledged that they were “taking a punt” and fortunately our workload was such that we could complete their testing in time for cataloguing. Similarly a small number of sellers in WA needed lots rushed through for F36 and that was achieved on time.

There were a very small number of sale lots in Melbourne sales that missed cataloguing due to the check testing requirements of the IWTO test methods, and whilst unfortunate this is not abnormal. In WA, the Laboratory managed to complete the testing of all sale lots by the required catalogue deadlines.

In addition, we received feedback from three sellers who still print catalogues that the earlier cut-off did not give them time to have the paper documents printed & delivered to the show floor by Friday. They had to adjust their coring schedules to have testing completed by Thursday afternoon but again this went smoothly.

Overall the trial had a minimal impact on our operations and performance levels. The figures reconfirm that sellers have it within their control to adjust sampling cut-offs and testing service levels to accommodate the alternate sale arrangements.

I trust this feedback will assist NASC in its evaluation of the trial outcomes. Feel free to contact me should you need anything further.

Yours faithfully,

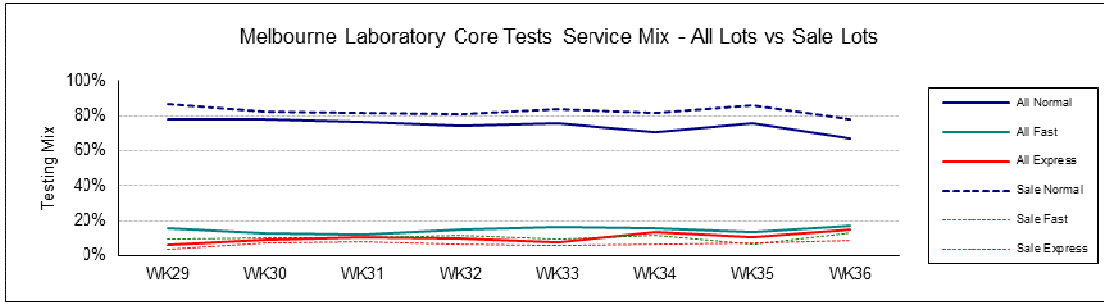


John Billing

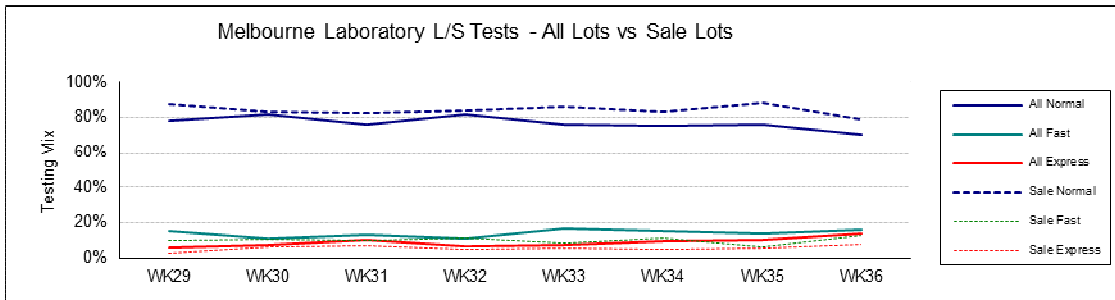
DATA PROCESSING MANAGER - RAW WOOL

NASC TUESDAY-WEDNESDAY SELLING TRIAL - AWTA SERVICE PROFILE:

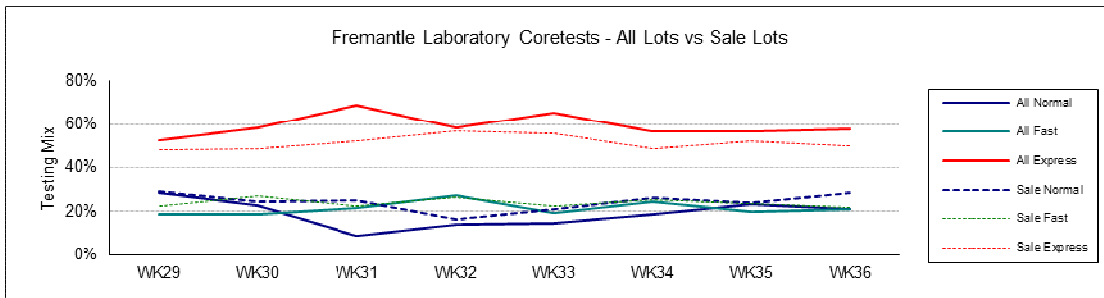
Graph 1:



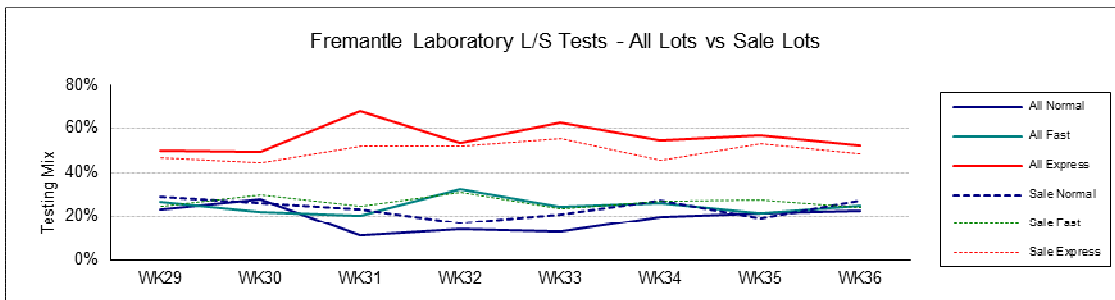
Graph 2:



Graph 3:

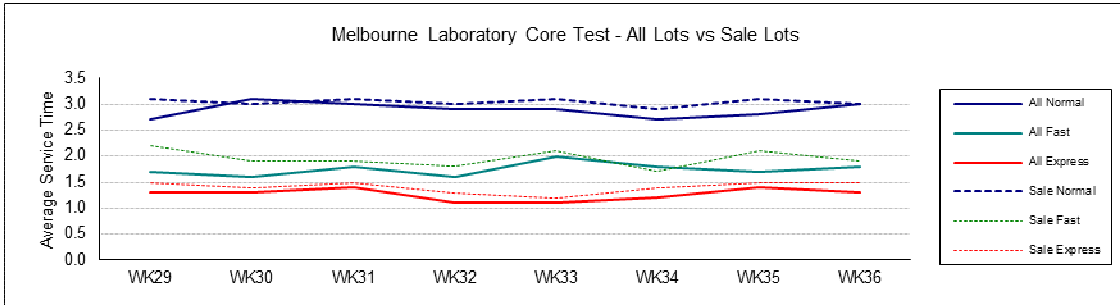


Graph 4:

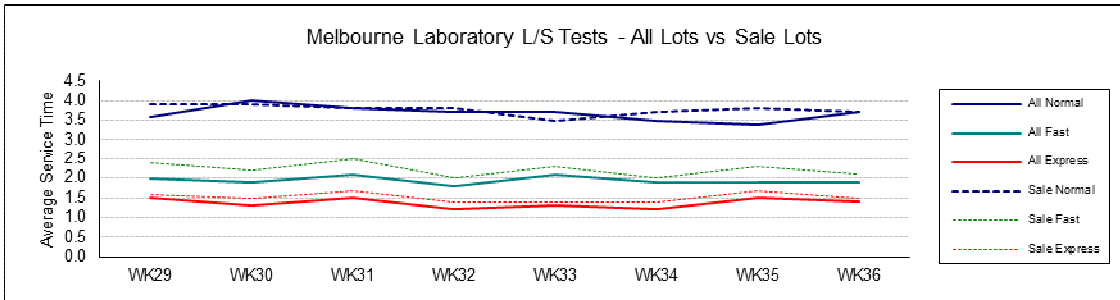


NASC TUESDAY-WEDNESDAY SELLING TRIAL - AWTA SERVICE PERFORMANCE:

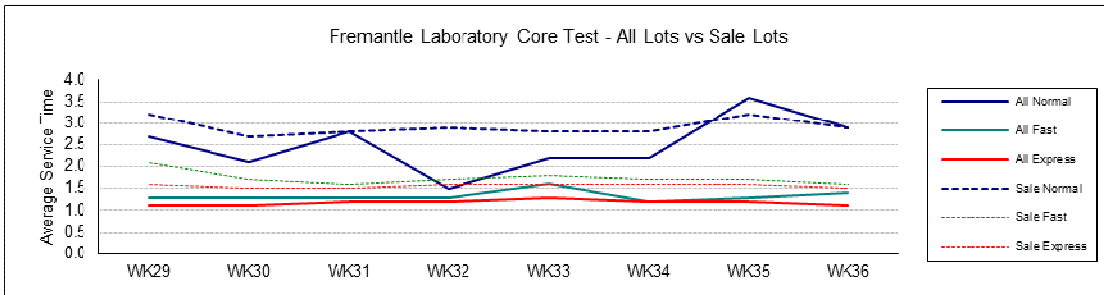
Graph 5:



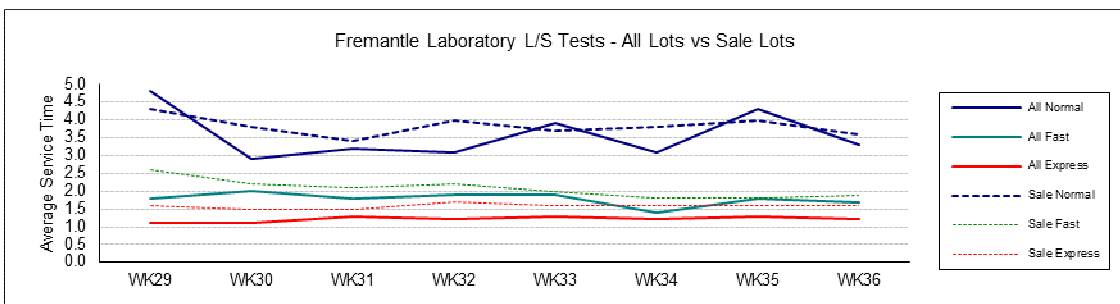
Graph 6:



Graph 7:



Graph 8:



Tuesday-Wednesday Selling Trial

Australian Wool Exchange

Rosters and Selling Arrangements

The timing of the Roster and Selling Arrangement functions were unchanged during the trial period. Staff on this role reported that there did not appear to be any requirement to change the timing of the data supplied by sellers, or the publication time.

Roster controllers were requested to ensure broker rotations or moves were conducted as they would in a normal sale structure.

Issues arising:

- Western region sellers (who generally use fixed day allocations) believed the Wednesday sellers received an advantage over Tuesday sellers due to 3 hour catalogue differential 12pm-3pm.
- Southern region were unable to experience a 2 day only sale during the trial period.
- Some sellers in Northern region were rostered on Tuesday more than others. This was a (normal) outcome as part of sale day balancing that occurs during non trial sales.

AWEX Showfloor Operations

There was some interruption to the usual workflow when a number of brokers missed the catalogue transmission deadline in the first few weeks. This created extra work resulting in delays/and or re-issues of catalogue data to AWEX appraisal auditors. In some of these cases the printed catalogue were equally delayed.

Broker	Sale	Due	Comments
AAAA	L33/11	Friday 12pm	Re –transmitted at 10.57pm as it had incorrect lots
BBBB	F33/11	Friday 12pm	Re –transmitted at 12.14pm as it had incorrect lots
CCCC	S33/11	Friday 12pm	Late printed catalogue.
DDDD	S33/11	Friday 12pm	Transmitted at 12.55pm, 55 minutes late
EEEE	S34/11	Friday 12pm	Transmitted at 1.45, an hour & 45 minutes late
FFFF	M35/11	Friday 12pm	Transmitted at 12.50pm, 50 minutes late
GGGG	F35/11	Friday 12pm	Re-Transmitted at 10am 27/02/2012 as it had incorrect lots.

Australian Wool Exchange Limited

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AWEX showfloor auditing

Tuesday selling required AWEX auditors to attend showfloors in Western and Northern region on Friday afternoons. All auditing and associated compliance reporting to sellers were completed within our service milestones, though these reports tended to be closer to the deadlines than currently experienced. Thursdays tended to be quiet days for showfloor staff if no sale was operating.

Buyer Attendance (Friday afternoons)

AWEX auditors reported that the following companies were regularly in attendance for Friday afternoon valuing:

Region	Companies
North	Michell, Techwool, New England, Morepen, Modiano, Williams, Australis, Chinatex, Peter Rookyard- Various
West	Viterra, Modiano, Fremantle Wool Traders, West Coast Wool, Techwool, PJ Morris, Williams Wool, Chinatex
South	Segard Masurel , New England, Williams, Techwool, Lempriere

Market Reporting

In regard to the actual mechanics of creating and disseminating market information on a given sale day, there was no noticeable difference during the trial period when compared to a usual Wed-Thurs series. AWEX systems require data to be in the right place at the right time. Specifically, the catalogue needs to be 100% audited by close-of-business on the day preceding the sale. This was achieved during the trial by adjusting the timing of the audits.

Compiling the end-of-week reports were at an advantage during the trial as Fremantle did not hold up production on the final day. As a result, the Weekly Market Report (WMR) was able to be published and circulated on Thursday evening. A typical Wed-Thurs series usually results in the WMR being released on Friday morning, particularly during the summer months when there is a three hour difference between the East and West coast.

Market signals

The AWEX-EMI is derived from the North and Southern Indicators; when one centre is offered in isolation the “other” centre is carried forward on an unchanged basis. As a result, a single-centre offering will dampen the movement of the AWEX-EMI as it will move by roughly half the amount it would normally move in a two-centre scenario. While this does occur within the current (non-trial) framework, typically the single-centre will be offering on Tuesday, the beginning of the week, where it has less of an impact.

During the trial, there were two instances where the market **closed** the week as a single-centre, giving a weak signal for market participants leading into the weekend and early the following week. Ideally the selling week should close on an Eastern two-centre basis, regardless of the actual day of the week, in order to give an unambiguous conclusion to the market.