
NATIONAL AUCTION SELLING COMMITTEE

SUMMARY OF OUTCOMES: MEETING NASC42-2014

FRIDAY 23RD MAY 2014, 1.00PM AEST

AUSTRALIAN WOOL EXCHANGE LTD

2 EDEN PARK DRIVE, MACQUARIE PARK, NSW

TELECONFERENCE

N42/14/1.0 PRESENT

Les Targ	Chairman
John Bradbury	West Buyer
Dean Collison	North Buyer
Michael de Kleuver	South Seller
Simon Hogan	Large Seller (Alternate)
Lyndon Hosking	West Seller
Stuart Clayton	Fourth Buyer (Alternate)
Gordon Litchfield	North Seller
David Cother	Secretary

N42/14/2.0 WELCOME/APOLOGIES

David Freeman, Josh Lamb.

N42/14/3.0 MINUTES PREVIOUS MEETING

Accepted.

N42/14/4.0 ACTION ITEMS/ISSUES ARISING (up to including NASC41)

Item ID	Description/Action	Status
N34/9.2	Definition of Delivery Area** Some preliminary discussions held (NASC 37).	2014
N36/10.2	Non declaration of Run with – letters to Industry Organisations.	In progress. Referred to AWEX.
N38/6.0	Identification of BC lines containing Seller Inspected Bales	Referred to ISAC ISAC recommendation to AWEX Board
N38/7.3	NASC Auctioneer Meeting - Workshop	In progress.
N40/4.0	Chairman's Review: Terms of Reference	In progress.
N40/9.0	Breach of Rules; Item now includes all related previous Agenda Items Auction Handbook/Catalogue and Showfloor Standards	In progress.
N41/4.2.1	Launceston Sale configuration	In progress
N41/7.0	Distribute Wool Selling Programs	Complete

NATIONAL AUCTION SELLING COMMITTEE

N42/14/5.0 WOOL SELLING PROGRAM 2014/15/16

The 2014/15/16 Wool Selling Programs were released in February 2014. These Programs proposed a Recess pattern of 2 weeks Easter and 2 weeks mid-year (2+2). When releasing the Wool Selling Programs in February NASC recorded:

- a. The 2+2 pattern reflected compromise by both sectors,
- b. while recognising higher volumes were offered around Easter, the buyers believed the relatively stronger demand cycle at this time (compared to mid-year) would mean a 2 week Easter Recess would have less impact on the market, and
- c. if there was insufficient support for this pattern, the original 1 week Easter and 3 week mid-year (1+3) would be reinstated.

The Committee reviewed correspondence received related to the changes proposed on the 2014/15/16 Wool Selling Programs.

Summary Points

- The Southern region sellers were unable to support the 2 week Easter Recess as this was normally a relatively high volume offering period, particularly pastoral zone, and they needed market access. They felt there was scope to discuss possible alternatives with the mid-year Recess.
- The Western region seller representative stated western sellers preferred a one week Recess in Easter due to autumn selling. Also thought there may be room to move on mid-year Recess timing.
- The Northern Region seller noted, that he had not received any adverse feedback, it was apparent the proposal moved the problem (of a Recess during volume offering periods) from the North to the South.
- The Western Buyer representative noted the autumn patterns and preferred 1 week at Easter. Also noted that the timing of Easter (early vs late) had a bearing on offering volumes.
- Other buyer representatives had not received a lot of negative comment, and could work with either pattern.

It was AGREED:

1. There was not enough support for the 2 week Easter and 2 week mid-year (weeks 52/1) Recess proposal to proceed.
2. The 2014/15/16 Wool Selling Programs would be reissued with the Recess pattern set to 1 week at Easter and 3 week mid-year (weeks 3/4/5).
3. NASC would continue to consider alternative or other compromise propositions offered by industry on the Recess formula.

ACTION(S) **Wool Selling Programs 2014/15/16 to be re-issued.**

NATIONAL AUCTION SELLING COMMITTEE

N42/14/6.0 RESTRICTED SALE FORMULA (MAXIMUM LOT ALLOCATION FOR OVERSUBSCRIBED SALES)

The Maximum Lot Allocation (MLA) formula is used to allocate the number of lots able to be offered by each seller when a Sale is oversubscribed. Currently there are three formulas (one per region). As part of the NASC Wool Selling Rules review, the seller representatives have recommended a standard approach to all regions. This recommendation, (with the three existing practices) was been circulated to all seller principals/senior personnel for comment and feedback.

One dissenting view was received from a Seller principal re application of MLA.

It was AGREED:

1. The recommended national Maximum Lot Allocation formula be adopted.

ACTION(S) **Update NASC Wool Selling Rules Handbook.**

N42/14/7.0 WOOL SELLING RULES/TERMS OF REFERENCE

The Committee considered a draft of the NASC Terms of Reference and the Wool Selling Rules Handbook.

It was AGREED:

1. Both will be considered in further detail at an interim meeting (NASC-42B) to be held in approximately 3 weeks.

ACTION(S) **NASC-42B**

N42/14/8.0 AUCTIONSPLUS & WOOLTRADE

The Secretary briefed the Committee on a recent meeting between the Secretary and representatives from AuctionsPlus & WoolTrade. The purpose of the meeting was to establish clarity with respect to the relationship between both parties.

The tone of the meeting was constructive with both entities agreeing to continue discussions.

NATIONAL AUCTION SELLING COMMITTEE

N42/14/9.0 SALE COMMENCEMENT TIME (NORTHERN REGION)

The Committee considered a proposal to consider whether Northern Region Sales could commence at 11am on Tuesday Sales (currently Noon). The Northern Region buyer and seller representatives believed an earlier start was supported at a local level, but would need a volume condition to cater for larger sales to allow enough time for valuing etc.

The Committee discussed the relationship of start times between the two Eastern centres. The Committee believed it was important for both centres to commence at the same time. The Southern Region representatives did not support an advance to 11am due to volumes.

It was AGREED:

1. There was insufficient support for implementing a change, and
2. Sydney and Melbourne centres should commence at the same time.

N42/14/10.0 OTHER BUSINESS

10.1 Correspondence: Jim Stedman

The Committee noted a letter from Jim Stedman raising concerns about the additional storage costs incurred by buyers with small Sales as a result of longer times to accumulate shippable parcels. The letter suggested an extended prompt, or longer free storage period as possible mechanisms for relief.

The Committee noted that pricing is outside the scope of NASC and the issues raised in the letter could only be addressed by individual sellers. The Western Region Buyer representative noted that these cost concerns could be reduced by considering fortnightly Sales.

10.2 Review of Minimum/Maximum bale weights

The Secretary briefed the Committee on current industry discussions on the minimum and maximum bale weights.

10.3 Complaint

The Committee considered a complaint regarding a participant not complying with industry standards.

10.4 Selling Arrangements: Survey and Publication times

NASC considered a proposal to modify the survey and publication times of the Southern and Western Region Selling Arrangements.

It is proposed to change the Southern Region survey return from 10am to 1.30pm on Wednesday. This extension is unlikely to delay the publication time which is generally mid- afternoon (Wednesday). This change in timing allows sellers to include changes in their offering as a result of early market conditions on Wednesday.

NASC considered a proposal to extend the Selling Arrangement survey collection and publication in Western Region from Wednesday to Thursday. This proposal was offered as a means to improve the Selling Arrangement figures in Western Region.

NATIONAL AUCTION SELLING COMMITTEE

It was AGREED:

1. The change in Southern and Western Region Selling Arrangement survey and publication times be implemented as soon as practical.

ACTION(S) **AWEX roster controllers to implement as soon as practical.**

10.5 New Entrant protocol

NASC considered a discussion paper seeking input as to whether an induction process was required for new (buyer) entrants who are not Members of AWEX. (AWEX members are required to satisfy membership criteria.) The primary concerns relate to:

- Recognition/status?
- Access to showfloors /sample security?
- Access to sale rooms?
- Software capabilities?
- How do brokers know who they are?/bona vides?

Some new entrants have interpreted the issuing of an EDI code as “registration” or “membership” and that no further action is required to enter the market. It was noted that an EDI code is an administrative code only and has no such status.

Discussion on this topic recognised that there is commercial protection to the extent that existing Broker Terms of Sale include clauses that:

- a) allow the seller to refuse a bid (without giving a reason), and
- b) allow the seller to resell the wool where payment has not been received.

This item would be considered further at the next meeting.

ACTION(S) **NASC42B.**

10.6 Correspondence: Wool Week notification

Noted.

ACTION(S) **Add to Wool Selling Program**

10.7 Lunch Break timing

The Secretary noted that an issue raised by Southern Region auctioneers was the increase in traffic in the sale room when the other sale room broke for lunch. Some brokers also found the random timing of lunch breaks made it difficult to predict starting times etc. The Southern Region representatives supported a proposal to standardise the 20 minute lunch breaks for both rooms at 90 minutes after the sale start time. The sellers accepted that this (break) is likely to be at any point in the current catalogue.

It was AGREED:

1. Southern Region sale rooms would break for a 20 minute lunch break 90 minutes after the sale commencement time (i.e. 12.30pm if 11am start, or 1.30pm if noon start).

ACTION(S) **Implement from/including M49.
Selling Arrangements to be updated.
Southern Region buyers and broker to be notified under separate cover.**

NATIONAL AUCTION SELLING COMMITTEE

10.8 D Certificates (Unskirted fleece)

Some Southern Region buyers have raised concerns (with Mr. Tenace) about the number of D certificates in the market and the declining clip preparation standard particularly the volume of un-skirted fleece wool. Mr. Clayton echoed these concerns citing discounts that exist.

The Committee proposed that ACWEP and exporters are best placed to raise these concerns with broker and grower groups.

N42/14/11.0 NEXT MEETING SCHEDULE

Meeting Code	Week	Date	Time	Type
NASC-42B		Friday 20 June 2014 (tbc)		TELECONFERENCE
NASC-43	09	Friday 29 August 2014	1.00PM AEST	TELECONFERENCE
NASC-44	21	Friday 21 November 2014	1.00PM AEDT	TELECONFERENCE
NASC-45	35	Friday 20 February 2015	9.30AM AEDT	FACE TO FACE
NASC-46	47	Friday 22 May 2015	1.00PM AEST	TELECONFERENCE

Meeting Closed: 3.10pm AEST

For more information: NASC representatives

Name	Position	Contact No	E-mail
John Bradbury	West Buyer	0418 926 899	john@fremantlewool.com.au
Dean Collison	North Buyer	0419 868 783	dean.collison@michell.com.au
Michael de Kleuver	South Seller	0428 643 745	mdekleuver@rodwells.com.au
David Freeman	Large Seller	0408 467 649	david.freeman@landmark.com.au
Lyndon Hosking	West Seller	0427 779 460	lhosking@dysonjones.com.au
Josh Lamb	4 th Buyer	0419 841 609	joshlamb@techwool.com.au
Gordon Litchfield	Northern Seller	0428 484 855	gordon@glw.net.au
Len Tenace	South Buyer	0400 966 177	lent@segardmasurel.com.au
Les Targ	Chairman	0414 365 933	