
NATIONAL AUCTION SELLING COMMITTEE

SUMMARY OF OUTCOMES

NASC16-2008

HELD FRIDAY 29TH FEBRUARY 2008, 9.00 AM AEST
AUSTRALIAN WOOL EXCHANGE LTD
318 BURNS BAY RD
LANE COVE

FACE TO FACE

N16/08/1.0

PRESENT

Sas Douglas (Chairman)
Richard Butcher
Michael de Kleuver
Josh Lamb
Jim McDonald
Chris McDonnell
Perry Roberts
Ken Walker
Rowan Woods
David Cother (Secretary)
Chris Miley (Alternate Secretary)

N16/08/2.0

APOLOGIES

Nil

N16/08/3.0

A. OPENING REMARKS

The Chairman welcomed all representatives to the meeting, particularly newly elected representatives (Messers Butcher, Lamb and Roberts). He also congratulated all representatives that had been successfully re-elected as result of three year term expiry.

He thanked the Committee for endorsing his nomination for a second term as Chairman.

The Committee endorsed the Chairman's request to issue a formal letter of thanks to retired representatives: Andrew Blanch, Graeme Evans and Peter Morris.

B. COMMITTEE PROTOCOL

The Chairman reviewed the Committee Protocol paper with the representatives covering matters such as confidentiality, voting and circulation of papers.

C. MINUTES PREVIOUS MEETING

NASC14: Minutes accepted without amendment.

NASC15: Minutes accepted without amendment.

D. ISSUES ARISING - AWTA

The Committee discussed the previous Action Item relating to AWTA service times in NSW. The Committee asked the Secretary to write to AWTA seeking further performance statistics.

N16/08/3.1

SELLING CENTRES

3.1.1 AWE Proposal

The Committee considered a submission suggesting a future model where New England and Traprock Superfine wool could be shown and offered in Armidale.

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It was AGREED that:

- The proposal was to be forwarded to Newcastle Wool Selling Brokers for local consideration. NASC did not endorse nor reject the proposal, but believed it should get wider consideration as a concept.

3.1.2 L33/07 Sale Review

The Committee reviewed the outcomes of the recent L33/07 sale. The conclusion was that despite some claims of [logistical] inconvenience and concern on the technical profile of the Thursday offering (relative to Launceston), that it ran without issue from an operational perspective, and achieved its desired objectives.

3.1.3 Centralised Selling

A series of recent media articles were discussed by the Committee.

N16/08/4.0

WOOL SELLING PROGRAMS

The following Release Notes summarise the outcomes of the Committee's deliberations on the 2008/09 Wool Selling Program.

It was AGREED that:

1. The number of National Recess weeks (7) remain unchanged from 2007/08.

The Committee has decided on a 3 (July) + 3 (Christmas) + 1 (Easter) week National Recess configuration. This is the same configuration as 2007/08.

2. Sale Weeks 1 and 2 are (now) selling weeks for Sydney, Melbourne and Fremantle.

Week 2 is now included as a national selling week to alleviate offering pressures for Sellers wishing to offer (early) in July.

3. The July Recess is (now) rostered for Weeks 3, 4 and 5 in all centres.

With the introduction of Week 2 as a national selling week, the 3 week July Recess commences one week later than 2007/08. Modelling from Seasons 2006/07 and 2007/08 indicates that with the three week recess in July, the forecast average size of each sale to be conducted over the Week 1 to 7 period will be approximately 2,100 lots (West), 3,700 lots (South) and 4,400 lots (North).

4. The 2008/09 Newcastle Sale (N08) is retained, but is to be offered by separation in Sydney.

In making this decision the Committee:

- Emphasised that this should not be interpreted as a statement on the future of Newcastle as a selling centre;
- Believes that the previous N08 sale(s) have been of a technical profile different to the other five Newcastle sales (see attached statistics), thus making it more accessible to non-Superfine buyers;
- Was concerned that the sale week in Week 2, followed by the later three week Recess (Weeks 3,4,5), would only allow 2 Sydney Sales prior to Newcastle N08;
- Anticipates that some Superfine wool sellers may defer some wool to the next Newcastle sale (N12), and
- Provides sufficient time for Sellers and Buyers to accommodate logistical changes in advance for this sale to be offered by separation.

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5. Fremantle has three additional selling weeks: Weeks 14 (F14), 31 (F31) and 41 (F41).

Fremantle Buyers and Sellers have requested NASC consider adding sales in Weeks 14, 31 and 41 to assist evenness of flow. A Public Holiday falls in each of these three weeks. The Committee has agreed to introduce these sales into the 2008/09 Program, however the number of selling days in these weeks is subject to further discussion/negotiation.

6. Melbourne Sale M23 will remain a Launceston Sale by Separation Feature sale.

A request to roster a designated Launceston Sale in December (instead of February) did not have Committee support due to;

- a. the volume of wool offered through the Melbourne selling centre at this time of year, and
- b. the likely interruption to existing sale flow.

7. The Christmas Recess will be three weeks (Weeks 26, 27, and 28). The week prior to Christmas (Week 25) is now a designated Selling Week in Sydney, Melbourne and Fremantle.

In deciding to introduce Week 25 as a Sale Week:

- a. The Committee did not support a four week national Recess as initially circulated on the Tentative 2008-09 Wool Selling Program issued last year. A four week Recess was deemed to be too long for commercial reasons (price discovery, cash flow, treasury management, inventory and shipping flow), and
- b. After resolving the Recess was to be 3 weeks, the Committee elected to support trading during Week 25 rather than Week 28 (which would commence 05 January 2009); and
- c. Sellers in Sale Week 25 should review their prompt arrangements as the following Friday in (Recess) Week 26 (if using a standard 9 day payment prompt) is Boxing Day.

8. Week 33 will be a designated Melbourne/Launceston sale.

Details on this week are yet to be finalised and will be advised under separate cover. NASC has received a proposal for the configuration of this week, but needs additional time for consideration. NASC recognises there is support from the major buyers and sellers of Tasmanian wool to maintain the Launceston/Tasmanian marketing value.

9. Weeks 1 and 53 in Season 2009/10 will be 2 day series only.

In line with the NASC business rule that selling days in a sale week shall not offer over 2 financial years, Week 1 will be a Wednesday/Thursday series and Week 53 will be a Tuesday/Wednesday series.

N16/08/5.0

REDUCED/STANDARDISED CATALOGUE SECTIONS

The Committee considered a proposal from the *Showfloor Management Working Group* that all catalogues could be configured in a method similar to Northern region.

It was AGREED that:

- There was not enough support for NASC to support this proposal at this time.

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- N16/08/6.0 SELLER ESTIMATES AND ACTUALS IN WEEK AFTER BREAK**
This Agenda Item was triggered by fluctuations in seller estimates and actuals in Sales F32 and M34 respectively. These were attributed to a break in sales in Fremantle prior to F32 and the effect of non weekly sellers entering the market in M34. AWEX was asked to consider reducing the Five Week Forecast to a Three Week Forecast.
- N16/08/7.0 IDENTIFYING LOTS WITHOUT A STENCIL**
After general discussion the Chairman asked the Secretary to prepare a more detailed paper for resubmission at the next NASC meeting explaining and clarifying the issue.
- N16/08/8.0 OTHER BUSINESS**
- 8.1 Reoffer Lot Trial – Information paper**

[The Committee noted the paper. No Further Action.](#)
- 8.2 2 Day sales – Start times**
The Secretary spoke to the Technical Parameter Table summary. The Secretary requested whether all centres could commence at 11am local time for two day sales, where two clear valuing days existed. This was the practice in the North (and more recently in the South). WA did not support this proposal.

[No Further Action at this time.](#)
- 8.3 Roster over Easter period – Information paper**
Secretary explained that AWEX had issued a two month March/April roster with expected catalogue deadlines and sale days. This was issued to give operational clarity to the market over a period where 5 weeks contain Public Holidays.

[The Committee noted the paper. No Further Action.](#)
- 8.4 Roster over Olympic Period**
NASC has considered whether there is likely to be any market interruption as a result of the (Beijing) Olympics from 8th August 2008 (Week 7). On the information to hand at this time, and NASC feedback, there is thought to be no indication that the wool market will be adversely affected (as a direct consequence of the Olympics).

[NASC will continue to monitor this situation.](#)
- 8.5 Earlier transmission of catalogues for Thursday sellers (North/South)**
NASC considered a Buyer request to amend the formal deadlines of catalogues of all Northern and Southern Region Thursday Sellers available for Monday valuing. Sellers were unable to support this request, however they stressed many Sellers made unofficial catalogues available before the official deadlines on request. Sellers cautioned that (where released unofficially) these catalogues could be subject to change, addition or amendment and that buyer need to be aware of this risk.

[The Committee did not support a change to the official deadlines.](#)

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8.6 Buyer Service Charge

The Committee considered a request to standardise the timing of BSC releases from Sellers and a letter from a Buyer raising concerns about the relative differences and size of BSC between regions.

This was deemed to be a commercial pricing matter outside the jurisdiction of NASC.

N16/08/9.0 NEXT MEETINGS

NASC-17	Friday 30 th May 2008	TEL-CONF
NASC-18	Friday 5 th September 2008	TEL-CONF
NASC-19	Friday 14 th November 2008	TEL-CONF
NASC-20	Friday 27 th February 2009	FACE TO FACE

Sub-meetings held as required.

N16/08/10.0 MEETING CLOSE: 12.50 PM AEST

Name	Position	Contact No	E-mail
Richard Butcher	North Buyer	0427 254 643	rbutcher@graincorp.com.au
Michael de Kleuver	South Seller	03 9240 4700	mdekleuver@rodwells.com.au
Josh Lamb	4 th Buyer	0419 841 609	joshlamb@netspace.net.au
Chris McDonnell	Large Seller	02 4961 1193	chris.mcdonnell@landmark.com.au
Jim McDonald	South Buyer	0419 360 731	j.mcdonald@modiano.com.au
Perry Roberts	West Buyer	0411 756 773	perry.roberts@abb.com.au
Ken Walker	West Seller	08 9418 9999	ken.walker@elders.com.au
Rowan Woods	North Seller	02 6851 4000	rowan@jemalongwool.com.au
Sas Douglas	Chairman		

This and previous copies of the NASC Summary of Outcomes can be found in the Auction/National Auction Selling Committee section on the AWEX web site www.awex.com.au