
NATIONAL AUCTION SELLING COMMITTEE

SUMMARY OF OUTCOMES: MEETING NASC21-2009

HELD FRIDAY 13TH MARCH 2009, 9.00 AM AEST

AUSTRALIAN WOOL EXCHANGE LTD

318 BURNS BAY RD, LANE COVE

FACE TO FACE

N21/09/1.0

PRESENT

Les Targ (Chairman)
Richard Butcher
Michael de Kleuver
Lyndon Hosking
Josh Lamb
Jim McDonald
Chris McDonnell
Perry Roberts
Rowan Woods
David Cother (Secretary)

APOLOGIES

Nil

N21/09/2.0

WELCOME/INTRODUCTION

The Chairman welcomed the Committee to the annual face to face meeting of NASC. He noted that two members (Mr. Hosking and himself) were attending their first meeting as a result of the retirement of Sas Douglas and Ken Walker. The Chairman gave the Committee a brief summary on his background and welcomed the opportunity to Chair such a Committee. He then acknowledged the significant contributions of Messer's Douglas and Walker.

ACTION

Secretary to write letter of thanks on behalf of Committee to Mr. Douglas and Mr. Walker.

N21/09/3.0

MINUTES

Minutes NASC20 accepted (no change)

N21/09/4.0

SOUTHERN REGION WEEK 33 SELLING ARRANGEMENTS

The Southern Region Selling Arrangements for Week 33 contained M33 (Tuesday/Wednesday) in Melbourne and L33 (Friday, 500 lots maximum) in Launceston. The Chairman asked each Committee member for his assessment of the week. The Committee noted that the M33/L33 Sale configuration met its objectives. A total of 22,664 bales were offered for the week.

It was Agreed:

- ❖ That the format of M33/L33 would be retained for Season 2009/10.
- ❖ That Roberts Ltd should be encouraged to utilise adjacent Sales to avoid Maximum Lot Allocation restrictions.

ACTION

M33/L33 to be included in the 2009/10 Wool Selling Program.
Secretary to reply to Roberts' letter.

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N21/09/5.0 WOOL SELLING PROGRAMS (2009/10 + 2010/11)

The Chairman proposed that this Agenda item be handled structurally. He directed the Committee to refer to the associated worksheets, statistics and correspondence received.

5.1 WEEKS SELLING IN JULY

It was noted that Week 1 would only be 2 Days trading due to the financial year changeover. The first two weeks of trading in July was noted as reducing the new financial year supply pressure.

It was Agreed:

Weeks 1 and 2 are to be rostered as trading weeks.

5.2 JULY RECESS

NASC considered received correspondence and debated the merits of having 2 or 3 week recess in July.

In agreeing to a three week national Recess the Committee found (in no specific order):

- There was insufficient support from Seller (and Buyer) constituents (nationwide) for a three week Recess.
- The progressive reduction in staff resources in Seller and Buyer sectors has made the servicing of additional Sales more difficult.
- The (actual and forecast) decline in production did not warrant the reduction of Recess weeks on the basis of lack of trading space,
- The weeks adjacent to the 3 week July Recess are not over subscribed or subject to Maximum Lot Allocation restrictions.
- Scheduling the first Newcastle Sale in Week 10 (N10/09) has resulted in an extra (Sydney) sale week in the North in this period.
- Season 2009/10 offers 46 selling weeks compared to 45 in 2008/09 due to the 53 week program.
- Wool buyers advocate the July Recess as opportunities for marketing and client liaison.
- Some Sellers desire a two week Recess but do not currently support the first week back (after a three week break).
- The three week Recess allows both buyer and seller participants the opportunity to resolve backlog administrative or address corporate issues arising as a result of reduced resources.
- For those trading into Europe, a significant number of European organisations are in summer vacations during July.

It was Agreed:

The July Recess will be Weeks 3, 4 and 5.

5.3 CHRISTMAS RECESS

The primary consideration when reviewing the Christmas Recess was whether Week 25 was to be a trading week. A Recess period of Weeks 26-28 was preferred, however, it was recognised that the Prompt dates would/could present similar issues to 2008/09. If Week 25 was a Recess Week, Sales would resume on 04th January (Week 28), with Week 27 containing only three working days.

It was Agreed:

❖ Week 25 will be rostered as a trading week.

❖ The Christmas Recess was to be 3 weeks (Weeks 26, 27, and 28).

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- ❖ Whilst extended (Buyer and Grower) prompts for Week 25 were recommended to assist participants with the reduced number of business days, NASC could only assist in facilitating/managing the earlier communication of Seller Prompts.
- ❖ That the proposed NASC meeting scheduled for 27 November be held earlier to manage/monitor this communication.

5.4 NEWCASTLE SALES

The Chairman referred the Committee to the submission from the Newcastle Wool Selling Brokers (NEWSB) seeking modifications to the Newcastle selling series. NASC debated the submission's strengths and weaknesses.

It was Agreed:

- ❖ Newcastle Sales are to be reduced from 6 to 5 and would be rostered for Weeks 10, 14, 18, 22 and 35.
- ❖ Minimum quantity for a Newcastle Sale would be revised from 16,000 bales to 14,000 bales.

5.5 2010/11 TENTATIVE WOOL SELLING PROGRAM

Week 25 was endorsed as a Selling Week in 2010/11 and Newcastle Sales pre Christmas were advanced one Sale week (but similar dates) to accommodate change to the proposed NSW Public Holiday in October 2010.

ACTION 2009/10 and 2010/11 Wool Selling Programs to be updated with Release Notes and circulated to industry.
Technical Parameters to be updated with revised minimum quantities for a Newcastle Sale to be 14,000 bales.
Responses letters to NCWSBA & NEWSB.

N21/09/6.0 CATALOGUE DEADLINES – PUBLIC HOLIDAYS

NASC reviewed two submissions requesting the catalogue deadlines be reviewed for Tuesday/Wednesday Sellers in Public Holiday weeks.

It was Agreed:

The deadline for both electronic and printed catalogues for Tuesday and Wednesday Sellers for a Public Holiday Sale week in the Eastern States will be 10.00am AEST Friday. Thursday Sellers in the East remain unchanged as Friday 3pm AEST.

Western Australia remains unchanged for all Sellers as 3.00pm WST Thursday.

ACTION Technical Parameters are to be updated. Sellers and Buyers to be advised.

N21/09/7.0 AUCTIONEER AND SHERIFFS' WORKSHOPS

The Secretary noted the Action Item from NASC20 was for all regions to arrange Room Sheriffs. This had been completed. The Committee was asked to consider likely dates for extension workshops.

Proposed Dates:

Western Region: Friday 27 March 2009
Northern Region: Tuesday 5th May 2009
Southern Region: Friday 8th May 2009

ACTION Industry to be notified of Workshop dates.

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N21/09/8.0 SALE ROOM CODE OF CONDUCT (SRCOC)
NASC considered a proposed amendment to the NASC Sale Room Code of Conduct Section 8.0 with respect to adding a default expiry time on passed in options. This was only applicable where a Sellers' Term of Sale did not define this period.

It was Agreed:

The following sentence was to be added to Section 8a: "Where the option expiry time is not specified the expiry time shall default to 12 noon the day after the initial transaction."

ACTION NASC SRCOC was to be updated and released (Version 1C).

N21/09/9.0 BUYER SURVEY – CATALOGUE LAYOUT (ISAC Consultation Paper)
NASC considered the ISAC recommendation for the SCD16% Yield to be added to the printed catalogue format.

ACTION No Further Action - For information.

N21/09/10.0 OFFERING OF COTTED WOOL BY SAMPLE
NASC considered a submission seeking clarification on the Auction protocol for offering cotted wool by sample or by display bale. A background paper noted that there was not an existing auction or testing regulation that precluded cotted wool from being offered by sample.

The Committee was sympathetic to the issue that obtaining a representative sample of cotted wool was difficult. It was noted that displaying cotted bales was diminishing in the East due to regional storage.

It was Agreed:

- ❖ That where cotted wool is displayed by sample, both buyer and seller must be aware that a higher degree of product risk exists,
- ❖ That no change to the NASC Technical Parameters was to be made (where bales are to be displayed at Seller discretion),
- ❖ That it was the obligation/responsibility of the Seller to ensure the wool was correctly presented to fairly represent the contents, and
- ❖ In the event a lot was divergent for type, commercial claims would be the result.

ACTION Secretary to provide response.

N21/09/11.0 FREMANTLE – SALE DAY IMBALANCE
NASC considered a letter from David Aslett (AWEX WA) seeking clarification on course of action where Sale Days are imbalanced and the need for Sellers to split or move.

ACTION Western Region NASC members to liaise with David Aslett on future sales.

N21/09/12.0 AWN 10 YEAR ANNIVERSARY SALE – WEEK 47
NASC considered a letter from Australian Wool Network notifying NASC of its intention to hold a 10 Year Anniversary Sale.

NASC noted a number of recommended policy matters to be applied if to be conducted under NASC parameters.

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ACTION Secretary to liaise with AWN.
N21/09/13.0 COMMITTEE BUSINESS

13.1 NASC CHARGING

The Secretary advised the Committee that this Agenda item was for Committee discussion and recommendations would be to AWEX. The Committee agreed that Buyer and Sellers should contribute to NASC, however the Buyer contribution could be/is collected/levied indirectly via the Post Sale Charge rather than direct invoice.

ACTION Secretary to provide NASC views to AWEX.

13.2 NEXT MEETINGS

NASC-22	Friday 29 May	(Week 48)	9.30am AEST
NASC-23	Friday 4 September	(Week 10)	9.30am AEST
NASC-24	Friday 13 November	(Week 20)	9.30am* AEST
NASC-25	Friday 5 March 2010	(Week 36)	9.00am AEST

*subject to WA Daylight Saving.

N21/09/14.0 OFFERING VOLATILITY
NASC considered a paper at the request of the AWEX Board on offering volatility. NASC was asked if they wished to pursue this matter at this time.

The Committee Agreed:
No further action was required at this time.

ACTION Secretary to provide NASC views to AWEX.

N21/09/15.0 OTHER BUSINESS
15.1 VENDOR BIDDING

ACTION Matter to be considered in more detail at NASC-22.

15.2 MULESING STATUS PUBLICATION

ACTION No Further Action.

15.3 SALE DAY IMBALANCE
See 11.0

15.4 D CERT REISSUES
Committee members were concerned that some sale lots were not updated to D certificates at the time of invoicing. This resulted in difficulties when the buyer attempted to build OMLs.

ACTION NASC to write to Sellers and AWTA on ensuring processing was complete when Sale invoicing runs were made at the end of each day.

N21/09/16.0 MEETING CLOSE: 12.50pm AEST