

---

---

## **NATIONAL AUCTION SELLING COMMITTEE**

---

---

### **SUMMARY OF OUTCOMES: MEETING NASC27-2010**

**FRIDAY 22ND OCTOBER 2010, 1.00 PM AEDT**

**AUSTRALIAN WOOL EXCHANGE LTD**

**318 BURNS BAY RD, LANE COVE, NSW**

#### **N27/10/1.0 PRESENT**

Les Targ (Chairman)  
Richard Butcher  
Michael de Kleuver  
Simon Hogan  
Lyndon Hosking  
Josh Lamb  
Perry Roberts  
Len Tenace  
Rowan Woods  
David Cother (Secretary)

#### **N27/10/2.0 APOLOGIES**

Nil

#### **N27/10/3.0 MINUTES PREVIOUS MEETING**

[Minutes NASC-26 accepted without amendment.](#)

#### **N27/10/4.0 ACTION ITEMS/ISSUES ARISING**

##### **4.1 Provision of AWEX-ID in catalogues**

Buyer representatives asked the Secretary whether he had communicated with Sellers their request to have seller AWEX-ID provided in the (electronic) catalogue. The Secretary had spoken to some (non supplying) Sellers however more work was required.

##### **4.2 Buyers bidding in multiple names**

The Secretary advised the Committee on the current position on this matter.

---

---

## ***NATIONAL AUCTION SELLING COMMITTEE***

---

---

### **N27/10/5.0 POST SALE CHARGE (PSC) USING C/KG**

As an action item arising from NASC26, NASC reviewed a series of models illustrating the potential changes that would arise to each buyer if the Post Sale Charge was invoiced in cents/kilogram greasy and cents/kilogram clean.

The model(s) converted each seller's estimated annual revenue from PSC (from a \$/bale amount) to an equivalent cents/kilogram. The new PSC invoice amount was then recalculated for each buyer. Under a greasy cents/kilogram model the individual impact of this change ranged from plus or minus 4% of a current buyers PSC invoice. Invoicing using clean weights resulted in wider variations (plus or minus 10%).

NASC discussed the implications of this model. It was noted that this charging structure would be revenue neutral for the sellers and that the major impact of such a change would be on buyers. All seller representatives submitted that nearly all post sale charge activities are most appropriately expressed as per bale as this best reflects the unit costs.

The buyer representatives noted that nearly all PSC rates are factored as cents per kilogram in their pricing baremes. The intent behind the request was to study its impact on lightweight bales.

All representatives agreed that lightweight/underweight bales were not to be offered by sellers. Buyers declared little support for these bales as they were expensive from a PSC perspective. Sellers stated that they represented safety risks from a handling perspective.

It was Agreed:

- ❖ There was no support for changing the current Post Sale Charge method.
- ❖ That was no support for sellers offering lightweight or underweight bales.
- ❖ That a campaign to eliminate lightweight/underweight bales be developed and presented to the next meeting of NASC.

### **ACTION**

Secretary to add to NAC28 Agenda.

Buyer and Seller representatives to discuss strategies with constituents.

### **N27/10/6.0 CATALOGUE AVAILABILITY**

#### **6.1 Thursday catalogues**

NASC considered a Southern Region Buyer request to have the electronic catalogue data for Thursday Sellers available at the same time as Wednesday Sellers.

It was Agreed:

- ❖ No change would be made to the catalogue deadlines.
- ❖ Buyers wanting earlier access to catalogues should discuss these needs with individual sellers to access unofficial catalogues.

---

---

## ***NATIONAL AUCTION SELLING COMMITTEE***

---

---

### **6.1 Wool Week / 3 day Sales**

NASC considered a request from AWEX for Tuesday catalogues to be available for Friday valuing. This would apply to any Sale with Tuesday selling (such as Wool Week, Public Holiday on Wed/Thurs, and three day Sales.)

It was Agreed:

- ❖ No change would be made to the catalogue deadlines.

### **N27/10/7.0 TRANSFERS**

NASC considered a Northern Region Seller request that, where a sale day has multi Service Providers, the close off period for Transfers for the first Service Provider be held open until 30 minutes after the last lot offered for the sale day. (Currently the first Service Provider closes 30 minutes after last lot for the Service Provider). The Seller asked for this extension as some buyers were not lodging transfers until later in the day.

NASC noted that the 30 minute cutoff for each Service Provider was implemented to allow a clean change over. It also reduced the cost of service provision as staff from Service Provider 1 were not required to wait until the close of the sale.

It was Agreed:

- ❖ No change would be made to the current transfer close off.
- ❖ NASC is to write to local buyers reminding them of the cutoffs and seeking improved compliance.

**ACTION** Secretary to issue notice to Buyers reminding them to adhere to transfer cutoffs.

### **N27/10/8.0 2 DAY SALES – REQUEST FROM CHINESE PROCESSORS**

NASC considered a letter from Mark Grave (AWEX-CEO) relating a request from a meeting of the China/Australia Joint Wool Working Group. This request asked NASC to consider scheduling two day Sales on Tuesday/Wednesday as this would reduce business pressure (on Chinese processors) towards the end of the week.

NASC believed the letter did not contain enough information to allow adequate discussion and asked that more information be sought. The prima facie view was that the reason(s) would need to be compelling to warrant such a change.

It was Agreed:

- ❖ NASC is to write to the CA Joint Working Group seeking more information.

---

---

## NATIONAL AUCTION SELLING COMMITTEE

---

---

### **N27/10/9.0 CATALOGUE FORMATS (EDI)**

#### **9.1 Invoicing Broker Codes**

NASC considered a Southern Region Buyer submission seeking NASC review on the structure of catalogues with multiple Invoicing Broker codes. Concern was raised that some catalogues have multiple Invoicing Broker codes when, in the opinion of the submission, only one should suffice. The impact of multiple Invoicing Broker codes was particularly noticeable when using handheld devices on the showfloor and the users need to reselect Invoicing Broker codes when valuing.

A number of options were discussed including the introduction of a showfloor sequence number. It was noted that in some cases, the showfloor and selling sequence are not necessarily in lot number sequence. It was also noted that a change to Invoicing Broker may also impact on Invoices and Delivery Orders.

It was Agreed:

- ❖ The Large Seller representative would consult with their Service Provider on the implication of using a single Invoicing Broker code.
- ❖ NASC will reconsider at NASC28.

**ACTION** Large Seller Representative to action.

#### **9.2 Bale Weights and Numbers**

NASC considered a paper from AWEX seeking an amendment to the EDI Catalogue structure to include bale numbers and bale weights for each lot number. The reasons for this request would allow AWEX to provide improved service to its constituents. Examples include: bale numbers to woolclassers where a non conforming lot has been recorded, elimination of lots with lightweight bales from the presale ASX/SFE certified lots report and National Wool Declaration audit reconciliation.

NASC agreed with this request. It also noted that this would also be useful in management of the lightweight bale concerns (see Agenda Item 5).

It was Agreed:

- ❖ Bale Numbers and weights are to be included in the electronic catalogue transmission.

**ACTION** Secretary to write to WIEDPUG.

### **N27/10/10.0 NEW ZEALAND ANNUAL WOOL SELLING PROGRAM – WEEK NOS**

NASC received an update from the Secretary in relation to correspondence made to New Zealand to use a standard business rule in the calculation of sale week numbers on the Annual Wool Selling Program(s). This has been referred to the relevant committee in NZ.

**ACTION** Secretary to progress/monitor and advise at NASC28.

---

---

## NATIONAL AUCTION SELLING COMMITTEE

---

---

### N27/10/11.0 D CERTIFICATES

NASC received a submission form a Southern Region Buyer expressing frustration with the number of D certificate lots being offered (and that many should not be on the showfloor.)

Whilst noting this was a quality issue, NASC representatives identified two issues that warranted further attention and industry discussion.

- Whether very poorly prepared, or unclassified wool should be offered at auction, (which is a NASC issue), and
- Whether the definition of a D certificate was meeting industry and quality needs.

It was Agreed:

- ❖ NASC would write to respective entities raising these matters for consideration.

**ACTION** Secretary to draft letter for consideration at NASC28.

### N27/10/12.0 TASMANIAN DUMPING

NASC consider a request from a Southern Region Exporter seeking a view about the potential for Tasmanian wool to be offered FOB or stored ex Melbourne. This request was initiated as a result of the recent announcement by Roberts Ltd of the closure of dumping services in Launceston.

NASC noted that each Seller's Terms of Sale with respect to charging is a commercial decision. NASC considered a response from Roberts Ltd to NASC on this matter. This response was comprehensive and included items such as export profile and details on the Tasmanian Freight Equalisation Scheme.

It was Agreed:

- ❖ That no further Action was required at this time and that some time should be allowed for Sellers and Buyers to adjust to the removal of dumping facilities.

### N27/10/13.0 TASMANIAN WOOL SALE L33

NASC considered a series of correspondence between Roberts Ltd and NASC on the future conduct of the L33 Sale.

In assessing this matter NASC concluded:

- In FY2009, 89.7% of Tasmanian wool was offered at auction by separation in Melbourne Sales. (2,982 bales were offered in L33 in FY2009).
- The L33 Showcase Sale concept adopted in recent years had not resulted in wool type or price premiums over the equivalent Melbourne Sale in the same week.

---

---

## NATIONAL AUCTION SELLING COMMITTEE

---

---

- Showfloor space in Melbourne (that was not accessible previously) was now available to handle a larger volume of Tasmanian wool in Week 33. This would also include space for display of traditional bales.
- There was limited support within the Committee to re-introduce a dedicated L33 Sale week due to the associated impact on the weekly Southern Region selling profile in adjacent Sales.
- Closure of the Tasmanian dump in September was noted, however this was not deemed to be significant with respect to this matter.
- That provision for the exclusive marketing and identity of Tasmanian wool should be retained for sellers.
- That a dedicated single day on the Tuesday of Week 33 for Tasmanian wool would result in improved access for buyers, lower service costs, with an increased marketing opportunity for sellers of Tasmanian wool.

It was Agreed:

- ❖ That L33 is to be offered in Melbourne on the Tuesday of Week 33.
- ❖ That this day was to be restricted to Tasmanian Wool.
- ❖ M33 would be conducted on Wednesday/Thursday of Week 33.

**ACTION** Secretary to issue notice to NASC Buyers and Sellers.

### **N27/10/14.0 ROOM 2 CATALOGUE SEQUENCE – SOUTHERN REGION**

NASC considered a request to consider modifying the rostering sequence the sale room 2 catalogues in Melbourne. The proposal was to allow Sellers to offer both room 2 catalogues together and sequentially. This would allow Sellers to attend room 2 only once.

This submission was received favourably by NASC and asked the Southern Region Buyer representative to further survey and consult with constituents.

**ACTION** Southern Region Buyer representative to survey and revert at NASC28.

### **N27/10/15.0 ON LINE SUBMISSION OF SELLER ESTIMATES**

The Secretary informed the Committee that the standardisation of forms for the collection of seller pre sale estimates has now been completed and has been rolled out to Sellers. This now allows for development to commence for online submissions. Online submissions will considerably reduce keypunching and chances of reproduction error. The Secretary was asked if this meant sellers could progressively update availability and estimates (more frequently than current). The response was that was the case.

**ACTION** Progress reports to be provided by Secretary.

---

---

## ***NATIONAL AUCTION SELLING COMMITTEE***

---

---

### **N27/10/16.0 TIMED SELLING ARRANGEMENTS**

The Secretary briefed the Committee on the development work currently under way to produce Selling Arrangements with estimated times of selling. This will require the formal scheduling of the lunch break. The timed Selling Arrangements are currently silent running with the Service Provider, and selected interested parties as the logic is fine tuned. Once established this logic can be extended to Northern and Western Selling Arrangements.

**ACTION** Secretary to provide progress report at NASC28.

### **N27/10/17.0 NASC COMMITTEE – LEVY UPDATE**

The Secretary briefed the Committee on Auction Buyers and Sellers yet to pay the annual NASC Committee fee.

**ACTION** Secretary to follow up and advise at NASC28.

### **N27/10/18.0 OTHER BUSINESS**

#### **18.1 Southern Region Catering**

Mr. Tenace informed the Committee of a catering arrangement that had been implemented in Southern Region.

#### **18.2 Newcastle Selling Centre facilities**

Mr. Butcher lodged a complaint with NASC about two issues in Newcastle at N13. The air-conditioning unit in one sale room was not functioning and there was no water in the sale rooms. [Both issues have since been addressed].

#### **18.3 Sample Box 1 – Conduct Complaint**

Mr. Woods received a complaint from a Newcastle Seller in relation to inappropriate words handwritten on a sample box specifically referring to the writer's opinion on the correctness of a published test result. This was subsequently sighted by the wool grower who was embarrassed and unimpressed. If showfloor personnel are concerned about a sale lot they are asked to raise this through the normal channels.

#### **18.4 Sample Box 2**

Mr. Hosking raised a concern about the practice of buyers tagging/hanging sample boxes with wool that contain a technical fault. This was raised specifically in context of sale lots plated as containing black points. He believed this (practice) was unnecessary when the box was plated and declared. The Committee agreed, however they noted that the practice of tagging was long standing and likely to continue. Mr. Hosking acknowledged this, but also pointed out that these faults (on the back of the sample box) can sometimes be missed when a showfloor is cleared, to the detriment of the subsequent sample.

---

---

## NATIONAL AUCTION SELLING COMMITTEE

---

---

### 18.4 Christmas (Prompt and Storage) Arrangements

Sellers are reminded that AWEX will be calling for Store Opening and Prompt Arrangements next week to enable publication of the consolidated list.

#### N27/10/19.0 NEXT MEETINGS

NASC-28	Friday 3 <sup>RD</sup> December 2010*	(Week 22)	1.00PM AEST
NASC-29**	Friday 25 <sup>th</sup> February 2011	(Week 34)	9.30AM AEST
NASC-30	Friday 27 <sup>th</sup> May 2011	(Week 47)	1.00PM AEST

\*Amended date

\*\*Face to Face meeting (others teleconference)

#### N27/10/20.0 MEETING CLOSE:

NASC27: 3.05 PM AEDST

Name	Position	Contact No	E-mail
Richard Butcher	North Buyer	0427 254 643	<a href="mailto:rbutcher@gcotton.com.au">rbutcher@gcotton.com.au</a>
Simon Hogan	Large Seller	0417 856420	<a href="mailto:simon.hogan@elders.com.au">simon.hogan@elders.com.au</a>
Lyndon Hosking	West Seller	08 9434 1699	<a href="mailto:lhosking@dysonjones.com.au">lhosking@dysonjones.com.au</a>
Michael de Kleuver	South Seller	03 9240 4700	<a href="mailto:mdekleuver@rodwells.com.au">mdekleuver@rodwells.com.au</a>
Josh Lamb	National Buyer	0419 841 609	<a href="mailto:joshlamb@techwool.com.au">joshlamb@techwool.com.au</a>
Perry Roberts	West Buyer	0411 756 773	<a href="mailto:perry.roberts@abb.com.au">perry.roberts@abb.com.au</a>
Len Tenace	South Buyer	03 9315 1990	<a href="mailto:lent@segardmasurel.com.au">lent@segardmasurel.com.au</a>
Rowan Woods	North Seller	02 6851 4000	<a href="mailto:rowan@jemalongwool.com.au">rowan@jemalongwool.com.au</a>
Les Targ	Chairman		