
NATIONAL AUCTION SELLING COMMITTEE

SUMMARY OF OUTCOMES: MEETING NASC30-2011

FRIDAY 20TH MAY 2011, 10.00 AM AEST

AUSTRALIAN WOOL EXCHANGE LTD

318 BURNS BAY RD, LANE COVE, NSW

FACE TO FACE

N30/11/1.0 PRESENT/WELCOME

Les Targ (Chairman)
Wayne Beecher
John Bradbury
Michael de Kleuver
Dean Collison
Simon Hogan
Lyndon Hosking
Josh Lamb
Len Tenace
David Cother (Secretary)

N30/11/2.0 APOLOGIES

Nil

N30/11/3.0 MINUTES PREVIOUS MEETING

NASC29: Amend (page 4) 5.1.4.C: Wool Selling Program Western Region: Should read "Post Easter Period Sales that are likely to fall below the minimum threshold may be removed (...in the following season's Program).

NASC29B: No Amendment.

N30/11/4.0 OUTSTANDING ACTION ITEMS/ISSUES ARISING

Many previous issues are to be addressed as Agenda Items (in NASC30).

4.1 Sale Room Code of Conduct

The Secretary advised there had been no feedback on the Sale Room Code of Conduct. This document will now be printed and distributed to Auction participants. Mr Tenace queried who would monitor some of the conduct issues. The Code defines that each Auctioneer is in charge of the Room. Complaints by the Auctioneer can be discussed with the Room Sheriff, or (if more serious/persistent) should be lodged with NASC. Concerns were raised about a specific event in Room 2 Southern Region. NASC is to write to buyer and seller principals on expected conduct in sale rooms.

ACTION

NASC letter to Principals.

4.2 NASC Auction (Open Cry) Technical Parameters

The Secretary advised that this item was withdrawn due to time considerations of this meeting. The document with the parameters will be circulated to Committee (and participants in draft form) for consideration post meeting and for formal consideration at NASC31. This document contains rostering, selling arrangement, catalogue deadlines, and showfloor lotting sections.

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N30/11/5.0 WOOL SELLING PROGRAM 2011-12

5.1 Number of Newcastle Sales

Consistent with the outcome from NASC29 where the Committee “stressed that they wish to work with Newcastle stakeholders constructively to resolve future programming parameters”: the Chairman extended an invitation to NCWSBA and ASWGA representatives to raise their concerns (of 4 Sales in 2011/12) via personal presentation.

The Committee extends its gratitude to the representatives of both groups who provided constructive input which was of assistance to the Committee in its deliberations.

Discussion centred around the quality and quantities of wool sold in Newcastle over the past couple of seasons, lease implications, the improved pasture conditions in superfine wool growing regions, the reductions in stock held in store and on farm, the likely rate of merino flock increase and evidence of the interaction between Newcastle and Sydney Sales.

The Committee re-affirmed its commitment to Newcastle as a premium wools selling centre. On a secondary level the Committee noted that it had (received) concerns about some conditions of the Newcastle selling facility, including, aisle space on the showfloor, and traffic noise from trucks passing the auction room.

It was AGREED:

- ❖ The Committee confirmed its previous decision to roster 4 Newcastle Sales on the NASC 2011/12 Wool Selling Program.
- ❖ The Tentative Program for 2012/13 will be reissued with 5 Newcastle Sales (using a spacing sequence similar to 2010/11).
- ❖ That the 5 Sales in 2012/13 would be confirmed subject to the adoption of recommendations from the Working Group (see NASC29) formed as a vehicle;
 - To define the criteria for Newcastle Sales,
 - For ASWGA and the Newcastle brokers to develop strategies which could help ensure that the criteria can be met for each sale, and
 - To discuss possible improvements in relation to the Newcastle sales centre facilities so that it reflects a premium wool selling centre.
- ❖ The Working Group referred to will be formed as soon as possible with NCWBSA and AWSGA both agreeing to take part.

5.2 Week 25

NASC considered a submission seeking reconsideration of Sales rostered in Week 25 of the 2011/12 WSP. Concerns were raised regarding;

- a) the ability for buyers to finalise Week 25 Sales, in the week of Christmas (with prompt post Christmas), and
- b) That commencing Sales mid month in January will place pressure on buyers wishing to process or ship in that month.

It was AGREED:

- ❖ Sales in Week 25 will be removed from the 2011/12 WSP and will now be a Recess Week.
- ❖ The Christmas Recess will be Weeks 25, 26 and 27.
- ❖ Week 28 will now be a rostered Sale Week.
- ❖ The Launceston Feature Sale will be moved from Week 24 to Week 23.

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- ❖ Consistent with NASC29B where Newcastle Sellers were asked to nominate the 4 Sale Weeks in 2011/12, these Sellers are to be offered either Week 21 or Week 22 as the final Newcastle Sale prior to Recess.

ACTION (1) Newcastle Sellers via NCWSBA to nominate Newcastle Sale Week pre Christmas
(2) 2011/12 Wool Selling Program and 2012/13 Tentative Wool Selling Program to be released.

N30/11/6.0 SOUTHERN REGION: SALE ROOM 2 – Catalogue Selling Sequence

Arising as an action item from NASC29, Southern Region Seller representatives consulted with Room 2 Buyers to determine the level of support relating to the sellers offering the Yellow and Blue catalogues consecutively in the Sale Room.

100% of local sellers support this concept. Even though a small number of buyers were against this proposal, the balance were either in favour or prepared to accept a change to assist Sellers.

It was AGREED:

- ❖ Southern Region Sellers are to offer their Room 2 catalogues sequentially.
- ❖ This will commence from Week 49.
- ❖ This is no longer a trial.

IMPORTANT: There is to be NO CHANGE to the number or format of catalogues or to showfloor layout. This change applies only to the selling sequence of catalogues in the Sale Room.

ACTION Week 49 Selling Arrangements to be published with the modified selling sequence.

N30/11/7.0 One (1) Bale Lots

NASC considered a series of statistics on the frequency and type of 1 bale lots being offered in each major centre. The current rates by centre are 5.2% (Melbourne), 13.8% (Sydney) and 6.4% (Fremantle).

The most notable concern was on the amount of wool broader than 18.5 micron that would be suitable for lot building. In all centres this was more than half of the (1 bale) offering.

A number of options were discussed:

- A) There was not support for legislation (defining eligible wool types) for one bale lots.
- B) NASC also considered the option to modify the cataloguing criteria of 1 bale lots (to their own section) however this would (most) likely further fragment and complicate catalogues especially those with multiple storage centres.
- C) Information and awareness: NASC preferred initially to raise awareness about the number of one bale lots appearing in the system using information tools. This includes customised seller benchmark reports, possible discounts reported on the AWEX Price Differential Report, and highlighting offering volumes to grower and classer sectors.

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A NASC representative noted that a similar campaign should exist for rehandle bin product (Wool Preparation Categories Q or B) that was not optimised for weight or lot size.

It was AGREED:

- ❖ Information products were to be implemented to try to minimise the number of unnecessary 1 bale lots offered at auction.

ACTION AWEX to review its information products.

N30/11/8.0 Catalogue Symbols

NASC considered a series of proposals lodged by buyers and sellers on the Catalogue Symbol set.

It was AGREED:

- ❖ Introduce a new Catalogue Symbol for Fellmongered.
- ❖ Change the definition of R (Reconditioned/Salvaged) to: Reconditioned from Wet.
- ❖ Introduce a new Symbol for: Machined (Decotted or Blended)
- ❖ Amend the definition of S to: Wool is unclassified.
- ❖ Amend the definition of Y to: Pigmented and/or Medullated Fibre Risk (Run with or Black)
- ❖ Amend definition of W to: Seller (re)classified (P certificate bearing classing house stencil).

ACTION A full release of catalogue symbols and implementation date will be issued under separate cover.

N30/11/9.0 Northern Region Selling Arrangements – Seller Rotation

NASC considered a complaint from a Seller in relation to group and rotations on a split days. (i.e. Sellers moving from one day to another).

The Secretary advised that the first rostering priority was to the market place: i.e. reasonably evenly balanced days that did not distort market behaviour. The size of the seller groups mean that moving a full group in its entirety only moved a balance problem from one day to the next.

The Roster Controller will continue to ask groups to split as fairly as required. Full records are kept on who is moved and how often to ensure this is done as fairly as possible. In the current season it has been necessary to move sellers nearly every week: moving one group permanently to the AWH sale day did very little to alleviate the balance problem.

It was AGREED:

- ❖ AWEX asked to look at group definitions to try to minimize splits of groups.

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N30/11/10.0 Tuesday/Wednesday Selling

NASC was briefed on a recent meeting of the Australia/China Wool Working Group where the request for Australia to consider Tuesday/Wednesday Selling was raised for a second time. The first was in September 2010, where more detail was requested.

NASC considered the results of a preliminary survey of Australian buyers and sellers on their thoughts on advantages/benefits or disadvantages/costs of rostering two day sales on Tuesday/Wednesday. This survey did not seek whether the buyer/seller supported the proposal.

	<u>Buyer</u>	<u>Seller</u>
Responses with Advantages/Benefits:	12	6
Responses with Disadvantages/Costs:	3	6

It was AGREED:

- ❖ A second survey providing results from the first survey and seeking additional input, specifically from principals, will be issued.

ACTION A second NASC survey will be issued.

N30/11/11.0 Prompt Date Extension

As an Action Item from NASC29 (where a request was made to extend Buyer Prompt), Auction Buyer participants were surveyed on their views relating to the current length of prompt.

The responses were:

No Change: 5
Needs to be Longer: 16 (76%)
Needs to be shorter: 0

It was AGREED:

- ❖ NASC would release depersonalised survey results to Sellers with the reasons why a longer prompt is supported by Buyers.

ACTION A letter to Sellers will be circulated.

N30/11/12.0 Maximum Lot Allocation (1200 lots/room/day)

NASC considered a submission proposing that there may be benefits in reducing the maximum daily room limit from 1200 lots/room/day.

NASC considered the frequency and timing of these large Sale days during the year.

It was AGREED:

- ❖ No reduction in the Daily lot limit would be implemented at this time.
- ❖ That an earlier cutoff for catalogues would assist (workloads) under specific circumstances (specifically the short 2 day Sale week prior to Easter).

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N30/11/13.0 Minimum Quantities/day

AWEX tabled a short analysis on the size of a Sale day where quantities become difficult to publish a non nominal market report. This was provided for discussion, information and future reference.

N30/11/14.0 Other Business

14.1 Letter from Auctionsplus

NASC considered a letter from Auctionsplus seeking consideration on whether Auctionsplus information could be included on NASC documentation.

It was AGREED:

❖ This application was premature and would be considered at a subsequent meeting once more detail was known and Auctionsplus (auctions) were operating.

14.2 Letter from Fletcher International Exports

NASC considered a letter from Fletchers seeking exemption from the maximum weight limits of bales offered at auction.

It was AGREED:

❖ There was no support for overweight bales being offered at auction.

14.3 AWEX Online

A request was made for the start time of AWEX Online Gallery reports to be standardized every day. The Secretary noted this could/would be done.

ACTION Secretary to advise AWEX-Market Information.

14.4 1 Day Sale – Seller Rotation in Western Region

The Western Region seller representative asked that the 1 day selling arrangements revert to full day rotation rather than two half day rotations.

ACTION Secretary to discuss with Roster Controller.

N30/11/15.0 Next Meeting

*Please note NASC31 has been advanced one week.

NASC31	WEEK 08	FRIDAY 26 AUG 2011	1.00PM AEST TELCONF
NASC32	WEEK 21	FRIDAY 25 NOV 2011	1.00PM AEDT TELCONF
NASC33	WEEK 33	FRIDAY 02 MAR 2012	9.00AM AEDT FACE TO FACE

Sub Meetings where required will be designated alpha suffixes (e.g. NASC30B).

Meeting Closed: 2.20pm

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NASC representatives

Name	Position	Contact No	E-mail
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