
NATIONAL AUCTION SELLING COMMITTEE

SUMMARY OF OUTCOMES: MEETING NASC33-2012

FRIDAY 30TH MARCH 2012, 9.00 AM AEDT

AUSTRALIAN WOOL EXCHANGE LTD

318 BURNS BAY RD, LANE COVE, NSW

BY TELECONFERENCE

N33/12/1.0 PRESENT/WELCOME

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

N33/12/2.0 APOLOGIES

Nil

N33/12/3.0 MINUTES PREVIOUS MEETING

Accepted/Approved

N33/12/4.0 ACTION ITEMS/ISSUES ARISING NASC32

Item 9.2: Mr. Bradbury reported that the Alpaca catalogue was offered in Room 1 instead of Room 2 as requested by NASC.

Item 9.4: Mr. Hosking asked whether the Western Region minimum sale quantities could be revised down from 4,500 to 4,000 bales. This was approved.

Item 11.0: Mr. Tenace queried whether the number of unskirted merino fleece lots in Room 2 would create a room imbalance. Representatives believed the quantities were not likely to significantly impact on sale room balance.

Item 13.3 Chairman's letter to WIEDPUG chairman is yet to be actioned.

(Other issues outstanding covered in current Agenda).

N33/12/5.0 TUESDAY/WEDNESDAY SELLING

NASC discussed the conduct and survey results of the trial. Whilst some survey input is still expected, the Committee has formed a preliminary view that there were insufficient benefits realised by enough buyers and sellers in all regions to recommend this method of offering be implemented into the production system nationwide.

It was AGREED:

- ❖ The Trial report was to be completed as soon as all submissions were received.
- ❖ The report shall include NASC conclusions, survey results and trial outcomes.
- ❖ The report shall be issued to industry organisations initially with draft conclusions seeking comment.
- ❖ A final report shall be released to all once comments have been reviewed.

ACTION Report to be issued.

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N33/12/6.0 WOOL SELLING PROGRAM 2011/12

6.1 POST EASTER SALES

Western region representatives were asked to provide a recommendation on the regional requirements for Sales post Easter. Previously Sales in this period have been marked as Tentative due to regional uncertainty about the offering volumes.

Their recommendation was for all Sales in this period to proceed as gazetted on the WSP and that Sales marked as Tentative have this status removed. They believed all Sales should exceed the target minimum of 4,000 bales. Western region representatives were reminded that a Sale would proceed as rostered if it falls below this minimum (i.e. no cancellation).

6.2 PUBLIC HOLIDAY WEEKS

Western Region representatives asked NASC to consider removing the Western region limit of offering one day Sales only during Public Holiday weeks. They believed this was unnecessarily restrictive.

It was AGREED:

- ❖ Sale weeks 45 and 47 are to be removed from TENTATIVE status.
- ❖ The one day Sale limit on Western Region Public Holiday weeks is to be removed from the 2011/12 and subsequent programs.

ACTION 2011/12 Wool Selling Program to be updated and released.

N33/12/7.0 WOOL SELLING PROGRAM 2012/13

7.1 MID YEAR RECESS

NASC has flagged its intention to review the timing of the mid Year Recess in the last two NASC meetings (NASC31/NASC32). The rationale behind the review is to establish if a timing change may:

- a) Reflect the lowest point of the national production/harvesting cycle,
- b) Improve the flow of wool onto the market and
- c) Continue to allow buyers and sellers to perform mid Year recess functions.

NASC considered a series of statistics supplied by AWEX (auction offering profiles) and AWTA (testing profiles) over the June- July period.

NASC agreed to retain the July 2012 Recess period for weeks 3, 4 and 5.

For the following mid Year Recess (June-July 2013), NASC is proposing the mid Year Recess be moved to weeks 52, 1 and 2 and seeks buyer and seller input. [Statistics on offering and testing volumes on this period are available on request – a simple National overview of volumes over the June July period for recent seasons can be found on the final page of this document].

Some of the advantages to this move are thought to be:

- 1) June is a relatively low harvesting/receival/offering month. Some extra wool wanting to be offered before the recess could be accommodated in this month.
- 2) Commencing the new season at Week 3 gives an uninterrupted sale schedule to Christmas,
- 3) Once established, the proposed mid year Recess period provides more balance in trading weeks between first and second half (as one trading week is moved from the second half to the first half).
- 4) It allows further evolution of the recess into June if required in future years (e.g. 51/52/1).

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- 5) July selling weeks (3-4) are retained for those sellers wanting to sell in July. Those waiting for the new financial year are not disadvantaged in market movement terms as no auction trading is occurring (in weeks 1-2) prior to their engagement in the market.

7.2 SOUTHERN REGION

Two issues were considered in the Southern Region Program: Launceston, and the intended offering pattern for New Zealand stored wool.

With respect to Launceston NASC confirmed the week 33 configuration of L33 (1 day)/M33 (2 days) was to be unchanged for 2012/13. Sale M23 was also confirmed as a designated Launceston feature Sale.

NASC discussed industry concerns that some of the proposed NZ offering schedule will clash with Newcastle or Launceston offerings. NASC will recommend to NZ Merino that it review its proposed offering schedule once the Newcastle program is finalised.

7.3 WESTERN REGION

Western region representatives recommended the Western Region program for 2012/13 retain similar Sale sequencing to the 2011/12 program.

The sequence of Sales in June and July 2013 was also amended to reflect the proposed change in mid Year Recess. (See 7.1)

7.4 NORTHERN REGION

NASC reviewed the submission from the Northern Region Sale Working Group (WG). The WG was convened to determine if an objective set of criteria could be established that gives NASC, buyer and sellers a framework on which the number of Newcastle Sales could be determined. The Chairman of the WG, Russell Pattinson, was invited by the NASC Chairman to update the representatives with the outcomes and to allow any questions.

The Committee spent considerable time discussing the criteria suggested by the WG and additional inputs. The submission by NCWSBA on the criteria was thought to be constructive and useful.

NASC modified a small number of criteria, agreeing with general principles proposed by the WG. The key changes were:

- A) [The criteria for] an increase in Sales based on quantity was changed from lots to bales.
- B) [The criteria for] an increase in Sales was amended/reduced from a Season average of 5,700 lots to a Season average of 15,000 bales.

Considerable discussion was had on the implications of requiring 2 consecutive years of criteria to trigger a review of Sale numbers. This was retained as a means to be achieve stability.

On the offering profile of 2011/12 NASC believed that 4 Sales was appropriate for 2012/13. This number of Sales was also suggested by the WG.

The full set of criteria is available on request.

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7.5 CHINESE NEW YEAR (CNY)

NASC considered a request lodged by FAWO (on behalf of its Chinese Australia Joint Working Group) for the sale week of Chinese New Year to be rostered as a national Recess. NASC was provided offering statistics and price analysis by AWEX to assist in its deliberations.

NASC concluded:

- (a) That the introduction of a Recess week for Chinese New Year was likely to be more disruptive to the market and supply than the current offering methodology.
- (b) The dynamic nature of a Chinese New Year Recess may result in different market implications each year. In some years a CNY recess could be as little as two or three weeks after the Christmas Recess.
- (c) In 2012 and 2013, CNY falls during Week 33 and Week 32 respectively. A Recess at this time would result in significant offering pressure for the 2 day M33 Sale.
- (d) The 7 week period after the Christmas Recess is relatively busy with an average national offering of 50,000 bales per week (since July 2007).
- (e) Statistical price analysis has not revealed a measurable, repeatable price impact in the week of Chinese New Year.
- (f) Sellers concerned about prices in CNY were able to set reserves.
- (g) The introduction of a CNY Recess would require the Recess week to be moved from another Recess period (rather than an additional week). This did not receive consideration as the primary concerns about this subject were related to disruption to offering.

It was AGREED:

- ❖ Chinese New Year would not be adopted as Recess week.
- ❖ The mid year Recess for July 2012 shall remain as Weeks 3, 4 and 5.
- ❖ The mid year Recess for June/July 2013 shall be moved forward to weeks 51, 1 and 2 as a TENTATIVE proposal subject to industry feedback.
- ❖ The recommendations of the Northern Region Working Group be adopted, with the exception that the season average (for an increase in sales) to be changed from 5,700 lots to 15,000 bales.
- ❖ The Newcastle centre shall remain unchanged on 4 Sales for 2012/13. Newcastle Sellers shall be offered the timing of these Sales. Newcastle sellers shall also be advised of Wool Week dates.
- ❖ New Zealand Merino shall be asked to review their program recommending that they seek to avoid clashes with Newcastle and Launceston selling.
- ❖ The Christmas Recess is confirmed for weeks 25, 26 and 27.
- ❖ The Easter Recess is confirmed for week 40.
- ❖ The week 33 L33/M33 Sale format is confirmed as unchanged.

ACTION Secretary to seek input from Newcastle Sellers on sale weeks
Secretary to seek input from New Zealand Merino.
2012/13 Wool Selling Program to be updated and issued.

N33/12/8.0 TENTATIVE WOOL SELLING PROGRAM 2013/14

NASC discussed the format of the TENTATIVE WSP for 2013/14. Consistent with the decision in the previous season to move the mid Year Recess, Weeks 1 and 2 have been designated Recess weeks. As a consequence of this move, Western Region representatives elected to remove a Sale in week 05 due to low volumes.

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Towards the end of the season, Week 52 (June 2014) is the first week of the mid Year Recess. There was some discussion as to whether this Recess should be advanced an additional week (resulting in a Recess period of Weeks 51/52/1) however there was a preference to monitor the results from the previous period before determining if this was practical.

It was noted that ANZAC day fell in the same week as the Easter Recess.

It was AGREED:

- ❖ Weeks 1 and 2 are to be RECESS weeks (continuing from Week 52 in the previous season). This is Tentative pending industry feedback.
- ❖ Week 5 in Western Region is to be a No Sale week.
- ❖ Other Wool Selling Program conventions used in 2012/13 are carried forward.

ACTION **Issue Tentative 2013/13 WSP**

N33/12/9.0 SUBMISSIONS

9.1 INTERIM STORAGE CENTRES

NASC discussed the progress of publication of Interim storage locations. It was advised that WIEDPUG was reviewing the technical EDI standard to assist the transparency of this process.

9.2 11AM START FOR NEWCASTLE ON WEDNESDAYS

A buyer request was made for NASC to consider advancing the Sale commencement time in Newcastle on Wednesday from noon to 11AM. In its consideration NASC accepted that noon was more practical for growers. NASC also thought it was probable quantities offered in Newcastle would increase in 2012/13.

It was AGREED:

- ❖ Noon would be retained as the start time for Newcastle Sales on Wednesday.

9.3 TIMING OF NUMBER OF DAY CHANGES IN WESTERN REGION

NASC considered a seller request to defer the [final] decision on the number of Sale days for a Sale in Western Region to Thursday rather than Monday. The rationale behind the request was that estimates were better later in the week.

NASC did not support this application. It believed that a degree of certainty on the Sale Days in all centres should exist earlier in the week to allow for planning of staffing and purchasing strategies. Only in exceptional circumstances should the sale days be changed on a Thursday.

9.4 SPLITTING CATALOGUES IN WESTERN REGION

NASC received a seller submission requesting a broker's catalogue not to be split across multiple days. The Sale Administrator in Western Region advised that this was only requested rarely and as a last resort to assist in day balance.

The clear preference of NASC was to not split brokers' catalogues over multiple days, however it was recognised that this was done occasionally in all regions.

ACTION **Mr. Hosking to discuss with submitter.**

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9.5 NORTHERN REGION SALE ROOM BREAK

Mr. Beecher asked NASC to consider whether the timing and notification of Room 1 breaks in Northern Region could be improved. He noted that a recent break was 40 minutes into the sale on a small day.

He thought it was also practical for a small notice board noting when the Sale would recommence would be useful for the following broker.

Mr. Hogan was concerned a notification board would not be used after the initial period.

The Committee agreed some increased communication between the sheriff and the auctioneers would be useful.

ACTION

Secretary to discuss with Room Sheriffs.
Small whiteboard to be trialed in one room.

9.6 NORTHERN REGION SALE ROOM BALANCE

NASC considered a request to review the balance of offerings between sale rooms in Northern Region. NASC was supplied sale room statistics illustrating room balance since 2001. The balance in rooms has changed over time reflecting the increase in crossbred wool in the region.

The Committee believed that a change to address this structurally would need to be addressed by changing the catalogue composition (i.e. permanently move a specific wool category from the blue catalogue to the white). There was no support to moving parts of catalogues, or brokers, on an ad-hoc basis to balance on a week by week basis.

Mr. de Kluever noted that when a similar question was raised regarding Southern Region, modeling of structural changes to catalogue (e.g. moving type 'x' from one catalogue to another) did not necessarily fix the problem, but shifted it from one room to the other. He also noted that the types of wool that could be moved between rooms /catalogues was relatively limited as they needed to be compatible with the buying requirements of the room.

Mr. Collison had discussed this matter with other Northern Region buyers . He did not think there was support for a change. He would discuss this further with the submitter.

ACTION

Mr. Collison to discuss with submitter.

9.7 WIRELESS ACCESS

NASC endorsed the request for showfloor providers to look at providing WI-FI access to the internet if the commercial Telco. reception (3G/4G) used by handheld devices was inadequate.

NASC noted that more buyers (and brokers themselves) were utilizing handheld devices on the showfloor to record wool types. A recent trend was for these devices to connect back to base where the catalogue data was stored and the types updated remotely rather than on the device itself. Stable internet/VPN/remote desktop connectivity is required to support this method of data processing.

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ACTION Notice to showfloor providers recommending they consider providing WIFI access on showfloors to assist internet/VPN/remote desktop connectivity where standard 3G/4G provisions were inadequate.

9.8 WA SALE ROOMS

The Committee was briefed on the current situation regarding the provision of sale room and showfloor facilities in Western Region at the conclusion of the current lease. The Committee was extremely concerned that the provider had yet to finalise this matter. The Committee was advised by Western Region representatives that third parties were likely to commence contingency plans if nothing was advised by Easter.

The Chairman urged AWH to improve communication with stakeholders as it appeared the situation was becoming unstable.

9.9 CORRESPONDENCE

The Committee noted correspondence received from Mr. Moses in relation to a post sale logistics matter. This was advised as outside of the NASC Terms of Reference (when received) and was resolved between the commercial parties involved.

N33/12/10.0 SHOWFLOOR/CATALOGUING GUIDELINES

Removed from Agenda due to time constraints.

ACTION Relist NASC34

N33/12/11.0 POWER FAILURE PROCEDURE

As a result of a recent power failure in Western Region prior to the Sale commencing, a draft operating procedures for AWEX sale administrators was written covering issues such as industry notification and sale deferment protocols.

It was AGREED:

- ❖ Committee was to review procedures and provide feedback to Secretary.

ACTION Committee to review and advise.

N33/12/12.0 OTHER BUSINESS

12.1 TERM EXPIRY

The Secretary informed the Committee that the term of the Western Region Seller position was due to expire. Nomination forms for this position are to be issued in coming weeks.

12.2 CONDUCT

The Committee considered a conduct matter.

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N33/12/13.0 NEXT MEETING SCHEDULE

Meeting Code	Week	Date	Time	Type
NASC-34	50	Friday 15 June 2012	1.00pm	TELECONFERENCE
NASC-35	09	Friday 01 Sept 2012	1.00pm	TELECONFERENCE
NASC-36	21	Friday 23 November 2012	1.00pm	TELECONFERENCE
NASC-37	36	Friday 08 March 2013	9.00am	FACE TO FACE
NASC-38	47	Friday 24 May 2013	1.00pm	TELECONFERENCE
NASC-39	10	Friday 06 September 2013	1.00pm	TELECONFERENCE
NASC-40	21	Friday 22 November 2013	1.00pm	TELECONFERENCE
NASC-41	36	Friday 7 March 2014	9.00am	FACE TO FACE
NASC-42	47	Friday 23 May 2014	1.00pm	TELECONFERENCE

Meeting Closed: 2.15pm AEDT

NASC representatives

Name	Position	Contact No	E-mail
Wayne Beecher	North Seller	02 6341 1900	beecherwool@bigpond.com
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	03 9240 4700	mdekleuver@rodwells.com.au
Simon Hogan	Large Seller	0417 856 420	simon.hogan@elders.com.au
Lyndon Hosking	West Seller	08 9434 1699	lhosking@dysonjones.com.au
Josh Lamb	4 th Buyer	0419 841 609	joshlamb@techwool.com.au
Len Tenace	South Buyer	0400 966 177	lent@segardmasurel.com.au
Les Targ	Chairman		

National Offering Profile by Sn and Week over June/July period

