
NATIONAL AUCTION SELLING COMMITTEE

SUMMARY OF OUTCOMES: MEETING NASC35-2012

FRIDAY 31ST AUGUST 2012, 1.00 PM AEST

AUSTRALIAN WOOL EXCHANGE LTD

2 EDEN PARK DRIVE, MACQUARIE PARK, NSW

BY TELECONFERENCE

(UPDATES 23/11/12)

N35/12/1.0 PRESENT

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

N35/12/2.0 WELCOME/APOLOGIES

All present.

N35/12/3.0 MINUTES PREVIOUS MEETING

Accepted/Approved.

N35/12/4.0 ACTION ITEMS/ISSUES ARISING NASC33

Item Ref	Description/Action	Status
N34/12.0	Tuesday/Wednesday Trial report	Completed/issued
N34/5.0	Mid Year Recess	Agenda N35/5.0
N34/6.0	Auction Rules/Compliance	Agenda N35/6.0

N35/12/5.0 WOOL SELLING PROGRAM (WSP) 2012/13/14; MID-YEAR RECESS

NASC considered submissions in response to its proposal to roster the mid-year Recess in Weeks 1, 2 & 3 in 2013/14.

The seller sector was generally in support of retaining weeks 52 and 1 as trading weeks to assist financial year change over. This support ranged from neutral to strong. Some sellers were concerned about the potential for Week 4 (with a 1, 2 & 3 Recess) as being abnormally large which was not preferred as an opening position.

The buyer submission(s) and position(s) were mixed. Support for (retaining) trading over weeks 52 and week 1 was strongest, but not universal, amongst those with processing links. Those supporting the Recess as 1, 2 & 3 suggested trading benefits would result from having an uninterrupted trading period from open to close at Christmas. Some (social) benefits were recorded with respect to the Recess being more in line with school holidays.

It was AGREED:

- ❖ The 2013/14 TENTATIVE WSP is to be issued retaining the mid-year Recess as Weeks 3, 4 and 5.

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ACTION 2013-14 TENTATIVE Wool Selling Program to be issued.

N35/12/6.0 AUCTION RULES/COMPLIANCE

NASC considered a preliminary proposal paper about the role of sanctions on sellers for repeated or serious breaches of auction business rules. Whilst this was noted that this not common, it did occur. The Committee supported the concept and offered some suggested approaches that should be taken out to industry for discussion prior to any decision on implementation.

It was AGREED:

- ❖ That participants be included in the development phase by allowing suggestions regarding sanctions.

ACTION A table of business rules to be issued to auction participants with columns for participants to rate severity and to suggest appropriate sanction approach.

N35/12/7.0 TRANSFERS/LATE SALE CLOSE OFF TIME

NASC considered a request to modify the business rule about deadlines for transfers and late sales to be lodged for processing with auction service providers (AWEX/AWH). The current NASC Sale Room Code of Conduct allows for 30 minutes after the last lot offered *for each service provider*.

There was no objection by the Committee to this request.

It was AGREED:

- ❖ Transfers/Late Sales would be accepted for processing up to 30 minutes after the last lot offered for the sale day (in the centre). This deadline applies to both service providers where a centre has dual providers for the day.
- ❖ Sale Room Code of Conduct to be updated.

ACTION Notice to Participants and Service Providers advising change of procedure.

N35/12/8.0 NON MAINLAND SELLER SEQUENCE

NASC considered correspondence expressing concern about the implications of rostering a non mainland seller first (after a major Recess). This was discussed at some length. Buyer representatives expressed a preference for non mainland sellers to not be rostered first on a sale day as it was not possible to get a broad range of quotes in the first hour (as non mainland sellers tend to offer a specific type of wool).

An alternative perspective suggested that not all buyers may be active on non mainland wool (though this is thought to be few) and that rostering first or last would be beneficial from a workflow perspective allowing non participant buyers to not be present in the room.

It was AGREED:

- ❖ Where possible non mainland sellers should not be rostered first. NASC accepted that in the case of Tasmanian wool, (Roberts) was able to be rostered second where RuralCo was rostered first.

ACTION Notice to Roster Controller.

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N35/12/9.0 OTHER BUSINESS

9.1 NASC REVIEW

NASC34: The Chairman briefed the Committee on a meeting he had with representatives from NCWSBA, IWB and ACWEP as part of a review of NASC. He believed it was appropriate to conduct a review of the NASC Terms of Reference (structure/scope et al) as this was appropriate and normal corporate governance practice. He noted that NASC had been operating for 8 years. The Chairman believed the meeting was constructive and useful. He would be preparing a summary paper on the meeting for consideration by these stakeholders.

NASC35: The Chairman advised that he had received some correspondence indicating the summary paper did not address some concerns. The Chairman advised that it was his view that (now) only a formal review inviting submissions from all NASC stakeholders would be required.

ACTION Chairman

9.2 DEFINED DELIVERY AREA

Mr. Tenace asked whether it was possible to commission a review of the defined delivery areas used by sellers as boundaries allowable for delivery as part of the post sale charge. Mr. Tenace believed that many of delivery areas are out of date and have not moved with the shift in wool storage and handling within main centres.

ACTION Secretary to provide background information at NASC36 before NASC considers further.

9.3 DISTRIBUTION OF POST SALE CHARGES (PSC)

Buyer representatives have reported that many have not received notification of PSC changes by brokers. Most Brokers Terms of Sale indicate a 14 day notice period.

ACTION Secretary to issue an e-mail list to sellers to facilitate issue.

9.4 SOUTH ~~SELLER~~-BUYER POSITION – TERM EXPIRY

The Secretary advised the Committee that the 3 year term of the South ~~Buyer~~~~Seller~~ representative (Mr. Tenace) was about to expire. The normal nomination and election procedure would be implemented shortly after the meeting.

ACTION Secretary to issue nomination forms to Southern Region NASC Buyer members.

9.5 SERVICE PROVIDER SERVICES (Newcastle N09)

NASC considered correspondence from a buyer expressing concerns about the quality of ancillary services at Newcastle, specifically; interruptions to sale result data feeds and the non functioning of an in room sale result display panel. The Secretary reported that the first matter (interrupted data supply) was due to a software update routine requiring a hardware reboot within AWEX Head Office; the reboot temporarily affected data distribution and information from all centres and was not specifically related to, or caused by, the Newcastle centre.

It is understood that the Sale Room display problem in Newcastle was able to be rectified (by AWH) however this would have required a reboot of the system during the sale which was thought to be unduly disruptive.

NASC noted the response.

ACTION Service Providers to review.

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N35/12/10.0 NEXT MEETING SCHEDULE

Meeting Code	Week	Date	Time	Type
NASC-36	21	Friday 09 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: 2.20pm 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		