
NATIONAL AUCTION SELLING COMMITTEE

SUMMARY OF OUTCOMES: MEETING NASC45-2015

FRIDAY 13TH MARCH 2015, 9.30AM AEDT

AUSTRALIAN WOOL EXCHANGE LTD

2 EDEN PARK DRIVE, MACQUARIE PARK, NSW

FACE TO FACE MEETING

N45/15/1.0 PRESENT

Les Targ	Chairman
John Bradbury	West Buyer
Jason Carmichael	Large Seller
Stuart Clayton (Alternate)	4 th Buyer
Dean Collison	North Buyer
Michael de Kleuver	South Seller
Lyndon Hosking	West Seller
Gordon Litchfield	North Seller
Len Tenace	South Buyer
David Cother	Secretary
<u>In attendance</u>	
Gerard Buchanan	NCWSBA
Tim Marwedel	ACWEP

N45/15/2.0 WELCOME

The Chairman welcomed

- Mr. Clayton as alternate for Mr. Lamb,
- Mr. Hosking as the returned representative for Western Region Sellers and
- Mr. Buchanan and Mr. Marwedel representing National Council of Wool Selling Brokers and Australian Council of Wool Exporters (NCWSBA) and Processors (ACWEP) on matters relating to the Wool Selling Program(s).

APOLOGIES

Josh Lamb
Inland Wool Brokers Association (IWB)

N45/15/3.0 MINUTES PREVIOUS MEETINGS (NASC43/B)

NASC44 SOO Accepted

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N45/15/4.0 OPEN ACTION ITEMS/ISSUES ARISING (up to including NASC44)

Item ID	Description/Action	Status
N34/9.2	Definition of Delivery Area** Some preliminary discussions held (NASC 37) NASC45. CONFIRMED AS REQUIRED.	TO BE COMPILED AND PRESENTED AS NASC46
N40/4.0	Terms of Reference	In progress.
N41/4.2.1	Launceston Sale configuration NASC45: Secretary briefed committee on proposed changes to Tasmanian Freight Equalization Scheme where wool to be exported from mainland is proposed to be included. (Currently TFES is restricted to wool destined to be processed in Australia.) If included this would reduce the freight component factored in bidding levels.	Noted
N42/10.5	New entrant protocol	Yet to commence
N44/10.3	Proposal that any changes to catalogue data be submitted no later than 1hour prior to sale. To be circulated for industry comment and reviewed at next NASC meeting.	Yet to commence. Circulate and consider at NASC46.

N45/15/5.0 SYDNEY ROYAL EASTER SHOW S40/14 (SRES)

The Secretary briefed the Committee on arrangements made thus far for S40/14 sale to be held at the 2015 SRES. All arrangements had been circulated to Northern Region buyers and brokers via update notices. A number of outstanding matters needed to be resolved, namely: whether the Friday prior was to be gazetted as a valuing day and the sale commencement times on the two selling days. Estimated lots to be offered were expected later in the day.

It was AGREED:

1. Tuesday Sellers were to have final transmissions and printed catalogues available by 10AM Friday to allow Friday valuing.
2. The Sale was to commence at 10.30am on Tuesday and 10.00am on Wednesday. These may be reviewed subject to receiving the next round of estimates from brokers.

ACTION(S) Changes to the Selling Arrangements for S40/14 are to be advised.

N45/15/6.0 WOOL SELLING PROGRAM 2015/16

NASC reviewed submissions made in relation to the 2015/16 Wool Selling Program.

6.1 DESIGNATED AUSTRALIAN SUPERFINE (AS) SALES

NASC received a submission proposing the introduction of two AS Sales (one in Spring and one in Autumn) into the 2015/16 Southern Region Sale series. This proposal, and the marketing of Superfine wool within the context of the WSP was discussed at length.

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Key discussion points on this matter were:

- It was noted the Northern region had a strong, and recent, legacy of aggregated Superfine offerings from the Newcastle Sales. This was not the case in Southern region (excepting Launceston).
- Superfine buyers valued knowing in advance when Superfine wool was scheduled to be offered. A recent promotional initiative implemented by ASWGA in notifying buyers in advance when their members' wool was to be offered was complimented and cited as proactive way of letting the trade know of notable clips.
- That, in the context of Southern Region, they did not believe it was to the detriment of Superfine wool to be offered as part of the weekly sale series, provided suitable promotion was made in advance.

It was AGREED:

1. The six designated AS Sales in Northern Region would be retained.
2. AS Sales would not be added to the Southern Region Sale series in 2015/16.

6.2 LAUNCESTION FEATURE SALE (M24)

NASC considered a submission noting the reduction in Launceston stored wool being offered in the December feature sale. Growers originally using the Sale were increasingly utilizing other Sale opportunities either pre or post this December Sale.

It was AGREED:

1. M24 would no longer be designated a Launceston feature Sale.

6.3 LAUNCESTION SALE (L33)

NASC noted the comments from earlier in the meeting on proposed changes to the Tasmanian Freight Equalisation Scheme.

It was AGREED:

1. The Launceston L33 Sale would be retained.

6.4 PUBLIC HOLIDAYS

NASC noted the following in relation to the 2015/16 WSP.

1. Southern Region would have reduced selling opportunity for three weeks in a row due to Public Holidays in weeks 38, 39 and 40.
2. Friday 2ND October 2015 had been announced as a Public Holiday (AFL Grand Final) but had yet to be gazetted. The proposed Public Holiday is currently in the Regulatory Impact Statement phase where the community can make submissions on the likely impact of such a holiday. Once completed the estimated time of gazetting is July. Business Victoria has advised that whilst it is always possible the PH may not proceed we should work on the basis that this Holiday will be invoked.

6.5 JULY RECESS

The Chairman introduced this topic by noting the Committee had made several attempts to propose alternative options to the current three week July Recess. These had been rejected by buyers and/or brokers. He asked the Committee representatives, including Mr. Buchanan and Mr. Marwedel to summarise the positions of each of their respective constituencies. The Chairman noted that unless there had been a material shift in position by some constituents the status quo was the likely outcome.

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Current positions on this matter are summarised thus:

- There are regional variations and the demand for change varies between regions and sectors.
- NCWSBA believes three weeks is too long and strongly supports a two week Recess. Cash flow (for growers) is an important factor.
- ACWEP strongly supports a three week Recess.

It was AGREED:

1. The July Recess would remain unchanged as Weeks 3,4 and 5 on the 2015/16 WSP.

6.6 EASTER RECESS

It was noted the IWTO conference was to be held in Sydney in the Week immediately after the Easter Recess. (See also 6.7)

It was AGREED:

1. A Recess week would be programmed for Week 40.

6.7 IWTO CONFERENCE SYDNEY 2016

NASC considered a submission from the IWTO Sydney 2016 Organising Committee notifying NASC of the timing of the conference and seeking consideration from NASC as to how sales may be rostered to maximize opportunity for interested brokers and buyers to attend. The 3 day conference will commence on Monday 4th April and conclude on Wednesday 6th April 2016 (Sale Week 41).

It was AGREED:

1. Week 41 Sales (S41, M41, F41) would be retained on the 2015/16 WSP (as normal).
2. Selling Arrangement options (nationally) to assist those wanting to attend would be considered closer to the event. This may include earlier catalogue deadlines (allowing valuing in the prior Recess week).
3. NASC would write to the Organising Committee advising support of any initiative in relation to a wool auction promotional event either at the conference (or at Yennora).

6.8 CHRISTMAS RECESS

NASC discussed the timing of the Christmas Recess. See also 9.0

It was AGREED:

A 3 week Recess would be programmed for Weeks 26, 27 and 28.

6.9 WESTERN REGION SALE SERIES

NASC considered whether F01 would be introduced for 2015/16. Mr. Hosking and Mr. Bradbury noted that the Sale worked well in 2014/15 with both F01 and F02 having similar offering quantities. Mr. Hosking noted that 2014/15 had a build-up of stock and was concerned this stock level may not be as high for 2015/16. Both were keen to avoid repeat of earlier seasons where F01 was large and F02 was extremely small.

They recommended F01 be on the 2015/16 WSP but should be considered each year based on the performance of the previous season and likely stocks.

It was AGREED:

F01 was to be added to the 2015/16 WSP.

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6.10 NEW ZEALAND OFFERING

NASC requested the NZ offering be rostered so as to not clash with designated AS or Launceston Sales.

6.11 WOOL WEEK

A submission advising the dates of 2015 Wool Week was noted. This was added to the WSP as reference.

6.12 TENTATIVE 2016/17 WOOL SELLING PROGRAM

It was AGREED:

The Tentative 2016/17 Wool Selling Program was to be released using the 2015/16 policy template.

ACTION(S) **2015/16/17 WOOL SELLING PROGRAMS TO BE RELEASED.**

N45/15/7.0 TIMING OF CATALOGUES

The committee considered a request for Northern Region Thursday seller catalogue deadlines to be advanced to same as Wednesday seller deadlines to give buyers more flexibility when valuing.

Broker representatives at the meeting were unable to support this request as this time was required for test results to come through.

It was AGREED:

No change to existing deadlines.

N45/15/8.0 NASC TERMS OF REFERENCE

The Chairman briefed the Committee on submissions he had received from the industry organisations regarding the draft NASC Terms of Reference. These submissions indicated that there was not an appetite for NASC being established as a separate legal entity, and (auction) compliance and rules should be handled under the AWEX framework.

The Chairman summarized the position as this; there were two options for NASC:

- a) Stay as is and accept unenforceable rules, or
- b) Become an “independent” sub-committee of AWEX, where AWEX handles legal aspects and NASC advises AWEX on rules, sanctions, programs etc.

Some representatives were concerned about perceived or real loss of independence if under AWEX structure. The Chairman noted that both options had strengths and weaknesses.

ACTION(S) **Chairman to provide summary paper for representatives so that they can consult with NASC members and to discuss the options with industry organisations.**

N45/15/9.0 TIMING OF CHRISTMAS RECESS

A review of (the timing of) the Christmas Recess policy was discussed at NASC44. A draft policy was released for industry comment. NASC discussed this policy and has accepted some editorial change for clarity.

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It was AGREED:

A minimum of 4 clear week days shall exist between the last selling day and Christmas Day.

e.g. If the last selling day is gazetted as Thursday it must be dated no later than the 18th December (4 clear week days) and no earlier than 12th December (9 clear week days).

ACTION(S) **Update Auction Handbook.**

N45/15/10.0 WESTERN REGION SELLING ARRANGEMENTS

The current business rule for determining the number of sale days in a Western Region Sale is based on the number of lots to be offered in Room 1. If the total number of lots to be offered in Room 1 exceeds 800 then the Sale shall be rostered as 2 days.

Where this policy is raising concerns is when a two day sale is rostered and:

- a) The lots offered in Room 1 fall below this level,
- b) Total lots in Room 2 are very small (sometimes with selling taking 40 minutes)
- c) Daily quotes in Room 2 are nominal at best, and
- d) The costs associated with small sale days are fixed.

NASC issued a discussion paper prior to NASC 44, proposing the cutoff in Room 1 lots be lifted to reduce the incidence of very small sale days. The NASC Western Region representatives have surveyed their constituents for comments on this discussion paper.

The results from these local surveys were presented to NASC. NASC discussed these results for some time. It concluded:

- a) Any discussion relating to potentially less selling days in a centre is a sensitive matter,
- b) That ultimately NASC's responsibility is to have selling arrangements that put the market first, namely sale days that can be quoted, reported and with enough volume for buyers and sellers to function.
- c) The results collected locally are inconclusive. In some cases the results were in conflict with subsequent advice from senior management within the same company.
- d) There was not enough supporting detail collected. More than half of the responses were simply Yes/No answers with no supporting reasons.
- e) Some responses presented alternative solutions that perhaps may need to be explored.

It was AGREED:

The Chairman and Secretary would circulate a discussion paper and survey via the principals of companies buying and selling in Western Region.

ACTION(S) **Discussion Paper and Survey to be issued.**

N45/15/11.0 OTHER BUSINESS

11.1 TEST RESULTS DELAYED DUE TO INTERNAL AWTA CHECK TESTS

NASC was briefed on a case where a single lot was unable to be re-transmitted with results after being delayed due to internal AWTA check test. The broker concerned was only able to transmit entire catalogues. Manual entry of these results by buyers

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and/or AWEX is difficult and time consuming. NASC authorized the secretary to write to system service provider asking them to look at implementing retransmission of single lots to the EDI network.

ACTION(S) **Secretary to write to IT service provider.**

11.2 HANDHELD SHOWFLOOR DEVICES

NASC was asked whether they believed an industry approach should be taken to have printed catalogues replaced by handheld devices (for example from July 2017). There are both benefits and costs to this approach.

It was AGREED:

NASC believes this should be a market driven initiative rather than an industry wide implementation.

N45/15/12.0 NEXT MEETING SCHEDULE

Meeting Code	Week	Date	Time	Type
NASC-46	47	Friday 22 May 2015	11.00AM AEST	TELECONFERENCE
NASC-47	08	Friday 21 August 2015	11.00AM AEST	TELECONFERENCE
NASC-48	20	Friday 13 November 2015	11.00AM AEDT	TELECONFERENCE
NASC-49	36	Friday 04 March 2016	9.30AM AEDT	FACE TO FACE

Meeting Closed: 13.45pm AEDT

For more information: NASC representatives

Name	Position	Contact No	E-mail
John Bradbury	West Buyer	0418 926 899	john@fremantlewool.com.au
Jason Carmichael	Large Seller	0447 601 725	jason.carmichael@landmark.com.au
Dean Collison	North Buyer	0419 868 783	dean.collison@michell.com.au
Michael de Kleuver	South Seller	0428 643 745	mdekleuver@rodwells.com.au
Lyndon Hosking	West Seller	0427 779 460	lhosking@dysonjones.com.au
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