

---



---

## NATIONAL AUCTION SELLING COMMITTEE

---



---

### SUMMARY OF OUTCOMES: MEETING NASC57-2018

FRIDAY 23 FEBRUARY 2018, 9.00AM AEDT

**FACE TO FACE**

#### N57/18/1.0 PRESENT

Les Targ	Chairman
Peter Brice	North Buyer
Michael de Kleuver	South Seller
Simon Hogan	Large Seller
Josh Lamb	4 <sup>th</sup> Buyer
Peter Morris	West Buyer (Alternate)
Scott Shenton	West Seller
Len Tenace	South Buyer
David Cother	Secretary
Andrew Rickwood	Secretary (Alternate)
Stuart Clayton	ACWEP Member Principal (part meeting)

#### N57/18/2.0 WELCOME/APOLOGIES/OTHER

- The Chairman;
- a) welcomed Mr. Shenton as the newly elected Western Region Seller Representative,
  - b) recorded an Apology from Mr. Horne and welcomed Mr. Morris as Alternate,
  - c) welcomed Mr. Clayton as Member principal of ACWEP attending the Agenda Item relating to the Wool Selling Programs,
  - d) referred to a letter from NCWSBA thanking NASC for the invitation to send a Member principal (for discussions on the Wool Selling Program) and advising a representative would not be attending this meeting. The Chairman noted that invitations (to ACWEP, NCWSBA and IWB) would continue to be issued for future meetings (on this topic), and
  - e) was advised that Mr. Litchfield would be representing IWB (on matters relating to the Wool Selling Program).

#### N57/18/3.0 MINUTES PREVIOUS MEETINGS

NASC 56 – Accepted after the following amendment:  
 N56/17/5.0 WIEDPUG DEFINITIONS – Remove:  
 “More discussion will occur on this topic and cataloging structures in general at NASC57” as this issue had been resolved.

#### N57/18/4.0 YET TO BE COMPLETED ACTION ITEMS (up to including NASC55)

Item ID	Description/Action/Comment	Status
N42/10.5	New entrant protocol	Yet to commence
N50/12.0	Reconditioned wool guidelines <b>Look at developing joint doc. with AWTA</b>	In progress
N50/14.0	Room Sheriff – role and responsibilities	In progress
N54/7.0	Online Alterations –	<b>COMPLETED</b>

---

---

## **NATIONAL AUCTION SELLING COMMITTEE**

---

---

### **N57/18/5.0 WOOL SELLING PROGRAMS**

#### **5.1 2018/19 TENTATIVE WOOL SELLING PROGRAM**

##### **5.1.1 AUSTRALIAN SUPERFINE (AS) SALES**

The profile of Superfine fleece wool offerings by week in Northern Region was considered by the Committee.

It was AGREED:

The six (6) designated AS Sales in Northern Region are to be retained on a schedule similar to 2017-18.

##### **5.1.2 TASMANIAN FEATURE OFFERING**

It was AGREED:

M33 would be retained as a Sale with a featured Tasmanian origin offering.

##### **5.1.3 PUBLIC HOLIDAYS**

The Public Holidays for 2018/19 were noted. It was noted that ANZAC Day falls during the 2019 Easter Recess week.

The committee discussed whether it was possible to schedule Sales on a Thursday where the Friday is a Public Holiday. It was noted this could only be considered if the following week was not a 3-day Sale due to valuing requirements. It was decided this could be tried and industry feedback sought. This would not be applicable for the week containing Good Friday.

It was AGREED:

Excepting the week containing Good Friday, a three-day Sale may be scheduled when the Friday of the sale week is a Public Holiday, provided the following week is a two-day Sale. The Thursday of this three-day Sale must preferably be smaller.

##### **5.1.4 NORTHERN REGION SALE SERIES**

It was AGREED:

The Northern Region Sale series would be the same as the 2017/18 pattern.

##### **5.1.5 SOUTHERN REGION SALE SERIES**

It was AGREED:

The Southern Region Sale series would be the same as the 2017/18 pattern.

##### **5.1.6 WESTERN REGION SALE SERIES**

It was AGREED:

F01 was to be retained to the 2018/19 WSP and no change would be made to the 2017/18 pattern.

##### **5.1.7 CHRISTMAS RECESS**

It was AGREED:

A three (3) week Recess would be programmed for Weeks 25, 26 and 27. This conforms to the NASC Business Rule where four clear business days must exist between the last sale day and Christmas Day.

*Please refer Agenda Item 7.0 re resolution on centres selling in isolation immediately after a major Recess.*

---

---

## **NATIONAL AUCTION SELLING COMMITTEE**

---

---

### **5.1.8 EASTER RECESS**

It was AGREED:

A one (1) week Recess for Easter would be programmed for Week 43, it was noted that this week includes ANZAC Day.

### **5.1.9 MID-YEAR (JULY) RECESS**

NASC considered a letter from NCWSBA re-affirming its position of support for a two-week Recess in July. Mr. Litchfield (representing Inland Wool Brokers) confirmed IWB's preferred position was also a two-week recess in July.

The Chairman asked the committee whether there was any new or changed positions that suggested a two-week Mid-Year Recess would be accepted by both sectors. The Chairman concluded that given efforts by the committee over previous years to negotiate two-weeks by varying timing, there was no new proposal on the table.

It was AGREED:

A three (3) week Recess would be programmed for Weeks 3, 4 and 5.

*Please refer Agenda Item 7.0 re resolution on centres selling in isolation immediately after a major Recess.*

### **5.1.10 NEW ZEALAND OFFERING**

The Secretary advised that a response was yet to be received on the likely NZ offering in Melbourne. This would be followed up post meeting.

It was AGREED:

That the committee's preferred position is that NZ should:

- a) not clash with Tasmanian and/or AS designated weeks, and
- b) avoid weeks that are likely to be restricted as under the MLA they would receive limited allocation arising from their infrequent offering profile.

### **5.1.11 WOOL WEEK**

Wool Week was noted as being held in Week 8.

It was AGREED:

The 2018/19 Wool Selling Program was to be issued as Final.

## **5.2 2019/20 TENTATIVE WOOL SELLING PROGRAM**

The committee considered a proposal to move the Christmas Recess (in 2019/20) from weeks 25/26/27 to weeks 26/27/28 with Week 25 restricted to Tuesday/Wednesday selling. The objective of this proposal was to push the Recess one week later meaning a later start in January.

Points raised during this discussion included;

- a) The reason for limiting Week 25 to Tuesday/Wednesday only was to comply with the NASC Business rule of four clear business days between the last selling day and Christmas Day.
- b) It was thought brokers would need to review their prompt dates over this period and possibly extend. Brokers extending prompts in recent times for the last selling week in December have received favourable buyer support. It was noted that prompt dates are an independent commercial decision for each broker.
- c) It was believed growers would accept a later prompt, given they would be selling pre-Christmas (compared to post Christmas under the current Program convention).
- d) This proposal moves a Sale from the second half to the first half of the season.

---



---

## NATIONAL AUCTION SELLING COMMITTEE

---



---

It was AGREED:

To release the 2018/19 TENTATIVE Wool Selling Program with the Christmas Recess as Weeks 26, 27 and 28 to assess industry sentiment.

Week 26 would be restricted to 2 selling days (Tuesday/Wednesday) to comply with the NASC business rule that 4 clear business days must exist between the last selling day and Christmas Day.

If this proposal is not supported then the Christmas Recess would remain in Weeks 25, 26 and 27.

### **N57/18/6.0 PAUSING BROKER INTER-DAY ROTATIONS ON SHORT WEEKS (SYDNEY)**

The Chairman sought the views of the two Representatives with Northern Region seller constituents. Both reported that after initial caution, a clear majority of their constituents could see the operational benefits when the rotation was paused.

It was AGREED:

That Option 2 was the preferred option and that pausing rotations would be implemented after the 2018 Easter Recess where a Public Holiday falls later in the week. (See table below.)

Selling Week No	SALE DAYS			FRI
	TUE	WED	THU	
n		Group A	Group B	
n+1	Group A	Group B		Public Holiday
n+2		Group A	Group B	
n+3		Group B	Group A	

### **N57/18/7.0 SELLING CENTRES IN ISOLATION**

The committee spent considerable time on this Agenda item discussing whether a centre selling in isolation resulted in different buying strategies or behavior. The Committee generally agreed that there was no clear evidence the markets were negative or cheaper on these days. The committee did form a view that on balance it was preferable for at least two centres to operate on any one day.

Two cases were considered:

- a) The opening day after a major Recess, and
- b) A centre selling in isolation during the season (e.g. a Melbourne 3-day Sale)

It was AGREED:

1. For the opening day after a major Recess at least two centres would be rostered. If one centre requires three selling days, another (two day) centre would be rostered to open with the three-day centre on the first day. The Committee agreed (that where Melbourne requires three selling days) in Week 6 the Northern Region would move to Tuesday/Wednesday selling. In Week 28 the Western Region would move to Tuesday/Wednesday selling. If Melbourne requires two selling days, all centres will commence on Wednesday.
2. That a decision on isolated days during the season would be considered at a later date.

---

---

## **NATIONAL AUCTION SELLING COMMITTEE**

---

---

### **N57/18/8.0 ROOM BALANCE – MANAGING SEASONAL CHANGES – SOUTHERN REGION**

The committee discussed at length the rostering challenges associated with the significant difference in room quantities in the South during the November-February period. NASC considered the option of moving lots between rooms but felt that due to the commercial implications to buyers and the wide-ranging views on the types of wool suitable for moving that alternative solutions would be exercised for the three to four month period where Room 2 increases significantly in volume.

In forming a view on changes to the Selling Arrangements, the Committee felt that a large Room 2 was a lesser problem than having relatively small quantities of Merino Fleece offered on any one day (and particularly if a day sells in isolation to other centres).

It was AGREED:

1. That the preferred option was to offer 2-day Sales where possible.
2. To accommodate situations where Room 2 is significantly larger than Room 1 the following parameters shall apply:

#### **Maximum Room Limits per day**

- The maximum daily lot limit in Room 2 has been increased to 1300 lots. Where Room 2 on any one day exceeds 1300 lots then the Sale shall be rostered as a 3-day Sale.
- The Room 1 lot limit shall remain unchanged at 1200 lots. If Room 1 exceeds 1200 lots on any one day the Sale shall be rostered as a 3-day Sale.

#### **Start/Finish Times**

- Where a Room exceeds 1100 lots and the difference between rooms exceeds 500 lots, the larger room shall commence 1 hour earlier (i.e. 10AM) to reduce the difference in finish times between rooms.

**ACTION(S)**      **Implemented and to apply to Southern Markets, effective from Week 36. Same rules are likely to be applied at a later date to Northern Region for consistency, though in practice may not be required.**

### **N57/18/9.0 SYDNEY ROYAL EASTER SHOW (SRES) – S39/17**

The Secretary provided a brief update on Selling Arrangements for the S39/17 Sale to be held at the SRES. Ticket Request forms have been issued. The sale room will be a marquee-type structure with a roof to mitigate pavilion sound.

The Committee was advised that a bale intended for 1PP certification would be catalogued for this Sale and the broker was hoping to display the bale at the pavilion (after commercial assessment at Yennora).

That the committee had no objections to this occurring noting:

- All transport and security pre and post-sale would be the responsibility of the broker,
- The space and display location would be allocated by RAS-NSW Sheep and Wool Committee (and was not a NASC function),
- Recommended the broker show the technical specifications via signage to assist the general public understanding, and
- The broker is to keep commercial signage to a minimum consistent with the terms of the auction.

---

---

## **NATIONAL AUCTION SELLING COMMITTEE**

---

---

### **N57/18/10.0 EVENT SALE CRITERIA**

NASC received a submission that one or more additional clauses be added to allow for smaller sales that may be deemed industry or private events requiring NASC coordination.

It was AGREED:

That additional clauses would be added to allow NASC to consider applications requesting NASC support/coordination on private or subsets of existing Sales

### **N57/18/11.0 NESTED BROKERS – SOUTHERN REGION**

The Southern Region Seller Representative believed that nearly all brokers in the South operating these structures were open to move towards the model preferred operationally by buyers. He sought clarification on how the catalogues and show-floors may look. He noted that any changes in this area would not happen until after Easter when volumes were smaller and resources less stretched.

#### **Recommended Model**

##### **Catalogue/Showfloor**

Broker "A": MFLC, MSKTS, XBFS, ODDS (then..)

Broker "B": MFLC, MSKTS, XBFS, ODDS

#### **Roster**

##### **Room 1**

1. Broker A: MFLC

2. Broker B: MFLC

##### **Room 2**

1. Broker A: MSKTS, XBFS, ODDS (then..)

2. Broker B: MSKTS, XBFS, ODDS

*Please note: this change is applicable only to unrelated companies that use the auctioneering/showfloor services of another broking company.*

### **N57/18/12.0 OTHER BUSINESS**

#### **12.1 LATE CATALOGUE TRANSMISSIONS**

The Secretary sought clarification of what constituted exceptional circumstances under which NASC would accept late transmissions from a broker (on application).

It was AGREED:

That the only exceptional circumstances that would be accepted by the committee would be situations outside the control of the selling brokers: e.g. Power outages, Systems outage, EDI outage or delays by third parties. In nearly all cases these would be able to be verified by a third party.

#### **12.2 MARKET REPORTING**

NASC considered a letter expressing concerns about two AWEX Market Reports containing incorrect Merino Carding Indicators in Southern Region. The Chairman noted that this was a matter best directed to AWEX rather than NASC. The Secretary, as an employee of AWEX, responded on AWEX's behalf. AWEX was aware of the error and corrective reviews were undertaken and in one case the report was reissued. The error was attributed to analyst error. When asked if AWEX analysts consult with market participants, Mr. Cother replied that AWEX analysts are directed to form independent views of the market. In doing so they will talk with selected auction participants after forming this view.

---

---

## NATIONAL AUCTION SELLING COMMITTEE

---

---

### N57/18/13.0 NEXT MEETING SCHEDULE

Meeting Code	Week	Date	Time	Type
NASC-58	47	Friday 25 May 2018	9 AM AEST	TELE CONF
NASC-59	09	Friday 31 Aug 2018	9 AM AEST	TELE CONF
NASC-60	21	Friday 23 Nov 2018	10 AM AEDT	TELE CONF
NASC-61	35	Friday 1 Mar 2019	9 AM AEST	FACE TO FACE
NASC-62	46	Friday 17 May 2018	9 AM AEST	TELE CONF

Meeting Closed: **1.05PM AEDT**

For more information: NASC representatives

Name	Position	Contact No	E-mail
Peter Brice	North Buyer	0457 553 849	<a href="mailto:pbrice@australianmerino.net.au">pbrice@australianmerino.net.au</a>
Michael de Kleuver	South Seller	0428 643 745	<a href="mailto:mdekleuver@rodwells.com.au">mdekleuver@rodwells.com.au</a>
Simon Hogan	Large Seller	0417 858 420	<a href="mailto:simon.hogan@elders.com.au">simon.hogan@elders.com.au</a>
Greg Horne	West Buyer	0411 066 271	<a href="mailto:g.horne@modiano.com.au">g.horne@modiano.com.au</a>
Scott Shenton	West Seller (Alt.)	08 9336 3000	<a href="mailto:scott@woolite.com.au">scott@woolite.com.au</a>
Josh Lamb	4 <sup>th</sup> Buyer	0419 841 609	<a href="mailto:josh.l@ewexports.com.au">josh.l@ewexports.com.au</a>
Gordon Litchfield	Northern Seller	0428 484 855	<a href="mailto:gordon@glw.net.au">gordon@glw.net.au</a>
Len Tenace	South Buyer	0400 966 177	<a href="mailto:len.tenace@michell.com.au">len.tenace@michell.com.au</a>
Les Targ	Chairman	0414 365 933	