
NATIONAL AUCTION SELLING COMMITTEE

SUMMARY OF OUTCOMES: MEETING NASC37-2013

FRIDAY 8TH MARCH 2013, 9.30AM AEDT

AUSTRALIAN WOOL EXCHANGE LTD

2 EDEN PARK DRIVE, MACQUARIE PARK, NSW

FACE TO FACE MEETING

N37/13/1.0 PRESENT

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

N37/13/2.0 WELCOME/APOLOGIES

The Chairman welcomed Mr. Freeman as the new Large Seller representative.

N37/13/3.0 MINUTES PREVIOUS MEETING

Accepted.

N37/13/4.0 ACTION ITEMS/ISSUES ARISING (NASC36 and Prior)

Item ID	Description/Action	Status
	Issue of Auction Handbook (Technical Parameters, Showfloor Lotting Standards, Sale Room Code of Conduct)	In Progress
N34/6.0	Auction Rules/Compliance	To be considered NASC38
N34/9.1	Chairman's Review of Terms of Reference	Finalised after NASC37
N34/9.2	Definition of Delivery Area	To be considered NASC38
N36/5.0	Non Weekly Seller schedule	Completed
N36/6.0	Northern Region seller rotations/selling arr trial	Initiated–Review NASC37
N36/7.0	WA Dump/Shipping congestion	Update NASC37
N36/8.0	Post Sale Charge monitoring	In progress
N36/9.0	Test result query protocol	To be considered NASC38
N36/10.1	Model of Offering quantities vs EMI change	Completed – Issued - Attached
N36/10.2	Non declaration of Run with – letters to industry organisations	To do
N36/10.3	Large Seller position election (expiry of term)	Completed

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4.1 WESTERN AUSTRALIAN DUMP CONGESTION

Mr. Bradbury and Mr. Lamb supplied the Committee with an update of the current dumping situation in Western Australia.

N37/13/5.0 CHAIRMAN'S REVIEW OF NASC TERMS OF REFERENCE

The Chairman updated the Committee with the progress of his review of the Committee's Terms of Reference. Since the last NASC meeting he had received feedback on the draft report issued to industry.

The Chairman has also met (by teleconference) with representatives from the three Industry Organisations (ACEWP/IWB/NCWSBA) to discuss the outcomes of the review. He was of the view that changes proposed by NCWSBA would not have industry support. He recognized NCWSBA had concerns, and proposed another mechanism to address these. He proposed that each Industry Organisation be able to nominate a representative to attend the NASC meeting to participate in discussions on the Wool Selling Program. The Industry Organisation representatives would not have voting rights and finalisation of the WSPs would remain the responsibility of the 8 elected representatives. This invitation was to be on a trial basis (for the NASC37 meeting) after which both NASC and the organizations would review whether this interaction was beneficial.

The Chairman intends to finalise the report shortly after the NASC37 meeting.

N37/13/6.0 WOOL SELLING PROGRAM 2013-14

The Chairman welcomed Mr. Marwedal, Mr. Ryan and Mr. Woods to the meeting as representatives of ACWEP, NCWSBA and IWB respectively.

6.1 NORTHERN REGION PROGRAM

NASC was asked to consider how, or if, wool from Newcastle should be reflected on the 2013-14 Wool Selling Program as the centre had been closed. The Committee considered the submissions from various stakeholders which covered a wide range of views. In summary:

- There was little, if any support for the WSP to have Newcastle specific Sales, either as weekly or day (split) Sales.
- There was general agreement that Newcastle wool should be integrated into the standard cataloguing conventions in Sydney Sales. Newcastle and New England wool can be identified under existing cataloging standards (storage centre and WSA codes respectively).
- It was recognised there was a requirement for specific Sydney Sales to be designated as Superfine Sales to allow for aggregation (critical mass) and marketing opportunities (for both seller and buyer sectors). The critical mass assisted buyers to sell into the market.
- Sydney Superfine Sales would be open to all brokers and would not be restricted for type.
- Superfine Growers would be able to engage in the market by offering in non Superfine Sales at any time.
- Enough AS Sales should be rostered to allow continuity of offering and to reduce the chance of large variations in offering.

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It was AGREED:

- ❖ 7 Sydney Sales would be designated as Australian Superfine (“AS”) feature Sales.
- ❖ Where possible, the AS Sales should not clash with Launceston or New Zealand offerings.
- ❖ AS Sales were open to all brokers and were not restrictive for type.
- ❖ AS Sales would use standard cataloguing conventions.

6.2 WESTERN REGION PROGRAM

Western Region representatives requested the Western Region Program to remain unchanged for 2013-14.

It was AGREED:

- ❖ The Western Region Program is unchanged for 2013-14.

6.3 SOUTHERN REGION PROGRAM

The Committee noted the submissions from Roberts and New Zealand Merino. The Southern Region representatives agreed there was no change required to the structure of the Southern Region Program.

It was AGREED:

- ❖ The Southern Region Program is unchanged for 2013-14 excepting an adjustment to the proposed NZ offering to minimise a clash with the Northern Region AS Sales.
- ❖ Week 33 is retained as a split Sale Week (L33/M33). Week 23 contains a Launceston (Tasmanian) offering.

6.4 SALE RECESS WEEKS

The Committee considered the Sale Recess weeks for 2013-14.

6.4.1 Christmas Recess

- Was confirmed for Weeks 25, 26 and 27.

6.4.2 Easter Recess

- Was confirmed for Week 43. It was noted that Easter Monday and ANZAC Day both fall in Week 43.

6.4.3 Mid-Year (July) Recess

The Mid-Year (July) Recess attracted lengthy debate and discussion.

This Agenda item included a submission from NCWSBA asking NASC to consider a Mid-Year (July) Recess of 2 weeks for Northern and Southern Region, with Western Region remaining as 3 weeks, included analysis illustrating an average (negative) market impact over the period pre and post Recess.

The key points made during this debate were:

- Why have three week Recess? Is it still relevant and legacy of previous practice?
- Implications on grower and broker cash flow.
- Adverse affect on the market over this period.
- Three week break has logistical implications for brokers.
- Volumes over this period are still historically low. Queensland and New South Wales volumes appear to have plateaued.
- The respective positions of each Industry Organisation were tabled.
- Three weeks is required by buyers for client servicing, business planning and some leave. Unable to do this when Sales are on due to limited staff resources.

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- Some comments were made in relation to the supplied analysis. The analysis covered the Mid Year Recess periods for the previous 3 years.
- Many of the buyers (were unsurprised at the results of the analysis) and noted that demand was traditionally low over this period and an average decline in the market would occur regardless of whether Recess was three or two weeks.
- Buyer representatives recommended two rostering practices that may assist the market on re-opening.
 - Ensuring Tasmanian wool is not rostered first on the opening day, and
 - Rostered Sydney and Melbourne as three smaller days instead of two larger days on the week after the Recess.
- It was put to the seller representatives that they might look to offer a week (Week 5) using alternative offering methods; e.g. electronic auction or private treaty tender. If electronic auction then would need to be full AWEX support – i.e. Market Report and Clip Prep. Sellers asked whether these Sales would get buyer support. Buyers noted that this would depend on volume and that some buyers prefer not to purchase this way. Some Sellers had a preference to support the (open cry) auction system.
- The buyer representatives asked whether a change in the timing of the (mid year) Recess would assist sellers; for example if it was positioned in June.
- An alternate buyer suggestion was to have 2 weeks at Easter and 2 weeks in July. Seller representatives did not support this.

After lengthy discussion the Chairman asked the elected representatives to finalise the position on the mid-year Recess. The Committee was deadlocked along sectoral lines and given this the chairman called for the status quo in the absence of a majority vote for a change. The Committee agreed. The Committee also noted that alternative selling methods were available.

It was AGREED:

- ❖ The Christmas Recess shall be Weeks 25, 26, and 27.
- ❖ The Easter Recess shall be Week 43.
- ❖ The Mid Year (July) Recess shall be weeks 3, 4 and 5.

6.5 OTHER

Wool Week was noted (Week 10).

ACTION Secretary to publish the Australian Wool Selling Program 2013-14.

N37/13/7.0 TENTATIVE WOOL SELLING PROGRAM 2014-15

It was AGREED:

- ❖ The Tentative Australian Wool Selling Program 2014-15 should reflect the 2013-14 template, recognising that some variables such as the number and timing of AS Sales, NZ offering, Recess Weeks may be subject to change at subsequent NASC meetings.

ACTION Secretary to publish the Tentative Australian Wool Selling Program 2014-15.

N37/13/8.0 FINALISATION OF WOOL SELLING PROGRAMS

See 6.0/7.0.

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N37/13/9.0 NORTHERN REGION SELLER ROTATIONS

NASC reviewed the outcomes of the Sales where northern region Sellers were rostered under a revised allocation system approved under trial status as NASC36. It was noted that one Sale resulted in a large room differential however this was recognised as an administrative error where a seller was not moved in time. Northern region buyer and seller representatives though the day and room balances were within acceptable limits for the period to date.

It was AGREED:

- ❖ The Northern Region roster system was to be continued.

ACTION Secretary to advise Northern Region sellers and Roster Controller.

N37/13/10.0 OTHER BUSINESS

10.1 AUCTIONEER PROTOCOL

Mr. Hosking sought clarification on whether the practice of asking for extra money on a sale lot in the room was acceptable practice. The Committee believed this was not a practice to be encouraged.

10.2 QUALITY WOOL

NASC received a request to consider whether Quality Wool could be rostered first or last to assist buyers in the Sale room (who did not value this catalogue). The Committee did not support this application.

ACTION Mr. Tenace to revert.

10.3 NUMBER OF TIMES OFFERED

The Committee discussed the issue of lots being offered where the sample is no longer representative of the bulk. It was agreed this should be an issue that is subject to a NASC Business Rule to be enforced, however it would be considered at NASC38 where a fuller discussion involving sanctions would be considered.

ACTION Secretary to List NASC37

10.4 CATALOGUE AVAILABILTY – NORTHERN REGION THURSDAY

Mr. Collison tabled a request as to whether the Thursday catalogues (printed/data) could be available on Monday morning for Monday valuing.

The Northern Region Sellers did not support this application. Early printed catalogues are available on application.

ACTION Mr. Collison to revert.

10.4 SELLER POSITION – WESTERN REGION

Mr. Hosking asked whether it was possible for a seller to be rostered on the same day to assist with forward contract settlements. The general view of the Committee was that each seller needs to manage this process, and it was often possible to manage these variations with the contract provider.

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10.5 SALE ROOM ETIQUETTE – NORTHERN REGION

NASC received a complaint about broker personnel entering the Sale Room whilst another broker was conducting their sale.

Activities such as handing out passed in sheets, talking to buyers, changing name plates or negotiating passed in lots are not to occur whilst an auctioneer from another seller is at the rostrum.

Broker personnel (in all regions) are reminded:

- The Broker currently in Sale has the right of the room.
- The Auctioneer is in control of the room.
- The Auctioneer has the right to ask personnel from other brokers to leave.
- Do not enter the room when another broker has the right of the room as being asked to leave may offend.

ACTION Secretary to issue reminder notice to Broker personnel.

N37/13/11.0 NEXT MEETING SCHEDULE

Meeting Code	Week	Date	Time	Type
NASC-38	48	Friday 31 May 2013	1.00pm	TELECONFERENCE
NASC-39	11	Friday 13 September 2013	1.00pm	TELECONFERENCE
NASC-40	40	Friday 15 November 2013	1.00pm	TELECONFERENCE
NASC-41	34	Friday 21 February 2014	9.30am	FACE TO FACE
NASC-42	47	Friday 23 May 2014	1.00pm	TELECONFERENCE

Meeting Closed: 1.55pm AEDT

For more information: 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
David Freeman	Large Seller	0417 856 420	david.freeman@landmark.com.au
Michael de Kleuver	South Seller	03 9240 4700	mdekleuver@rodwells.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	0414 365 933	

Weekly AWEX-EMI movement compared to National Offering for week (since July 1 2009 – 165 weeks)



