
NATIONAL AUCTION SELLING COMMITTEE

SUMMARY OF OUTCOMES: NASC MEETING NAS011-2007

HELD FRIDAY 2ND MARCH 2007, 9.30 AM AEST

AUSTRALIAN WOOL EXCHANGE LTD

318 BURNS BAY RD

LANE COVE

FACE TO FACE

N11/07/1.0 PRESENT/ WELCOME

Andrew Blanch
Michael de Kleuver
Graham Evans
Peter Morris
Jim McDonald
Chris McDonnell
Ken Walker
Rowan Woods
Sas Douglas (Chairman)
David Cother (Secretary)

N11/07/2.0 APOLOGIES/WELCOME

Mr. Fraser. Michael de Kleuver attended as an Alternate.

Chairman advised the Committee that Mr. Fraser had submitted his resignation effective from the end of this meeting. This was as a result of his changing role within RuralCo.

As a result of this resignation, an election will be held for the position of Southern Region Seller.

On behalf of the Committee, the Chairman thanked Mr. Fraser, a foundation member of NASC, for his significant contribution over the last 2 years.

N11/07/3.0 MINUTES PREVIOUS MEETING/ACTION ITEMS

NAS010-2006
Minutes accepted.

N11/07/4.0 SELLING CENTRES

Chairman updated the Committee with correspondence and conversations exchanged since the last NASC meeting and noted that more discussion would occur under Agenda Item 5.

Secretary advised that the AWEX Board had met and approved involvement of AWEX to assist industry develop the road map on selling centres. AWEX Board had no view on the matter but wanted to ensure that industry could resolve where and how it wants to trade wool.

Committee discussed general issues associated with Selling Centres.

NATIONAL AUCTION SELLING COMMITTEE

N11/07/5.0 WOOL SELLING PROGRAMS (WSP)

5.1 RECESS WEEKS

Committee considered a number of positions with respect to the number and timing of Recess weeks. There was strong Buyer support for a 3 week common Recess in July and two week Recess at Easter.

It was AGREED to a 3 week common Recess in July. The Committee was unresolved on proposal to have a 2 week common Easter recess. Chairman declared status quo was to remain (one week in North and South, two weeks in West).

It was AGREED to propose a 2 week July Recess/ 4 week Christmas Recess in the 2008/09 Tentative WSP. This was to be published to encourage debate prior to the formal review of this program in 12 months time.

5.2 CENTRES/LOCATIONS

NASC was asked to consider rostering a Sydney sale in the same week as Newcastle to allow offering of some Sydney style wool.

The Chairman noted that NASC had previously agreed to support further industry dialogue to encourage moving Newcastle sales to Yennora. In so doing, strong support for the retention of the Newcastle sales in Newcastle had been received by several grower groups from Northern NSW and Queensland. On the other hand, non Newcastle based brokers were interested for NASC to roster a Sydney sale (1 day) during Newcastle sale weeks to cater for Sydney style wool and those buyers reluctant to travel to Newcastle.

The Chairman reiterated that closure of any selling centre was a commercial decision, and brokers in Newcastle were unlikely to make such a decision in the short term. He proposed that NASC should continue to roster sales in Newcastle unless commercial initiatives occur, but that some of the Newcastle sales be rostered with a Sydney sale in the same week. The concept of offering wool in Sydney during a Newcastle sale would be designated as a TRIAL and the planning, conduct and analysis of the trial would be based on Buyer and Seller feedback.

It was AGREED that:

- o in 2007/08 6 Newcastle Sales would continue to be rostered in Newcastle; and
- o 4 trial sales (S08/S12/S16/S35) would be rostered during those Newcastle sale weeks. (The coordination of the Sydney roster would be discussed with Buyers and Sellers by the NASC Northern Region delegates.)

In relation to Launceston it was AGREED that Roberts et al should continue to be encouraged to consider relocating all or some of the Launceston sale to Melbourne. (The coordination of such a move would be discussed with Buyers and Roberts by the NASC Southern Region delegates.)

NATIONAL AUCTION SELLING COMMITTEE

5.3 SELLING WEEKS

The Committee noted that L32 was preceded by M31 which included a Public holiday.

It was AGREED to move L32 to Week 33 to allow an extra week in Melbourne and to maintain the standard one week differential (between Launceston and Newcastle), N34 would be moved to Week 35.

5.4 MINIMUM QUANTITIES

With declining volumes of wool entering the market, concern has been expressed that there was an increased possibility of 1 day sales occurring. Models presented to the Committee (based on possible falls in offering) noted that this may occur. It was noted that the technical parameters outlined the minimum quantities required for a sale to proceed in all centres except Sydney.

It was AGREED that for a Sydney centre Sale the minimum quantity for a sale to proceed would be 7000 bales.

N11/07/6.0 VOLATILITY OF OFFERING

The Committee considered a request from a number of Buyers in relation to management of (extreme) volatility in offering in the market. Extreme changes in offerings usually, (but not always) are a result of equally large movements in price.

Two possible options were presented for discussion:

- Lowering the maximum number of lots that can be offered in a sale day, and
- Limiting the amount of change a broker can make after a nominated Estimate as published in the Five Weekly Forecast schedule.

The Committee AGREED that more information and discussion was required. This matter was deferred to the next meeting.

N11/07/7.0 REVIEW OF PROTOCOL FOR LATE SELLING ARRANGEMENT CHANGES

NASC has reviewed its procedures when making late changes to Selling Arrangements to ensure that constituents are adequately consulted prior to implementing a decision.

The Committee AGREED that, where necessary, consultation on late changes to a previously published Selling Arrangement should be conducted by regional survey distributed to Buyers and Sellers via the Secretary. Responses to this Survey are to be sent directly from the Buyer/Seller to the NASC delegate.

NATIONAL AUCTION SELLING COMMITTEE

N11/07/8.0 LOTTING OF NON MERINO WOOL

Submissions from the Stud Merino Breeders Association of WA and the Australian Association of Stud Merino Breeders Ltd asked NASC to consider the proposal to lot catalogues and showfloors according to Breed type. Specific reference was made to separating Merino from Dohne and SAMM breed groups.

The Committee AGREED that no changes should be made to the Technical Parameters in relation to lotting of showfloors and catalogues by Breed Group. However it recognised that some Sellers may use this as a marketing exercise.

N11/07/9.0 IDENTIFICATION OF OWNERSHIP STATUS

Committee re-considered a request that Buyer Reoffers and Wool Pool lots be identified and/or sold in a separate catalogue. Concern was expressed that non identification could lead to Buyers bidding on lots in which they have an interest, resulting in a higher price than would otherwise occur.

The Committee AGREED that more specific detail was required for further consideration at the next Meeting.

N11/07/10.0 PUBLICATION OF CATALOGUE SYMBOLS

Committee considered a request that Sellers are to ensure that Catalogue Symbols are current on their catalogues.

The Committee AGREED that Sellers should have an up to date list of catalogue symbols with their catalogues. If sellers have old catalogue covers then a paper insert will suffice until catalogue covers are run out.

N11/07/11.0 WOOL WEEK – SELLING ARRANGEMENTS

The Committee considered a request from ACWEP to structure selling arrangements in Wool Week (week 9) 2007 to enable ACWEP members to attend its AGM on Thursday. This would mean sales in this week would be conducted on Tuesday/Wednesday.

The Committee AGREED that selling days in during Wool Week 2007 would be rostered on Tuesday/Wednesday.

N11/07/12.0 PUBLICATION OF INTERLOT COMPONENTS

The Committee considered a request to remind all Sellers that they must display the components of Interlots on the showfloor boxes.

The Committee AGREED that this practice was still valid and a requirement.

N11/07/13.0 NON CONFORMING LOTS

The Committee considered a request that all Non Conforming Lots be removed from Auction.

This was deemed to be outside the Terms of Reference of NASC. This would be referred to AWEX rules.

NATIONAL AUCTION SELLING COMMITTEE

The Committee AGREED that no further action would be taken by NASC.

N11/07/14.0 OTHER BUSINESS

14.1 SELLING DAYS

A request was made to consider making all two (2) day sales sell as a Tuesday/Wednesday series rather than Wednesday/Thursday. Principle reasons included an extra day for exporters to manage payment and shipping.

The Committee AGREED to consider this matter at the next meeting.

14.2 STANDARDISED START TIMES

The Committee was asked to consider implementing standard start times for every sale day. (Excluding Newcastle/Launceston) selling commences between 11 and 12 noon subject to the number of days and the day of week.

The Committee AGREED to consider this matter at the next meeting.

14.3 COMMITTEE ELECTIONS

The Chairman reminded the Committee that the 3 year term of all foundation members would be ending at the end of the year, and elections/re-election would occur prior to the February meeting 2008.

14.4 ANZAC DAY

The Secretary noted that ANZAC day falls on a Wednesday this year. Selling days would be restricted to Tuesday/Thursday in all regions. Members will be advised of any specific transmission/catalogue times closer to April.

N11/07/15.0 NEXT MEETINGS

NASC-12	Friday May 18 th 9.30 AM AEST	TELCONF
NASC-13	Friday August 10 th 9.30 AM AEST	TELCONF
NASC-14	Friday October 26 th 9.30 AM AEST	TELCONF
NASC-15	Friday February 29 th	FACE TO FACE

Meeting Close: 12.25PM AEST