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## **NATIONAL AUCTION SELLING COMMITTEE**

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### **SUMMARY OF OUTCOMES: MEETING NASC31-2011**

**FRIDAY 26<sup>TH</sup> AUGUST 2011, 1.00 PM AEST**

**AUSTRALIAN WOOL EXCHANGE LTD**

**318 BURNS BAY RD, LANE COVE, NSW**

**BY TELECONFERENCE**

#### **N31/11/1.0 PRESENT/WELCOME**

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

#### **N31/11/2.0 APOLOGIES**

Nil

#### **N31/11/3.0 MINUTES PREVIOUS MEETING**

Accepted/Approved

#### **N31/11/4.0 ACTION ITEMS/ISSUES ARISING NASC30**

##### **4.1 Northern Region Working Group**

Secretary advised the Working Group to recommend possible formulas for establishing the number of Newcastle Sales would be appointed/convened as soon as practical in September.

##### **4.2 Sale Room Code of Conduct**

Secretary advised the printed booklet was in the hands of AWEX regional offices for distribution to buyers and auctioneers.

##### **4.3 Updated Catalogue Symbol Set**

Updated catalogue symbol set was distributed to Buyers and Sellers. Date effective from Week 06.

##### **4.4 Southern Region Room 2 catalogue sequence**

The change to the Room 2 catalogue selling sequence (where sellers sell out both catalogues) has been implemented.

##### **4.5 One bale lots report from Sellers**

AWEX asked to provide sellers with progressive (end of month) reports on absolute and relative numbers of 1 bale lots offered to raise awareness of the scale of this offering. This has been completed.

##### **4.6 Northern Region Seller Rotation**

AWEX was asked to look at seller rotation in the north to keep groups together wherever possible. AWEX advised that this was done within the higher rostering policy of keeping days relatively balanced. The roster controller maintains a list of seller groups that are split/moved to preserve equity.

##### **4.6 Prompt Date Extension**

Results of the NASC survey to determine extent of exporter sentiment on this issue was circulated to Sellers for their own assessment with respect to their Terms of Sale.

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### 4.7 Overweight Bales

Secretary advised that applicant had been contacted advising that overweight bales were not to be offered within the auction system.

### 4.8. AWEX Online timing

Secretary had notified AWEX Market Information staff about request to standardize the start time of Gallery reports.

### 4.9. Western region Seller Rotation

Secretary advised he had discussed the request to revert to full day rotation rather than two half day rotations on 1 day sales with the Western Region controller.

### 4.10. Tuesday/Wednesday Selling

A second survey was issued based on results from the initial survey. See Agenda Item 5.0

## N31/11/5.0 TUESDAY/WEDNESDAY SELLING

NASC considered further the request via the China Australia Wool Working Group to consider offering auctions in a Tuesday/Wednesday Selling format rather than Wednesday/Thursday. NASC noted that this was a request from a major customer of Australian wool, and that the request should be evaluated properly.

NASC considered three inputs in further consideration of this matter.

- 1 The results of the NASC survey seeking feedback on a suggested model where full Friday valuing was proposed. (This was offered as result of feedback from a preliminary survey where buyers indicated that more valuing time would be required.) *Summary Results can be found at the end of these Outcomes.*
- 2 Results from a NCWSBA meeting on the 25<sup>th</sup> August which agreed to propose a national trial of Tuesday/Wednesday Selling provided the current catalogue cutoffs were maintained (Friday 3pm Transmission/Monday 7am Showfloor). NCWSBA also proposed the trial run from Weeks 32-40 where a variety of conditions exist (e.g. Public Holiday weeks, Newcastle/Launceston Sales etc) . NCWSBA also presented that any trial would require a series of metrics to determine costs and benefits.
- 3 Results from an ACWEP meeting on the 25th August which agreed in principle to support a trial.

The results from the NASC surveys indicated:

- Some buyers have identified that potential benefits could exist from earlier trading, largely with respect to expediting some shipments. (If prior to prompt this would result in earlier payments to seller).
- The issue of catalogue availability/access remains a point of difference between sectors:
  - Many Buyers believe earlier access to catalogues is necessary or essential,
  - Most Sellers have identified that earlier access to (Tuesday) catalogues present significant commercial and operational implications.

The NASC representatives presented a wide range of views from their constituents. Considerable discussion was had on how this matter should be handled.

NASC was presented with a range of alternative options that could be considered in this matter including, the use of unofficial E&OE catalogues, an early transmission with finals at 3pm, or reduction in the number of lots per day (therefore lowering the number of lots to value). NASC was concerned that if it recommended a trial it should be based on operating parameters that would be acceptable permanently.

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NASC would be prepared to consider a trial provide enough cross sector support exists on operational parameters.

Due to positions offered from NCWSBA and ACWEP, NASC believed it was necessary, at this time, to survey auction participants on the level of support for (a trial of Tuesday/Wednesday Selling using) catalogue deadlines proposed by NCWSBA.

NASC decided they could not consider, or to put other options (to participants) until the results of this survey were known.

It was AGREED:

- ❖ NASC Auction participants were to be surveyed on level of support for Tuesday/Wednesday selling using existing catalogue deadlines.
- ❖ NASC is to reconsider this matter at the November meeting.

### **N31/11/6.0 WOOL SELLING PROGRAM**

#### **6.1 2011/12 – WESTERN REGION**

It was Agreed at NASC29 that the post Easter period of the 2011-12 Western Region Wool Selling Program would be reviewed. Sales in this period were marked as Tentative. The deferral was due to uncertainty about the amount of wool to be offered over this period.

NASC Western Region representative reported that buyer have a preference for sales for larger fortnightly rather than potential small weekly Sales. The ability to attract limits on small sales were cited as a reason to look at larger Sales (in a period of lower volumes).

Sellers are reported to have mixed views, with some believing volumes may be improved on last season.

It was AGREED:

- ❖ Weeks 45 and 47 are to be marked Tentative
- ❖ This period will be reviewed in February 2012.

#### **6.2 JULY/MID YEAR RECESS**

NASC considered a request that queried whether the commencement of the July Recess should be reviewed. The request suggested that if the Recess commenced from Week 1 (instead of Week 3), then this may reduce the sudden impact of hold over stocks may be diluted instead of being compelled to offer in the current two week window.

During the debate, the Committee queried whether June or June/July may be a more appropriate window for the mid year Recess. As no supporting data or industry consultation was supplied for this approach it was decided that this matter be reconsidered at the meeting in November.

It was AGREED:

- ❖ Buyer and sellers were to be surveyed on their view on the commencement date of the mid year Recess,
- ❖ That objective information be sought to assess flow patterns, and
- ❖ This Item be placed on the NASC32 Agenda.

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### **N31/11/7.0 Technical Parameters – Selling Days in Week prior to Recess**

NASC considered a request to consider whether two day Sales in the week prior to a National Recess without a Public Holiday could be mandated as Wednesday/Thursday rather than Tuesday/Wednesday. This policy would be applicable to the week prior to the mid year and end of year Recesses.

The rationale for the request was to avoid a repeat of Week 02 where a sudden influx of wool resulted in catalogue deadlines having to be modified.

It was argued that rostering these Sales to Wednesday/Thursday (if two day Sales) ensured all parties had adequate time to core, value and prepare. If an additional day was required then Tuesday was available.

Western Region asked whether it was possible for it to sell Tuesday/Wednesday.

It was AGREED:

- ❖ There was general support for this request. [Seller] Representatives are to check with constituents with a view to finalise at the November meeting. The next occurrence of this week is the December Recess.

**ACTION**            Representatives to consult with representatives.

### **N31/11/8.0 WoolTrade AuctionsPlus (WTAP)**

A letter from WTAP was considered at NASC30 which asked whether WTAP information could be published on AWEX Four Week Forecast and Market Information products.

The Chairman stated he believed that this was an operational matter for AWEX and not a NASC issue.

It was AGREED:

- ❖ This was an AWEX matter.

### **N31/11/9.0 Other Business**

#### **9.1 WESTERN REGION START TIME**

A request for NASC to review the commencement time for Western Region auctions was tabled under other business as the request was received after the publication of Items to be Considered. The request proposed 11am WST.

It was AGREED:

- ❖ This matter would be considered formally by the full Committee at the next opportunity,
- ❖ Western Region representatives are to consult with local constituents.

**ACTION**            Western Region representatives to consult local constituents.

#### **9.2 SHOWFLOOR CLEARING**

A complaint was lodged about a Seller clearing their showfloor prior to inspection period expiring.

**ACTION**            Secretary to contact Seller.

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### 9.3 SELLER POST SALE CHARGES

Mr. Collison reported that buyers have reported they are not receiving notification from some sellers on changes to their post sale charges.

Sellers acknowledged that this may be possible. Whilst some may not be sending, others may be sending the information to incorrect person(s) within the buying company.

**ACTION** Secretary to ask buying firms to provide e-mail contacts for sellers to distribute Post Sale Charges notification. This list will be supplied to Sellers.

### N31/11/10.0 Next Meeting

NASC32 WEEK 21 FRIDAY 25 NOV 2011 1.00PM AEDT TELCONF  
NASC33 WEEK 33 FRIDAY 02 MAR 2012 9.00AM AEDT FACE TO FACE

Sub Meetings where required will be designated alpha suffixes (e.g. NASC30B).

Meeting Closed: 2.40pm

### NASC representatives

Name	Position	Contact No	E-mail
Wayne Beecher	North Seller	02 6341 1900	<a href="mailto:beecherwool@bigpond.com">beecherwool@bigpond.com</a>
John Bradbury	West Buyer	0418 926 899	<a href="mailto:john@fremantlewool.com.au">john@fremantlewool.com.au</a>
Dean Collison	North Buyer	0419 868 783	<a href="mailto:dean.collison@michell.com.au">dean.collison@michell.com.au</a>
Michael de Kleuver	South Seller	03 9240 4700	<a href="mailto:mdeklever@rodwells.com.au">mdeklever@rodwells.com.au</a>
Simon Hogan	Large Seller	0417 856 420	<a href="mailto:simon.hogan@elders.com.au">simon.hogan@elders.com.au</a>
Lyndon Hosking	West Seller	08 9434 1699	<a href="mailto:lhosking@dysonjones.com.au">lhosking@dysonjones.com.au</a>
Josh Lamb	4 <sup>th</sup> Buyer	0419 841 609	<a href="mailto:joshlamb@techwool.com.au">joshlamb@techwool.com.au</a>
Len Tenace	South Buyer	0400 966 177	<a href="mailto:lent@segardmasurel.com.au">lent@segardmasurel.com.au</a>
Les Targ	Chairman		