
NATIONAL AUCTION SELLING COMMITTEE

SUMMARY OF OUTCOMES: MEETING NASC44-2014

FRIDAY 21ST NOVEMBER 2014, 11.00AM AEDT

AUSTRALIAN WOOL EXCHANGE LTD

2 EDEN PARK DRIVE, MACQUARIE PARK, NSW

TELECONFERENCE

N44/14/1.0 PRESENT

Les Targ	Chairman
John Bradbury	West Buyer
Jason Carmichael	Large Seller
Dean Collison	North Buyer
Michael de Kleuver	South Seller
Stuart Greenshields (Alternate)	4 th Buyer
Lyndon Hosking	West Seller
Gordon Litchfield	North Seller
Len Tenace	South Buyer
David Cother	Secretary

N44/14/2.0 WELCOME

The Chairman welcomed Mr. Carmichael as the new Large Seller representative and Mr. Greenshields as the alternate for Mr. Lamb.

The Chairman expressed thanks to David Freeman for his contribution to the committee and wished him well for his retirement.

APOLOGIES

Josh Lamb

N44/14/3.0 MINUTES PREVIOUS MEETINGS (NASC43/B)

NASC43 SOO Accepted

Item N44/14/7.0 Bidding procedure when bidding in multiple names – wording to be improved for clarity. As written does not clearly state what the item and outcome relates to. Summary of Outcomes to be updated and reposted:

“NASC confirmed it was the responsibility of the sale room buyer, where bidding for multiple companies, to call the name of the (last bid) company at the conclusion of bidding to the auctioneer rather than expecting the auctioneer to guess the name based of previous purchases.”

NASC43B (Monday 17/11/14)

Present: Les Targ, John Bradbury, Jason Carmichael, Dean Collison, Michael de Kleuver, Lyndon Hosking, Josh Lamb, Gordon Litchfield, Len Tenace, David Cother

Purpose: To consider complaints lodged regarding a sudden change in bidding behavior and sale price levels on lots with an average bale weight less than 130kg in Melbourne Sale Room 2.

NATIONAL AUCTION SELLING COMMITTEE

Summary

NASC concluded;

1. the lots referred to in the complaint, whilst small in number, complied with the current Code of Practice and did not breach any standard,
2. a new minimum bale weight of 130kgs has been flagged for introduction in January 2016, subject to no significant adverse trial outcomes.
3. the bidding behavior was grounds for concern, could be in breach of the Competition and Consumer Act and could not be ignored,
4. the buyer sector was to be alerted to these concerns and if ongoing [the matter] may need to be referred to appropriate agencies, and
5. the NASC Chairman liaise with AWEX as to which organisation would issue a communication to NASC members.

N44/14/4.0 OPEN ACTION ITEMS/ISSUES ARISING (up to including NASC43)

Item ID	Description/Action	Status
N34/9.2	Definition of Delivery Area** Some preliminary discussions held (NASC 37).	2014 – NASC44.
N40/4.0	Terms of Reference	In progress.
N41/4.2.1	Launceston Sale configuration	In progress
N42/10.5	New entrant protocol	Yet to commence

N44/14/5.0 AUCTION HANDBOOK DRAFT

NASC considered industry feedback on the draft version of the Handbook. Feedback highlighted a number of matters including:

- a) Greater clarity on what constitutes a rule as opposed to a guideline,
- b) Some clauses needing review, and
- c) Some clauses requiring clarification.

ACTION(S) Items identified as needing review to be published and considered at NASC45. Responses to submissions to be written.

N44/14/6.0 TERMS OF REFERENCE REVIEW

NASC considered industry feedback on the draft Terms of Reference. Feedback has indicated there needs to be clarification on the legal status of the Committee.

ACTION(S) Chairman and Secretary to continue consultation with sectors on working through the most appropriate structure for NASC working forward.

N44/14/7.0 TIMING OF CHRISTMAS RECESS:

The Committee discussed from a policy perspective whether the timing of the Christmas Recess period should be reviewed. Historically the final sale day has ranged between 5 and 9 business days to Christmas. The current Season (14/15) has the Christmas at the earliest end of the spectrum (9 business days to Christmas).

The Committee discussed whether it was possible to roster Tuesday/Wednesday Sales in the final week. This has been tried previously and is prone to difficulties where volumes fluctuate. Additionally it is believed that

- a) Southern Region will, more often than not, likely require three sale days, and

NATIONAL AUCTION SELLING COMMITTEE

b) At least two centres are to sell on the final day (i.e. no centre to sell in isolation).

It was the general view that, based on feedback for this season, that there is a preference to extend Sales one week in years such as 2014, reducing the number of business days between the last sale day (Thursday) and Christmas Day to 4.

It was AGREED:

That a revised policy proposal on the Christmas Recess timing be circulated to participants for comment and finalization at NASC45. The circulation should include models for the next 6-7 years illustrating the new cycle.

Proposed policy

The last selling day (Thursday) prior to the Christmas Recess shall be between 4 and 8 business days before Christmas Day.

ACTION(S) Proposed policy formula to be circulated to industry for comment.

N44/14/8.0 WESTERN REGION SELLING ARRANGEMENTS – MINIMUM NUMBER OF LOTS FOR 2 DAY SALE

Withdrawn – more time required for local discussion. To be considered at NASC45.

ACTION(S) Add to NASC45 Agenda.

N44/14/9.0 NUMBER OF TIMES OFFERED PRIOR TO REGRAB

NASC considered whether the business rule of a regrab required after 5 times offered was current. A number of points of view were presented.

It was AGREED:

The requirement to regrab after 5 times offered was not required and that it was the broker's responsibility to ensure the sample was representative of the bulk and offered to best advantage of the seller. The buyers noted that wool not offered to best advantage would most likely attract a price penalty.

ACTION(S) Update Auction Handbook.

N44/14/10.0 OTHER BUSINESS

10.1 LOT PRICE BUYER (LPB) PROCESSING OF LOTS SOLD PRIOR TO SALE

NASC was briefed on a (buyer) proposal where transaction details of lots (catalogued) but sold prior to auction sale are made available using sale room data entry. Currently these lots are processed as WD (Withdrawn) as advised by the broker.

NASC noted this was at proposal stage only and had no objections should the proposal be pursued. They also noted data would only be processed if the broker/buyer (agreed and) provided the information to the sale room service provider (AWEX/AWH).

10.2 PROPOSAL TO HOLD S40/14 SALE ROOM ACTIVITIES AT 2015 SYDNEY ROYAL EASTER SHOW

NASC considered a proposal from the Royal Agricultural Society of NSW (RAS) to hold a commercial wool auction at the 2015 Sydney Royal Easter Show as part of the sheep and wool activities. Northern Region buyers and brokers have been issued with

NATIONAL AUCTION SELLING COMMITTEE

a proposal description for consideration and response to representatives. It was noted that showfloor activities for the sale would remain at Yennora and that wool would be offered at the Show using one sale room.

The Northern Region NASC representatives all reported industry feedback had been supportive and could see the benefit of this promotional activity to the wider public. Feedback indicated some expected minor logistical issues or costs, but not as impediment to proceed.

It was AGREED:

There was support in principle from the commercial participants to proceed with the proposal to hold S40/14 sale room activities at the 2015 Sydney Royal Easter Show subject to logistical issue being satisfactorily addressed.

ACTION(S) **NASC to respond to RAS.**

10.3 NOTIFICATION TIMING ON CHANGES TO CATALOGUE DATA

NASC considered a letter proposing that a deadline of one hour prior to commencement of sale should be declared on brokers advising changes to catalogue data (e.g. check test, certificate type, mulesing status etc.) so as to allow buyers enough time to amend their system data and/or pricing.

NASC believed the current auction operational documentation did not provide adequate direction in this area and that this proposal should be developed.

It was AGREED:

NASC was to issue the proposal for consideration by participants. Feedback to be considered at NAS45.

ACTION(S) **Circulate proposal for comment and add to Agenda NASC45.**

10.4 EXPIRY OF TERM

The 3 year term of the Western region Seller representative is due to expire prior to the NASC45 meeting in February.

NATIONAL AUCTION SELLING COMMITTEE

N44/14/9.0 NEXT MEETING SCHEDULE

Meeting Code	Week	Date	Time	Type
NASC-45	35	Friday 20 February 2015	9.30AM AEDT	FACE TO FACE
NASC-46	47	Friday 22 May 2015	11.00AM AEST	TELECONFERENCE

Meeting Closed: 12.40pm 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
Josh Lamb	4 th Buyer	0419 841 609	joshlamb@techwool.com.au
Gordon Litchfield	Northern Seller	0428 484 855	gordon@glw.net.au
Len Tenace	South Buyer	0400 966 177	lent@segardmasurel.com.au
Les Targ	Chairman	0414 365 933	