
NATIONAL AUCTION SELLING COMMITTEE

SUMMARY OF OUTCOMES: MEETING NASC49-2016

FRIDAY 4TH MARCH 2016, 9.00AM AEDT

AUSTRALIAN WOOL EXCHANGE LTD

2 EDEN PARK DRIVE, MACQUARIE PARK, NSW

FACE TO FACE MEETING

N49/16/1.0 PRESENT/WELCOME

Les Targ	Chairman
Jason Carmichael	Large Seller
Dean Collison	North Buyer
Michael de Kleuver	South Seller
Lyndon Hosking	West Seller
Josh Lamb	4 th Buyer
Gordon Litchfield	North Broker
Len Tenace	South Buyer
David Cother	Secretary
Gerard Buchanan	National Council of Wool Selling Broker (NCWSBA)
Tim Marwedel	Australian Council of Wool Exporters and Processors (ACWEP)

The Chairman welcomed Mr. Tenace after being re-elected as the Southern Region Buyer Representative.

The Chairman welcomed Mr. Buchanan and Mr. Marwedel and looked forward to their contribution.

N49/16/2.0 APOLOGIES

Greg Horne West Buyer
Inland Wool Brokers (IWB) thanked NASC for the Invitation to attend but advised they would not be sending an Observer to this meeting.

N49/16/3.0 MINUTES PREVIOUS MEETINGS

NASC48 SOO Accepted – no amendments.
NASC48B SOO Accepted – no amendments

N49/16/4.0 OPEN ACTION ITEMS/ISSUES ARISING (up to including NASC48)

Item ID	Description/Action	Status
N40/4.0	Terms of Reference	NASC-48
N42/10.5	New entrant protocol Committee raised specific examples where this needs to be addressed.	Yet to commence. TO BE FINALISED AT NASC-50.
N47/5.0	Transfer and Bidding Agreements	In progress

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N49/16/5.0 WOOL SELLING PROGRAMS

5.1 2016/17 WOOL SELLING PROGRAM

5.1.1 AUSTRALIAN SUPERFINE (AS) SALES

NASC received a submission from the Australian Superfine Woolgrowers Association (ASWGA) stating support for and seeking retention of the AS Sales in Northern Region.

It was AGREED:

1. The six designated AS Sales in Northern Region will be retained on a schedule similar to 2015-16.

5.1.2 LAUNCESTION SALE (L33)

NASC considered a submission proposing the L33 Sale should be renamed M33. This proposal was made on the basis of declining quantities being offered on the one day L33 Sale.

NASC discussed this at length. It was noted that in recent years quantities of Tasmanian wool offered in L33 were declining with just over 9000 bales offered in 2015/16 (down from 15,200 in 2012). For Season 2014/15 89% of Tasmanian wool was offered in standard "M" sales. Notwithstanding this, seller representatives believed a Tasmanian Origin feature Sale should be retained.

It was AGREED:

1. L33 is to be removed from the 2016-17 Wool Selling Program.
2. M33 is to be identified as a Tasmanian offering feature Sale designated with T.
3. Day 1 of M33 would be reserved for wool of Tasmanian Origin. Any broker with Tasmanian wool may choose to offer on Day 1, (or if offering mainland wool, may elect at their discretion to offer on other days).
4. If Tasmanian Offerings on Day 1 are small, mainland wool may be rostered to ensure roster balance across all selling days.
5. If offering volumes of Tasmanian Origin wool increase significantly (on M33-Day 1), NASC will consider a request to reinstate L33 (as a 1 day Sale format).

5.1.3 PUBLIC HOLIDAYS

NASC noted the following in relation to the 2016/17 WSP.

1. Anzac Day falls in the week immediately after the Easter Recess (resulting in 3 consecutive national sale weeks containing Public Holidays).
2. Friday 30 September 2016 (end of week 13) will be the AFL Grand Final Eve (Friday) Public Holiday in Southern Region. M13 shall be rostered as a two day Sale selling Tuesday and Wednesday.

5.1.4 JULY RECESS

NASC considered the submissions in relation to the July Recess. NCWSBA re-affirmed its support for a shorter Recess as did Inland Wool Brokers. ACWEP supported the current 3 week Recess.

NASC discussed a number of alternative options should be put to constituents as possible options on the 2017/18 Wool Selling Program.

It was AGREED:

1. The July Recess would remain unchanged as Weeks 3, 4 and 5 on the 2016/17 WSP.

5.1.5 EASTER RECESS

A one week Recess for Easter was confirmed for Week 42.

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5.1.6 CHRISTMAS RECESS

NASC noted the recently updated business rule defining the commencement of the Christmas Recess (i.e. 4 clear business days must exist between the last national sale day and Christmas Day.)

It was AGREED:

A 3 week Recess would be programmed for Weeks 25, 26 and 27.

5.1.7 WESTERN REGION SALE SERIES

NASC considered a request from the Western Region seller representative seeking reintroduction of F01 for 2016/17.

It was AGREED:

F01 was to be added to the 2016/17 WSP.

5.1.8 NEW ZEALAND OFFERING

NASC recommended the NZ offering be rostered so as to not clash with designated AS or Tasmanian feature Sales.

5.1.9 WOOL WEEK

A submission from AWIS advising the dates of 2016 Wool Week was noted. This was added to the WSP for reference (Week 8).

5.2 2017/18 TENTATIVE WOOL SELLING PROGRAM

NASC discussed at length the timing and length of the July Recess. One proposal was to move the July Recess to Weeks 1, 2 and 3. Whilst it was noted that some sellers defer selling to the beginning of the season for taxation purposes, this needed to be weighed up against whether the market was better served by having a Recess at the beginning of the season rather than 2 weeks in. It was also noted that the Wool Selling Program could not cater for every taxation approach.

It was AGREED:

The Tentative 2016/17 Wool Selling Program was to be held pending further consultation with constituents on the timing of the July Recess.

The 2017/18 Tentative Wool Selling Program would be considered at NASC-50.

ACTION(S) **2016/17 Wool Selling Program to be released.**
Further consultation on 2017/18 July Recess required.

N49/16/6.0 NUMBER OF CENTRES ROSTERED ON OPENING DAY AFTER A MAJOR RECESS

NASC reviewed some statistics in relation to the market effect of having one centre opening in isolation after a major Recess. Since 2001 this (one centre in isolation) has occurred 13 times after the Christmas Recess and 6 times after the mid-year Recess.

NASC noted that over this time period that there appeared to be no disadvantage post Christmas with single centre opening days reflecting a similar trend to multi centre opening days.

In regards the opening day after the July Recess, NASC noted that, over this period, single centre days tended to record more adverse outcomes than multi-centre days.

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On deeper examination most of these days were during the off-set centre Recess period, or in an opening week where all days recorded declines.

As such NASC decided not to change the business rules relating to the number of centres operating on the opening day. NASC will consult with sellers in regions that typically have isolated days to assess whether seller rotations are possible.

N49/16/7.0 SALE ROOM IMBALANCE – SOUTHERN REGION

NASC discussed the recent trend in Southern Region where Room 2 totals for a Sale are periodically larger than room 1. This typically occurs during December/January, largely due to the increase in Crossbred offerings as this time.

Some consideration was given as whether it was appropriate to move lots from Room 2 to Room 1. Whilst this was possible the Committee believed this should only be considered:

- a) if the frequency of large imbalance sale increases – indicating a structural solution may be required, and
- b) as a last resort in the current environment.

The committee preferred that where a large Room 2 imbalance occurs that is deemed to be problematic, this is best addressed by advancing the start time of Room 2 by one (1) hour (or more). This would need to be communicated early and via Selling Arrangements.

NASC considered correspondence from Sentdale Wool regarding concerns about the impact on business resulting from lots moved on the last selling day prior to Christmas. NASC agreed with the concerns raised and accepted that whilst both sale rooms and selling brokers were consulted on this matter prior to the decision being made, an e-mail circular should have been issued. The NASC Secretary was asked to ensure this occurred in future.

It was AGREED:

1. Large room imbalances deemed to be problematic are to be addressed by advancing the start time.
2. A decision to vary the start time under this circumstance is to be made by the local NASC representatives.
3. If a start time is varied this must be communicated via the Selling Arrangements.

ACTION(S) Local NASC representatives to decide on imbalance lot totals likely to trigger an earlier start.

N49/16/8.0 WESTERN REGION ONE SALE ROOM - UPDATE

The Western Region Seller representative briefed the committee on progress to date. He believed that local support continued to be strong for this approach. The matter of start times for each day and the fleece catalogue was bedding in. He believed that selling speeds had increased and that having more buyers in the room was beneficial.

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N49/16/9.0 SYDNEY ROYAL EASTER SHOW (SRES) /IWTO CONGRESS AUCTIONS

The Secretary briefed the committee on operational matters relating to S39/15 and S41/15 auctions resolved since the last NASC meeting. These included:

- a) Showfloor providers have agreed to hold the showfloors until 10am Thursday for both Sales allowing for post-sale sample inspection.
- b) SRES Signage was underway.
- c) A seating plan (to assist hearing bidding) had been finalised,
- d) A social function was planned for buyers, brokers, growers at about 5pm after the sale on Tuesday. This was to be on the judging platform; and
- e) Ticketing functions had commenced noting (that each participant) needed to supply
 - a. Numbers attending for the SRES auction registration.
 - b. Names attending for the IWTO Congress auction registration.

NASC considered a request for catalogues to be available for full Friday valuing for the IWTO Congress auction (S41). The Northern Region Seller representatives were to take this back to their constituents. (Note SRES

NASC considered a request for a photo to be taken of buyers and brokers. This was accepted however referred back to the proposer to organize.

ACTION(S) Issue updates to the Information Packs to participants.
Northern region and Large Seller representatives to consult with constituents on whether full Friday valuing for S41/15 was possible.

N49/16/10.0 UNCERTIFIED WEIGHTS

NASC considered a paper submitted by AWEX seeking comment as part of the consultation phase of a redraft of a rule relating to wool offered with uncertified weights.

NASC noted the requirements of the National Measurement Institute regarding weights of products. Discussion centred on:

- a) Whether there was any background data on desiccation or regain rates, and
- b) Whether there was any consistency on weight changes by category

NASC formed a view that the rule should be drafted on the principles that the law had to be followed, but that it should be left to sellers as to how they comply.

ACTION(S) Refer comments back to AWEX.

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N49/16/11.0 BIDDING PRACTICES – COMMISSION BUYING

NASC was alerted to the recent references to commission buying and possible competition concerns in the Wool Selling System Selling Review. These references were associated to AWEX. NASC considered a letter received from AWEX on this matter.

The Chairman advised the committee that this matter requires a re-think of the NASC's legal status as it could/may be deemed to be the operator of the auction system. The Chairman undertook to bring this matter back to NASC at the next meeting.

ACTION(S) **Matter to be included at NASC50.**

N49/16/12.0 PREMATURE SHORN WOOL IN ROOM 1

A submission was considered proposing that pre-mature shorn fleece wool 54mm+ are best lotted in Room 1. The current NASC ruling on lotting of short wool of this type leaves the sale room allocation at the discretion of the broker.

It was AGREED:

- 1) That, based on current bidding competition, NASC supported the proposition that "Skirted fleece wool with a measured staple length of 54mm or greater, excluding lambs, could be offered in Room 1 to advantage."
- 2) This lotting decision however was to remain at the discretion of the wool broker.

N49/16/13.0 RECONDITIONED WOOL

NASC considered a submission regarding the handling of reconditioned wool. Concerns raised included:

- a) Possible inconsistencies in practices between brokers handling reconditioned wool,
- b) Weightnotes containing different information when the sample has been regrabbed, and
- c) Whether reconditioned wool should, in the classed of farm classed wool, be reassigned as D certificate.

NASC believed that many of the rules around reconditioned wool are in place and that this matter is best resolved by publishing a consolidated best practice document that should be followed by brokers when dealing with reconditioned wool.

It was AGREED:

1. A best practice procedure document for handling reconditioned wool is to be developed and released to brokers.
2. The matter of whether reconditioned wool should be downgraded to a D certificate (if farm classed) to be referred to appropriate quality committee (ISAC).

ACTION(S) **Document draft to be written for NASC review.**
Refer the certificate status of reconditioned wool to ISAC

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N49/16/14.0 OTHER BUSINESS

16.1 LARGE SELLER TERM EXPIRY

The term of the current Large Seller representative was to expire. The Secretary notified the committee that only two companies meet the large seller criteria and the mutually agreed convention was a rotation of appointments by company.

The Chairman thanked Mr. Carmichael for his time and contribution to the committee.

ACTION(S) **Secretary to seek name of new representative for this seat.**

16.2 SHERIFF ROLE

Arising from discussions at previous NASC meetings, the Committee asked a document be developed detailing the roles and responsibilities of the Sheriff, so as to provide clarity for sale room participants.

ACTION(S) **Secretary to draft document for NASC review.**

16.3 DELIVERY AREA ZONE - MELBOURNE

A representative noted that a new packing organisation has been established in Melbourne. The location of this organisation is outside some delivery zones defined by brokers as part of their Post Sale Charge terms. NASC noted this was a commercial pricing matter, but recommended brokers review their delivery zones to encourage competition.

ACTION(S) **Notice to sellers recommending they review Delivery Zones for currency.**

16.4 ONLINE LODGEMENT OF SELLER ESTIMATES

The Secretary advised the Committee that AWEX had commenced the migration of sellers to lodge estimates online through the AWEX Gateway (replacing the current manual fax/email system). At time of meeting 8 Southern Region brokers had commenced lodging data in this fashion. The rollout schedule is to add 4 brokers each week by region.

N49/16/12.0 NEXT MEETING SCHEDULE

Meeting Code	Week	Date	Time	Type
NASC-50	47	Friday 20 May 2016	11AM AEST	TELE-CONFERENCE
NASC-51	07	Friday 19 August 2016	11AM AEST	TELE-CONFERENCE
NASC-52	18	Friday 4 November 2016	11AM AEDT	TELE-CONFERENCE
NASC-53	34	Friday 24 February 2017	9AM AEDT	FACE TO FACE
NASC-54	47	Friday 26 May 2017	11AM AEST	TELE-CONFERENCE

Meeting Closed: **1.15pm AEDT**

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For more information: NASC representatives

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