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# NATIONAL AUCTION SELLING COMMITTEE

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## SUMMARY OF OUTCOMES: MEETING NASC53B-2017

FRIDAY 10<sup>TH</sup> MARCH 2017, 11.00AM AEDT

AUSTRALIAN WOOL EXCHANGE LTD

2 EDEN PARK DRIVE, MACQUARIE PARK, NSW

TELECONFERENCE

### N53B/17/1.0 PRESENT/WELCOME

Les Targ	Chairman
Peter Brice	North Buyer
Michael de Kleuver	South Seller
Simon Hogan	Large Seller
Greg Horne	West Buyer
Lyndon Hosking	West Seller
Josh Lamb	4 <sup>th</sup> Buyer
Gordon Litchfield*	North Broker
Len Tenace	South Buyer
David Cother	Secretary
Andrew Rickwood	Secretary (Alternate/Observer)

#### Wool Selling Program

Gerard Buchanan	NCWSBA
Tim Marwedel	ACWEP
*Gordon Litchfield	IWB

### N53B/17/2.0 APOLOGIES

Nil

### N53B/17/3.0 MINUTES PREVIOUS MEETINGS

Held over to NASC54. (This meeting a continuation of NASC-53).

### N53B/17/4.0 WOOL SELLING PROGRAM – JULY RECESS

NASC convened to consider industry feedback on the proposal arising from NASC53, namely:

- a) Firstly move the three week July Recess from weeks 3, 4 and 5 to weeks 1, 2 and 3 in Season 2017/18, and
- b) Secondly, reduce the July Recess from weeks 1, 2 and 3 to weeks 1 and 2 in Season 2018/19.

The NASC-53 committee believed the proposal offered benefit(s) to each sector but also required concession(s). The purpose of the survey was to determine how the sectors assessed or weighted these characteristics.

The Chairman asked each representative to present a summary of their constituent views. The Chairman had been supplied with a copy of all written responses supplied to the Secretary.

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Each buyer representative reported there was insufficient support for this proposal from their respective constituents. A three week Recess was still the prevailing priority for the buyer sector.

The broker representatives reported a range of views from their constituents. One representative had a clear Yes but three reported split or mixed responses.

It was noted that representatives, collectively, had a high response rate from constituents.

The Chairman asked Mr. Buchanan to summarise the NCWSBA submission. NCWSBA, on balance, supported the proposal on the strength of reducing the Recess. He noted that most debate within NCWSBA was about the timing as Week 1 was of value to brokers.

Mr. Horne requested that this matter not be considered again. The Chairman advised that it was not the role of NASC to prevent submissions on this (or other) topics as it is a democratic process. Ultimately NASC would assess any submission on its merits at the time.

The Chairman summarized the feedback:

1. The feedback suggested that the proposal was balanced insofar that both sectors had to weigh up what was more important.
2. It was clear that there is difficulty in trying to find middle ground in this area.
3. That there was not to be enough support on either side for the proposal to be carried.

The Chairman asked the committee if they held a different view.

It was AGREED:

- There was insufficient support for the proposal to be adopted, and
- The 2017/18 Wool Selling Program would be issued with the July Recess as Weeks 3, 4 and 5.

**ACTION(S)**      **Issue Wool Selling Program(s) with July Recess as Weeks 3, 4 and 5.**

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### **N53B/17/5.0 NEXT MEETING SCHEDULE/CLOSE**

Meeting Code	Week	Date	Time	Type
NASC-54	47	Friday 19 May 2017	9 AM AEST	TELE CONF
NASC-55	9	Friday 1 September 2017	9 AM AEST	TELE CONF
NASC-56	20	Friday 17 November 2017	10 AM AEDT	TELE CONF
NASC-57	34	Friday 23 February 2018	9 AM AEDT	FACE TO FACE
NASC-58	46	Friday 18 May 2018	9 AM AEST	TELE CONF

Meeting Closed: **11.25AM AEDT**

For more information: NASC representatives

Name	Position	Contact No	E-mail
Peter Brice	North Buyer	0457 553 849	<a href="mailto:pbrice@australianmerino.net.au">pbrice@australianmerino.net.au</a>
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Simon Hogan	Large Seller	0417 858 420	<a href="mailto:simon.hogan@elders.com.au">simon.hogan@elders.com.au</a>
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Lyndon Hosking	West Seller	0427 779 460	<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>
Gordon Litchfield	Northern Seller	0428 484 855	<a href="mailto:gordon@glw.net.au">gordon@glw.net.au</a>
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Les Targ	Chairman	0414 365 933	

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Notice to NASC Members

### **Proposal: Change to July Recess (Timing and Length)**

#### **Background**

NASC has for many years attempted to find a solution to the differing positions of buyer and seller members over the mid-year (July) recess. Sellers have lobbied consistently for a reduction in the Recess on the basis that 7 non-selling weeks in the year is too many and denies growers the opportunity to sell. Sellers have also been insistent that Weeks 1 and 2 must be selling weeks to facilitate new season and taxation seller strategies. Buyers on the other hand have always insisted that the 3-week mid-year Recess is necessary for staff to visit clients overseas, to catch up with paperwork and for staff leave. All previous suggestions for change made by NASC have been rejected by members. Nevertheless, the issue is debated afresh every time the annual program is discussed within the Committee.

This year the Committee, as always, has discussed the matter with goodwill between buyer and seller Representatives. A new proposal has been prepared which is explained below. It involves both buyers and sellers compromising – both giving something up but both to accrue a corresponding benefit. Sellers would give up Weeks 1 and 2 as selling weeks but would benefit from a reduced 2-week Recess. Buyers would give up one Recess week but would potentially benefit from the revised timing of the recess. The proposal is that it be phased in over **two** seasons (commencing 2017/18).

Please note, however, that the Committee is putting this forward as a single package. If NASC members reject any part of it, none of it will go ahead and the Wool Selling Program will be issued without change – that is, a 3-week Recess (Weeks 3, 4 and 5) with Weeks 1 and 2 programmed as Sale weeks.

#### **Proposal**

<p><b>Season 2017/18</b></p>
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<p>Move the <u>three (3) week</u> July Recess <u>from</u> Weeks 3, 4 and 5 <u>to</u> Weeks 1, 2 and 3.</p>
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<p><b>Season 2018/19</b></p>
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<p>Roster the July Recess as two <u>(2) weeks</u> being Weeks 1 and 2.</p>
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1. Under this proposal it is believed both Buyers and Seller sectors realise gains and make concessions.
  2. Sellers
    - Gain one extra weeks trading/market access.
    - Must concede Weeks 1 and 2 are no longer trading weeks (particularly for grower clients holding wool for new season or taxation strategy purposes).
  3. Buyers
    - A Recess in Weeks 1 and 2 means trading for the season commences in Week 3 and continues uninterrupted until Christmas.
    - Weeks 1 and 2 may be more workforce friendly in regards to leave.
    - Concede one week of Recess (or conversely gain one week of trading).
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### **Other comments**

- This proposal is not put forward on the basis of increased volume. Current forecast national volumes at this time of the season are no more than those seen in recent years. NASC has noted that Northern Region has sufficient volumes available at this time, however this is offset by lower volumes in the Southern and Western regions. The technique of using offset Recess weeks to address regional differences has been used and subsequently lost favour with both sectors.
- NASC does not believe the additional week of trading is likely to result in a “dearer” market. July/August has been reported previously as being a difficult period (for buyers) to sell into. This is unlikely to change under this proposal.
- It is unknown whether the volumes in the weeks immediately preceding or post a Week 1 and 2 Recess scenario will be less than currently experienced.
- Cash flow for growers, brokers and buyers may be improved with an additional week of trading.

### **What now?**

NASC has released this proposal for consideration and feedback from NASC members.

Feedback is required **in writing** (email) from NASC members to their respective NASC Representative or the NASC Secretary as to whether their **company** supports the proposal or not. No response will be deemed as neither for or against the proposal and acceptance of a decision by NASC.

Feedback must be received by **COB Thursday 9<sup>TH</sup> March 2017**.

NASC will be finalising a decision on this proposal at a meeting to be convened on Friday 10<sup>th</sup> March.

Name	Position	Contact No	E-mail
Peter Brice	North Buyer	0457 553 849	<a href="mailto:pbrice@australianmerino.net.au">pbrice@australianmerino.net.au</a>
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Josh Lamb	4 <sup>th</sup> Buyer	0419 841 609	<a href="mailto:joshlamb@techwool.com.au">joshlamb@techwool.com.au</a>
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