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## **NATIONAL AUCTION SELLING COMMITTEE**

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### **SUMMARY OF OUTCOMES: MEETING NASC62-2019**

**FRIDAY 17 MAY 2019, 9:30AM AEST**

#### **TELECONFERENCE**

#### **N62/19/1.0 PRESENT**

Les Targ	Chairman
Dean Collison	North Buyer (Alternate)
Michael de Kleuver	South Seller
Stephen Keys	Large Seller
Darren Calder	West Buyer
Stuart Greenshields	4 <sup>th</sup> Buyer (Alternate)
Gordon Litchfield	North Seller
Scott Shenton	West Seller
Len Tenace	South Buyer
David Cother	Secretary
Andrew Rickwood	Secretary (Alternate)

#### **N62/19/2.0 APOLOGIES**

Peter Brice  
Josh Lamb

#### **N62/19/3.0 WELCOME**

The Chairman welcomed Stephen Keys to the committee as the Large Seller Representative.

The Chairman welcomed Dean Collison as the alternate for Peter Brice and Stuart Greenshields as the alternate for Josh Lamb.

#### **N62/19/4.0 MINUTES PREVIOUS MEETINGS**

The *NASC61 Summary of Outcomes* were accepted with the Chairman requesting:

- a) the final paragraph in N61/19/6.1.10 requires edits for clarity, and
- b) Two Committee Action Items were omitted and are to be added (N61/19/8.1 and N61/19/9.0).

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### **N62/19/5.0 ACTION ITEMS (Last meeting and yet to complete)**

Item ID	Description/Action/Comment	Status
N61/6.1.10	Secretary to contact NZ Merino to advise recommendation from NASC on selling pattern	Completed
N61/9.0	South Seller Representatives to consult with constituents re rotating Tuesday selling	In Progress
N61/8.1	Representatives to consult re Tues/Wed selling in the week immediately prior to a Recess	To be done
N61/6.0	The 2019/20 Wool Selling Program to be released	Completed
N61/6.2	The 2020/21 Tentative Wool Selling Program to be released	Completed
N61/7.0	Secretary to draft and send a letter to FAWO on committee's position on a CNY recess.	Completed
N61/10.0	Secretary to provide modelling of room profiles after moving types from Room 2 to Room 1	Completed
N61/12.0	The location of Pack condition field in show floor catalogue released to IT suppliers	Completed
N61/15.0	A notice to be issued to raise awareness of sample security	Completed
N61/15.3	Secretary to investigate setting up an online paper system	In progress
N61/15.4	Secretary to send a letter advising NASC members on AWH's position regarding footwear.	Completed
N61/15.6	Western region reps to canvass their constituents regarding sale room start time.	Completed
N50/12.0	Reconditioned wool guidelines Look at developing joint doc. with AWTA	In progress
N50/14.0	Room Sheriff – role and responsibilities	In progress
N42/10.5	New entrant protocol	Yet to commence

### **N62/19/6.0 S42/18 (SYDNEY ROYAL EASTER SHOW-SRES)**

The Chairman advised the committee that he attended S42/18 held at the SRES. He congratulated the participating buyers, sellers and AWEX on staging a showcase of wool selling to the general public. This was seconded by Dean Collison who particularly noted the joint effort of all parties/sectors.

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### **N62/19/7.0 EARLY ROOM START (WHERE ROOM DIFFERENTIAL IS 300 OR MORE LOTS)**

The committee considered a letter from Martin Moses registering concern about the potential Work Health & Safety (WHS) implications for a regional broker rostered to start at 10AM (in an early room start scenario). The chairman noted this was a legitimate responsibility of employers. Northern Region Seller Representatives advised that as this was not a common event and provided there are some flexibility regarding (rostering) the first selling broker if required, their constituents would be prepared to support this proposal on a trial basis. The Northern Region Buyer Representative was happy to proceed on this basis.

It was AGREED:

The 300 lot Early Room start policy would continue for Sydney Sales under trial status for 12 months with a review scheduled for NASC-65 (face to face meeting).

**ACTION(S)** Northern Region members are to be advised of trial status.

### **N62/19/8.0 MELBOURNE SALE ROOM IMBALANCE.**

Arising from NASC-61, a series of models were provided to the committee to determine if there is a structural solution that may reduce the larger sale room imbalances that occur in Melbourne, particularly from November – February.

This was discussed at length with the committee working to identify a subset of wool that:

- a) can be easily identified at point of lotting by the broker,
- b) has enough volume to relieve pressure on Room 2 during the November-February period, and
- c) is commercially/operationally compatible with room 1 types.

The committee recognized that there was unlikely to be a perfect solution that would satisfy all participants but also noted that the offering profile has changed over the years and that a review of cataloguing rules may be necessary.

It was AGREED:

Southern Region Representatives would canvass their constituents about the possible movement of nominated wool types. The Secretary will provide graphic aids to members to assist in their explanations to constituents.

**ACTION(S)** Southern Region based Representatives to consult locally.

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### **N62/19/9.0 LOT INVOICES – TRANSMISSION DEADLINES**

The committee was asked to review the rule regarding the deadline for the transmission of auction invoices. This was raised at NASC-61 where it was proposed the invoice transmission time should be moved to the day of the sale. The current deadline is 8AM the business day after the sale.

The following principles were endorsed:

- a) The rule was to be simple and work for shorter and longer sale days;
- b) Buyers need certainty about when they could download invoices for a sale (day).

All agreed that a common deadline would apply for all auction lots sold at the time. The deadline did not preclude buyers and sellers from further transactions however these transactions would be sent as subsequent invoice transmissions.

It was AGREED:

Auction Lot Invoices shall be transmitted no later than 60 minutes after the final LPB transmission.

Note: Final LPB transmission shall occur approximately 30 minutes after the last lot offered for the day.

**ACTION(S)**     **Issue Notice to Market**

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### **N62/19/10.0 PASSED IN OPTION (PERIOD)**

The committee was asked to review the current business rule relating to the passed in option period and specifically the option expiry time and clarification on when the option was extinguished.

The committee discussed this at length with extensive input from both Buyer and Seller Representatives. The following points were raised;

- a) The option is a Seller Condition of Sale,
- b) The highest bidder holds the option until it expires or is extinguished,
- c) The highest bidder has the right to hold the option until expiry.
- d) The seller has a right to extinguish the option prior to expiry if the highest bidder is no longer interested or has declared their best and final price.
- e) That passed in negotiation must be clear in its language and both parties are agreed on the status of the option.

It was AGREED:

The highest bidder on a passed-in auction lot shall hold an option on the lot until 9AM (local time of sale) the next business day.

1. The option is extinguished when;
  - a. The time period has expired, or
  - b. The highest bidder explicitly states they are not/no longer interested in the lot, or
  - c. The highest bidder explicitly declares a price (post auction) as best and final which is declined by the seller as being under the reserve.
2. Unless extinguished (see 1.) the option holds under the following cases;
  - a. The seller has not approached the highest bidder, or
  - b. A final and best price has not been declared by the highest bidder, or
  - c. the highest bidder asks for the option to be held open (up to the 9AM deadline) to facilitate further negotiation.

Whilst the highest bidder holds the option, the lot shall not be sold by the seller to another buyer.

**ACTION(S)**     **Issue Notice to Market**

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### **N62/19/11.0 AUCTION CATALOGUE UPDATE (ACU)**

At NASC-61 the committee considered a progress update on the new EDI document: Auction Catalogue Update (ACU). This document will be included in the WIEDPUG Handbook released in July 2019.

The purpose of this document is for sellers to provide a transmission of lots with data **changed** since the final AC transmission. It is not a full retransmission of the entire catalogue. The most likely changes would be certificate changes such as Mulesing Status and Wool Preparation Category changes e.g. P to D.

The ACU document is not to be used to add, move or withdraw lots.

As this document is time critical it is important that NASC to consider the appropriate deadline that:

- a) Gives the broker enough time to get data through, and
- b) Gives the buyer enough time to download, process and consider/adopt any implications of changes.

It was AGREED:

That the deadline for Auction Catalogue Update (ACU) be 5PM (local time) the business day prior to auction. This deadline will be reviewed three months after implementation.

**ACTION(S)**    **Issue Notice to Market and WIEDPUG Secretary.**

### **N62/19/12.0 CHINESE NEW YEAR (CNY) RECESS REQUEST**

The committee was provided with an informal feedback on discussions in IWTO Venice on this topic.

### **N62/19/13.0 OTHER BUSINESS**

These items were lodged after industry notification of Items to be Considered. Matters requiring decision will be considered at NASC-63.

#### **13.1 ROOM BIDDERS**

NASC received a submission proposing sale room bidders bid only under the bidding company name only, with ownership changes handled by the transfer process. This was proposed to address concerns about interruption to the sale process and difficulties experienced by auctioneers where bidders are buying in multiple names and not clearly or quickly identifying the bidding company (or relying on the auctioneer to infer).

The Secretary advised the committee that there was a significant difference between bidding in the name of a company and transferring to a company regarding liability of ownership.

It was AGREED:

A submission with more detail was required for consideration at NASC-63.

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### **13.2 ROOM BREAKS**

NASC was asked to consider whether the timing and length of room breaks should be reviewed to align with general workplace practices.

For example - possible options might be:

1. Lunch break: 30 minutes (currently 20 minutes)
2. Room break: 5 minutes every hour?

It was AGREED:

Committee members to canvass their constituents regarding break times for further discussions at NASC-63.

**ACTION(S)**    **Representatives to survey constituents on room breaks. Add to NASC-63.**

### **13.3 LATE/UPDATED CATALOGUE TRANSMISSIONS**

There have been several cases recently where brokers have transmitted catalogues late or retransmitted with updated/additional data. In the case of late transmissions this can be challenging to recipients needing to appraise after pick-up.

It was AGREED:

That a Notice be issued to brokers in all regions reminding them of the importance of getting data in on time. This is important from both a recipient data processing perspective but is also as an equity issue between brokers.

**ACTION(S)**    **Notice to be issued to brokers.**

### **13.4 WESTERN REGION START AND TRADING TIME**

Arising from NASC-61 Western Region Representatives reported the results of their local survey relating to Fremantle Sale start time and breaks.

Three options were proposed:

Option	Description
1	11:00AM start with minimum 20-minute break. Fleece not before 12PM ( <i>current practice</i> )
2	10:30AM start with minimum 20-minute break. Fleece not before 12PM
3	Flexible. Start time for Oddments and Skirtings will be changed to achieve best fit based upon the number of lots announced by Brokers on the Thursday of the previous week.

Local Sellers supported Option 2 however this option did not have majority local buyer support.

It was AGREED:

The Western Region trading times will stay as they currently are e.g. 11:00AM start with minimum 20-minute break. Fleece not before 12PM.

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### **13.5 STANDARDISED SHOWFLOOR SECURITY SIGNS**

Arising from the grab sample security concerns tabled at NASC-61, a Representative proposed that a review be done to assess the current standard nationwide.

**ACTION(S)** Secretary to collate a summary of wording, position and size of existing show floor signage. Results to be tabled at NASC-63.

### **N62/19/15.0 NEXT MEETING SCHEDULE**

Meeting Code	Week	Date	Time	Type
NASC-63	09	Friday 30 Aug 2019	9:30 AM AEST	TELE CONF
NASC-64	22	Friday 29 November 2019	10:30 AM AEDT	TELE CONF
NASC-65	34	Friday 21 February 2020	9:30 AM AEDT	FACE TO FACE
NASC-66	46	Friday 15 May 2020	9:30AM AEDT	TELE CONF

Meeting Closed: **11:45AM AEST**

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>
Darren Calder	West Buyer	0402 043 341	<a href="mailto:dcalder@pjmorris.com.au">dcalder@pjmorris.com.au</a>
Michael de Kleuver	South Seller	0428 643 745	<a href="mailto:mdekleuver@rodwells.com.au">mdekleuver@rodwells.com.au</a>
Stephen Keys	Large Seller	0428 217 773	<a href="mailto:stephen.keys@landmark.com.au">stephen.keys@landmark.com.au</a>
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