

Suggested directions for the WSSR panel as a result of the July 2015 Industry stakeholder workshop. BY RB CRAWFORD

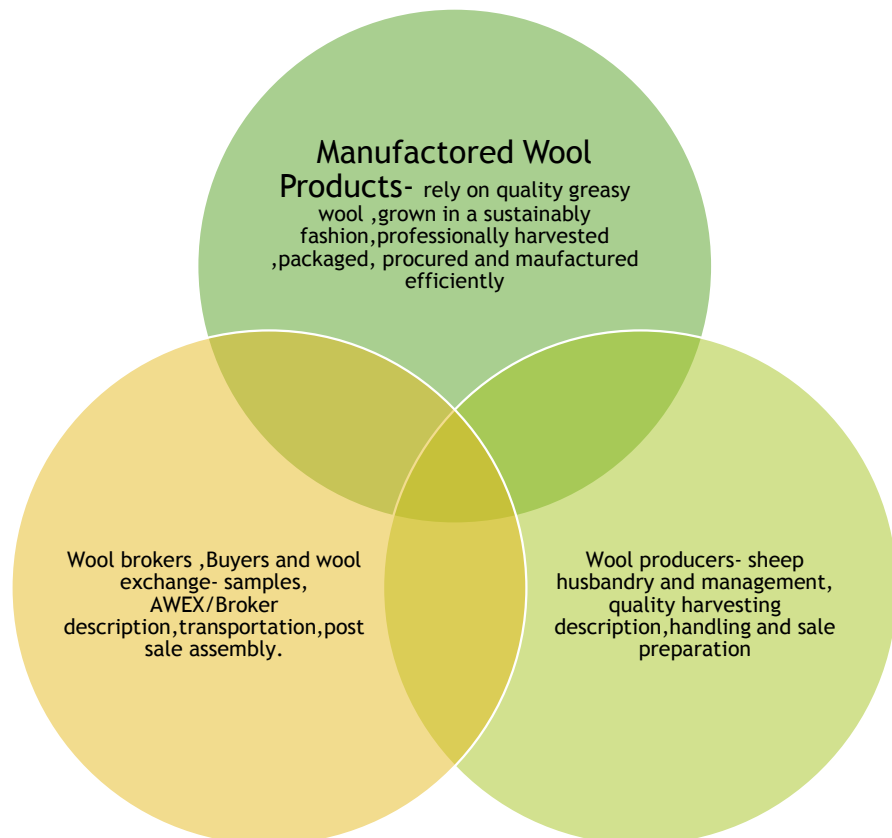
John Roberts & The review Panel

WSSR Executive Officer and Secretariat

AWI ltd

Dear John

1. I wish to focus on one outcome emanating from the workshop that might have genuine implications in taking the Australian wool industry it's, harvesting, handling, description, sale and post-sale handling into the 21st century.
2. That outcome is the general agreement to concentrate the buyers in Melbourne and interface all the methods of sale in that location.
3. This outcome can be represented in a relationship layout and you can just imagine the myriad of collateral issues that need to be addressed as a consequence of a decision to concentrate the sale of wool in MLB



4.

5. **Recommendations:** That the WSSR panel might make-
6. 1. Recommend that AWI Ltd develop a wool exchange room for the FY 2017 wool selling season in Melbourne.
 7. 1(a) that the “wool exchange” set aside a special day for electronic sale by description.
 8. 2. That AWI Ltd select a committee (“actuation committee”) (9 members) to prepare the Industry for the opening, in MLB, of the FY17 wool selling season.
 9. (ii) That this committee become a committee of the whole of AWI Ltd and further that one member of AWI Ltd be on that committee together with the CEO of AWI Ltd.
 10. 2(a) That the AWI Ltd give to the “actuation committee” a budget so that it could co-op people with relevant expertise to help the market open successfully.
 11. 2(b) That the AWI Ltd give to the “actuation committee” the power to liaise with (But not limited too) the AWTA, AWEX, Brokers, Growers, Buyers, Exporters, Transport , material handling groups, Government departments , Government, Unions and other Wool Industry stakeholders so that the FY17 selling season opens smoothly.
 12. 3. That the AWI Ltd morph the services AWEX currently supplies to that which the AWI Ltd supplies.
 13. 4. That the AWI Ltd support the development of a Wool exchange portal - The WEP.

14. There are so many issues arising from the concentration of wool sales into the **MLB WOOL EXCHANGE** that it may be necessary for the WSSR review panel/ AWI Ltd to select a committee of people (Preferably people who are retired or able to express their view without fear or favour) to list all the implications, roles and responsibilities of participants in the proposed new wool selling pipeline and make changes so that it happens on the 1st July 2016.
15. The change over from showroom floor bale presentation (1990's) to sale by sample was not completed without some serious plays coming from various wool industry participants!
16. Sale by description (with retained samples) will not come easily!
17. It is to be expected that there will be serious plays from all sectors of the wool industry if the concentration of wool sales is to be undertaken in MLB.
18. Therefore it is incumbent on the WSSR panel/AWI Ltd to ensure all the issues are covered prior to the commencement of a new selling period - say the FY17 selling period (July 2016)
19. **F**or the FY17 selling season growers could expect some new notations (from the broker) on their wool specifications- satisfying "Clipcare" DMFR and NWD etc. - all to ensure quality assurance at the wool shed. Life time ewe management and other AWI Ltd programs compliance may also be registered. The Broker's wool traveler should make the *primary clipLot AWEX ID* after agreement with the classer upon satisfaction of the producer's commitment to produce a quality clip.
20. For the FY17 selling season **AWTA** has to come up with new tests to satisfy the buyer's needs, so that the sample is not used as the primary tool to value the wool. Handle and the wools ability to take dye coupled with its comfort factor are interlinked and have to be objectively measured. The wool traveler could base the initial assessment after taking into account the wools character, style and handle as well as the points raised in (19) above.
21. **AWEX**, Brokers and buyers have to agree on new "TYPE" notations. Distinguishing Australian grown **M**erino wool is important!. The "**M**" notation should **only be applied to the highest quality wools**. Cots, colour and stain wools should not have this prefix. Special attention should be paid to "Style" and handle (**comfort factor/Colour fastness**) and extra special attention should be paid to the "**M**" prefix. The "**M**" prefix should only be attached to wool types of style 3, 4, 5 &6- best and Good.
22. **Style** should be objectively notated. AWTA accredited samplers, weighers and lot managers should **photograph** each sample prior to bagging. This AWTA accredited person should be directed to make the *secondary level Lot AWEX ID*.

23. The photographic evidence is clipped (electronically) to the sample and attached to the AWTA test results in digital form. The **secondary level Lot AWEX ID** overrides the *primary clipLot AWEX ID*
24. Good quality wools presented for sale by description should have more than 4 notations (MF4B) I realize that the ID falls now back to the exception but I feel the **Third level AWEX ID** should be comprehensive so that growers can have confidence in the amalgamated lot specifications. The **Third Level AWEX ID** overrides the **secondary level Lot AWEX ID**. **If the system is working well there should be no difference between levels 1 to 3 in the type ID. The grower will know at an early stage. Thus giving an opportunity to explore other options than the AWI wool exchange.**
25. *The market should now have a fully specified lot of wool which is capable of being sold by specification and capable of being amalgamated with other lots of similar specifications such that the presentation of the new lot to the market can be at a higher Lot weight.*
1. *For the electronic sale room; It is suggested that the new selling season FY17 handle Lots weighing > 500kg clean to 10000Kgs clean. Lots should be cleared at a rate comparable to the open cry system. The actuation committee should pay special attention to the training of users in the electronic sale room. A “Sweeper” A+ styled sale capturing all passed in wools and” in storage” wools should be conducted every Thursday after the main auctions.*
26. Ownership of “Samples” for wool sold by specification should be made over to AWI Ltd to finance the new **“AWI Wool exchange”**.
27. This new exchange should equip the buyers, brokers, users and growers with the means to undertake a vibrant and exciting exchange of ownership. The **WEP** fits in here!
28. The material handling of wool in NSW needs to be addressed. The AWI Ltd “Actuation committee” should take advice from a number of sources and formulate a remedy for the handling of wools in NSW. Rationalization, especially in NSW, of the post-sale process and cost application should proceed. **Post sale costs** must be applied fairly and socialization of these costs must be avoided. AWI Ltd can do this under the guidelines of the Statuary Funding Agreement 2013-2016 to improve Industry efficiency and competitiveness.
29. A modern material handling depot at Parkes in NSW would go a long way to help the inland port achieve legs and give the industry more access to timely embarkation points.

I hope the above listed suggestions can influence the direction which the WSSR panel may take as it wraps up its work on the objectives of the WSSR.

R B Crawford. Sunday, August 2, 2015