



# The National Council of Wool Selling Brokers of Australia Inc

ABN 40 059 628 554

Unit 9, 42 - 46 Vella Drive, Sunshine West Vic 3020 Australia

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15 August 2016

NCWSBA-16-025

## **NCWSBA ANNUAL GENERAL MEETING**

To be held at Crowne Plaza Hotel

On 25 August 2016 at 9.00 am

### **AGENDA**

- 1. APOLOGIES & PROXIES**
- 2. MINUTES OF MEETING HELD ON 27<sup>th</sup> AUGUST 2015 (Attached)**
  - 2.1 Confirmation of Minutes as a Correct Record
  - 2.2 Matters Arising not Covered Elsewhere
- 3. PRESIDENT'S REPORT FOR 2015/16**
- 4. STATEMENT OF ACCOUNTS FOR YEAR ENDED 30<sup>th</sup> JUNE 2016**
- 5. APPOINTMENT OF DIRECTORS FOR 2016/17**
- 6. ANY OTHER BUSINESS**



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4 September 2015

NCWSBA-15-025

## NCWSBA ANNUAL GENERAL MEETING 2015

MINUTES OF THE ANNUAL GENERAL MEETING OF NATIONAL COUNCIL OF WOOL SELLING BROKERS OF AUSTRALIA LTD, HELD AT THE VICTORIA UNIVERSITY CONVENTION CENTRE, 300 FLINDERS ST, MELBOURNE ON THURSDAY 27<sup>th</sup> AUGUST, 2015, COMMENCING AT 9:00 AM

### 1. PRESENT, PROXIES, APOLOGIES

#### PRESENT:

Mr Simon Hogan	Elders
Mr Rex Bennett	Elders
Mr Andrew Howells	Elders
Mr Kym Gunn	Landmark
Mr Stephen Keys	Landmark
Mr Matthew Thomas	Landmark
Mr Robert Ryan	Schute Bell
Mr Gerard Buchanan	Schute Bell
Mr Todd Clark	Schute-Bell
Mr Michael Sugars	A R Rhodes & Co
Mr John Colley	Australian Wool Network
Mr Mark Quartermain	Australian Wool Network
Mr Mark Hedley	Australian Wool Network
Mr Alistair Calvert	Roberts Ltd
Mr Andrew Murfet	Roberts Ltd
Mr Greg Tilbrook	Primaries of WA
Mr Andrew Lindsay	Primaries of WA
Mr Tim Chapman	Primaries of WA
Mr Michael de Kleuver	Rodwells
Ms Emma Reynolds	Michell Direct
Mr Simon Hood	Michell Direct
Mr Patrick Byrne	Quality Wool
Mr Geoff Clarke	Quality Wool

#### IN ATTENDANCE:

Mr Chris Wilcox	Executive Director/Company Secretary
Mr Ian Ashman	AWTA
Ms Annabelle Beale	Fairfax Agricultural Media
Mr Charlie Merriman	WoolProducers Australia

#### APOLOGIES:

Peter Howie (Dyson Jones)

#### PROXIES:

Nil

## 2. ANNUAL GENERAL MEETING HELD ON 21<sup>st</sup> AUGUST 2014

The minutes of the Annual General Meeting held in Melbourne on 21<sup>st</sup> August 2014 were confirmed.

Moved: Alistair Calvert

Seconded: Kym Gunn

No matters arising.

## 3. PRESIDENT'S REPORT

The President, Mr Simon Hogan, presented his report for 2014/15, noting the solid financial position for NCWSBA and that equity is well above the minimum reserve level. He also commented on specific highlights that the NCWSBA had addressed during the 2014/15 year, including the significant work done on the NCWSBA submission to the Wool selling Systems review. He thanked the Working Group appointed by the Board: Gerard Buchanan (Schute-Bell), Stephen Keys (Landmark); Robert Ellis (WISS); and Brett Cooper (AWN).

The AGM accepted the report from Mr Hogan.

## 4. STATEMENT OF ACCOUNTS FOR YEAR ENDED 30th JUNE 2014

The financial statements were approved.

Moved: John Colley

Seconded: Pat Byrne

## 5. APPOINTMENT OF DIRECTORS

The Executive Director advised the meeting that in accordance with the Rules of the National Council of Wool Selling Brokers of Australia and in particular Rule 46, the following people have been appointed as **Directors**:

Simon Hogan (Elders)

John Colley (AWN)

Andrew Lindsay (RuralCo/Primaries of WA)

Alistair Calvert (RuralCo)

Robert Ryan (Australian Wool & Pastoral Agency Ltd)

Stephen Keys (Landmark)

Patrick Byrne (Quality Wool)

Michael Sugars (AR Rhodes – appointed as the Independent Director).

The President congratulated all on their appointment. He also acknowledged and thanked the retiring Director, Mr Kym Gunn, who is stepping down as a Board director after seven years on the Board, including two years as President. He thanked Kym for his service to NCWSBA. Kym will remain as an Alternate Director to the Landmark appointee, Stephen Keys.

**6. OTHER BUSINESS**

There was no other business.

The President closed the meeting at 9:15 am.

## **NCWSBA 2016 ANNUAL GENERAL MEETING**

### **PRESIDENT'S REPORT on 2015/16**

I would like to thank you for attending the 2016 Annual General Meeting of the National Council of Wool Selling Brokers of Australia. 2015/16 has been another busy and successful year for National Council. It was also a positive one for the wool industry in terms of wool prices, although wool production continues to slide.

#### **1. Market review for 2015/16**

The wool market saw a steady improvement in Merino wool prices through much of the 2015/16 season, while prices for cross-bred wool eased back.

The key points from the 2015/16 season were:

- The Eastern Market Indicator started the season at 1,263 Acents/kg and finished at 1,297 Acents/kg, an increase of 34 cents or 3%. This was a much smaller increase than the 24% jump in prices seen in the 2014/16 season. However, the season average for the EMI was 1,254 Ac/kg, up 14% on the average in 2014/15. It was the highest season average ever recorded for the EMI, exceeding the previous record set in 1987/88 (this is on a like-for-like basis). The average greasy price at auction in 2015/16 was 792 Ac/kg, which was also the highest ever recorded. The EMI hit a high of 1,304 Ac/kg in August 2015 and a low point of 1,169 Ac/kg in October. There was less volatility than in recent seasons and it appears that the current price levels are more sustainable than in the past.
- The A\$ fell against the US\$ by 2UScents over the season to finish at 74.3 UScents (although it has recovered in recent weeks). It also declined against the Euro, but lifted against both the Renminbi and the Rupee. In US\$ terms the EMI fell by 1.5% from season start to season end and closed at 963 UScents/kg. For the full season, the EMI averaged 914 UScents/kg, the same as the average in 2014/15.
- In terms of wool types, Merino wool prices increased steadily and prices for Merino cardings remained at high levels throughout the season. Cross-bred wools 26 micron and broader pulled back from the highs seen at the end of 2014/15. The best performed wools were Merino wool between 20 and 23 micron which lifted by between 7% and 10% from the start to the finish of the 2015/16 season. Finer wools of between 18 and 19.5 micron increased by between 3% and 5%, while ultrafine wool of 16.5 micron slipped a slight 1%. Crossbred wool of between 28 and 32 micron fell by 15% to 17%, and the 26 micron price eased by 1%. The Merino Carding indicator was down by 2%, but remained at historically high levels.
- According to the latest estimate from the Australian Wool Production Forecasting Committee released on 19<sup>th</sup> August, Australian wool production fell by 6% to 325 mkg greasy in 2015/16. This is the lowest since 1925/26. The decline in 2015/16 came as a result of lower sheep numbers and lower average cuts per head due to poor seasonal conditions in a number of the major wool producing regions. The AWPFC currently predicts that wool production will remain steady in 2016/17 at 325 mkg, with higher fleece weights offsetting lower sheep numbers
- The volume of superfine wool tested declined by 3% in the 2015/16 season, but remains high. At the same time, the volumes of fine Merino (18.6 to 20.5 micron) tested fell by 8%, test volumes of medium Merino (20.6 to 24.5 micron) were down by 11%, wool of between 24.6 to 28.5 micron fell by 7%, and the volume of wool tested of 28.6 micron and broader dropped by 7%. As a result of these changes, superfine wool accounted for 27% of the total Australian wool clip, the highest share on record.

- AWEX reports that auction offerings in 2015/16 were 7.8% lower than in the 2014/15 season at 1.801 million bales. There were 1.653 million bales of Australian wool sold at auction, down by 8%. NCWSBA members accounted for 85% of the wool sold at auction in 2015/16.
- Australia exported 315.2 mkg greasy of wool at a value of A\$2.74 billion or US\$2.02 billion. Compared with 2014/15, Australia's exports were 11% lower in volume, 1% higher in A\$ value and 10% lower in US\$ value. The export volume in 2015/16 was the lowest since at least 1979/80 when NCWSBA database records begin and probably since 1925/26 (the last time Australian production was as low). In spite of this low volume, the A\$ value of exports was the highest since the 2003/04 season (the volume of exports in 203/04 was 461 mkg greasy). The volume of exports to a number of the major destinations in 2015/16 was below the level of 2014/15. Most significantly, exports to China fell by 12%, although it only fell back to the levels seen in 2013/14. Even with this decline, China's share of Australia's exports was at 74% in 2015/16, down only a little from the 75% share in 2014/15. Exports to India, Egypt and 'the Rest of Europe' increased.

## 2. NCWSBA activities in 2015/16

The National Council of Wool Selling Brokers of Australia provided important services to members and addressed a number of industry issues in 2015/16.

### 2.1. NCWSBA 2015/16 financial results

NCWSBA recorded a surplus of \$15,422, which was much better than budgeted due to higher than expected income, strict control of expenditure and some carry-over of travel expenses into the 2016/17 financial year. Our equity as at 30<sup>th</sup> June 2015 was a healthy \$114,274 as shown in detail in the AGM papers. I would like to thank all member companies for their continued commitment to the NCWSBA in terms of both their on-going financial support and their involvement in NCWSBA activities and on the Board. In terms of membership, I am delighted that Jemalong Wool has joined NCWSBA starting in July this year.

### 2.2. Services to NCWSBA members

NCWSBA provides many services to NCWSBA members. Some of the highlights in 2015/16 are set out below.

One of the important services in 2015/16 was **training on the *Competition and Consumer Act 2010*** delivered by Alexandra Merrett (a lawyer expert in Competition Law) after last year's Annual General Meeting. This training was made available to all NCWSBA Board directors as well as NCWSBA members who could attend. It is important that NCWSBA members are aware of their obligations under the *Competition and Consumer Act 2010*, in particular with regard to collusive behaviour and other action that risks breaching the Act rules on anti-competitive conduct.

The **NCWSBA Wool Broker Award** is now in its fifth year and the three Finalists for the 2016 Award will present at the AGM. I am delighted with the quality of this year's applicants and I look forward to the presentations by each Finalists today. As well, Matt Thomas, the winner of the 2015 Award, will give a presentation on his experiences when he attended the 2015 IWTO Congress in Sydney in April. Matt will also attend the Nanjing Wool Market Conference in Wuxi in September as part of the Award.

I greatly appreciate the continued support from the two Award sponsors, AWTA and Fairfax Agricultural Media. I was also very pleased to see the profiles of each Award Finalist in last week's Fairfax Agricultural Media publications. We must encourage younger people in the industry and the Award is one way of doing this. I urge all members of NCWSBA to again support the Award by encouraging their younger staff members to nominate for the Award in future years.

I would also like to thank the Selection Panel of Ian Ashman, Charlie Merriman and Annabelle Beale for their time and contribution to the Award.

Other **services** provided to NCWSBA members in 2015/16 include among others:

- The NCWSBA's *Weekly Newsletter*, with 50 editions each year provided to NCWSBA members. It is a valuable source of information and analysis on issues that affect NCWSBA members. I know that it is widely distributed and well regarded within Australia and overseas.
- NCWSBA distributes a selection of news articles from the Bradford-based World Textile information Network (WTiN) website to NCWSBA members each month.
- The 2015 edition of the IWTO's annual Market Information report was made available to NCWSBA members in December 2015. The report included over 60 tables of statistics on the global wool industry.
- Copies of presentations by our Executive Director to the IWTO Congress and the Nanjing Wool Market Conference were provided to our members.
- The NCWSBA's annual Wall Chart for the 2015/16 season is also available to members and can be collected at the AGM today.
- NCWSBA now has a Twitter account and sends tweets most weeks. You can follow NCWSBA through @woolbrokersaus.
- Further work on developing the historical collections on the Australian wool broking industry in preparation for NCWSBA's centenary in 2019.

### 2.3. Issues addressed by NCWSBA

NCWSBA addressed a number of issues on behalf of NCWSBA members in 2015/16. These are outlined below.

As you would know, NCWSBA has been a member of FAWO's **China-Australia Joint Working Group** since its inception. One activity of the Working Group is providing training for Chinese mill technicians. NCWSBA participated in a training session for mill technicians during 2015/16 in Australia in April 2016. We organised a visit to a wool property in central Victoria. Two NCWSBA members, including the Executive Director, accompanied the Chinese group. As we, the Executive Director gave a presentation to the training group on the role and importance of the wool broker in the Australian wool industry.

NCWSBA is also a member of FAWO's **Emergency Animal Diseases Working Group**. This group is working to prepare the Australian wool industry so that it can respond quickly to an outbreak of an Emergency Animal Disease, such as Foot and Mouth Disease. Wool brokers will be key in this response. I am very pleased that Dr Charles Milne, the Chief Veterinary Officer for Victoria, is presenting at later today as a key speaker for the AGM. Charles will speak on the importance of preparing for an outbreak and his personal experiences with an outbreak of Foot and Mouth Disease in the UK during the 2000s.

Other issues and activities in which NCWSBA was involved in 2015/16 include:

- A second submission to the Wool Selling Systems Review before the final report was released in February.
- Two submissions to ISAC on the two Reviews of the National Wool Declaration, one in October 2015 and one in June 2016.

- A submission to the National Auction Selling Committee on the 2016/17 and 2017/18 Wool Selling Programs.
- Representation on a number of other industry organisations and Working Groups, including AWTA, FAWO (one of NCWSBA Board members, Robert Ryan, is Chairman of FAWO), the FAWO Technical Committee, the India-Australia Joint Working Group, the Australian Wool Production Forecasting Committees (state and national), MLA's Lamb Forecasting Advisory Committee, and WIEDPUG.
- Representing NCWSBA internationally at both the International Wool Textile Organisation and at the Nanjing Wool Market Conference. The Executive Director is Chairman of the IWTO's Market Intelligence Committee and gave presentations at the IWTO Congress in Sydney in April this year and at the Nanjing Wool Market Conference in September 2015.
- Addressing issues with sale room conduct in Melbourne.
- Providing a submission on uncertified weight bales to AWEX.

### 3. Closing comments

In closing I would like to thank my fellow Directors for their support and assistance on the various issues that NCWSBA, wool broking and the wool industry have faced during over the past year.

The Board directors for 2016/17 will be:

Simon Hogan (Elders)  
John Colley (AWN)  
Andrew Lindsay (RuralCo/Primaries of WA)  
Alistair Calvert (RuralCo)  
Robert Ryan (Australian Wool & Pastoral Agency Ltd)  
Stephen Keys (Landmark)  
Geoff Clark (Quality Wool)  
Rowan Woods (Jemalong Wool)  
Emma Reynolds (Michell – appointed as the Independent Director).

I welcome Rowan, Geoff and Emma who are new Board Directors since last year's AGM.

I would also like to acknowledge and thank the retiring Director, Michael Sugars, who has been on the Board since September 2009. Michael has made a significant contribution to NCWSBA first as the Director representing South Australia and then, since 2014, the Independent Director representing the smaller broking member companies.

Finally, I would like to thank the Executive Director, Chris Wilcox, on behalf of all NCWSBA members for his work and contribution in 2015/16.

**Simon Hogan**  
**President**  
**25 August 2016**



## National Council of Wool Selling Brokers of Australia

Unit 9, 42-46 Vella Drive  
Sunshine West VIC 3010

### Income & Expenditure Statement with comparison to Budget & Last Year July 2015 to June 2016

	ACTUAL Jul-Jun 2016	BUDGET Jul-Jun 2016	\$ Difference	Last Year Jul-Jun 2015	Difference to Last Year	NOTES
<b>Income</b>						
Membership Fees	\$111,457	\$109,602	\$1,855	\$100,777	\$10,680	
Sponsorship Broker Award	\$7,000	\$4,250	\$2,750	\$5,302	\$1,698	1
Interest Received	\$2,164	\$1,500	\$664	\$2,468	(\$304)	
Miscellaneous Income	\$96	\$0	\$96	\$1,874	(\$1,779)	
<b>Total Income</b>	<b>\$120,717</b>	<b>\$115,352</b>	<b>\$5,365</b>	<b>\$110,421</b>	<b>\$10,295</b>	
<b>Expenses</b>						
Advertising/Public Relations	\$228	\$0	\$228	\$152	\$77	
Bank Fees & Charges	\$38	\$40	(\$2)	\$12	\$26	
Compliance Training	\$1,400	\$1,600	(\$200)		\$1,400	
Consulting Fees	\$56,560	\$56,560	\$0	\$53,867	\$2,693	
Depreciation	\$145	\$500	(\$355)	\$144	\$2	
Financial Expenses/Services	\$4,161	\$4,280	(\$119)	\$4,146	\$16	
Functions/Entertainment	\$59	\$0	\$59		\$59	
Insurance	\$799	\$850	(\$51)	\$799	\$0	
Meeting Expenses						
Meeting - AGM costs	\$4,574	\$5,773	(\$1,199)	\$5,398	(\$824)	
Meeting - Misc Expenses	\$73	\$300	(\$227)	\$227	(\$154)	
Meetings - Travel costs	\$1,859	\$2,453	(\$594)	\$1,320	\$538	
Total Meeting Expenses	\$6,505	\$8,526	(\$2,021)	\$6,945	(\$440)	
Office Expenses	\$12,623	\$11,065	\$1,558	\$10,419	\$2,203	2
Postage	\$106	\$140	(\$34)	\$80	\$26	
Printing & Stationery	\$959	\$1,097	(\$138)	\$997	(\$38)	
Repairs & Maintenance	\$0	\$50	(\$50)		\$0	
Subscriptions - FAWO	\$9,568	\$9,753	(\$185)	\$9,289	\$279	
Travel Expenses						
Travel Executive Director	\$4,694	\$3,500	\$1,194	\$4,594	\$100	
Travel Board Members	\$975	\$0	\$975		\$975	
Travel Overseas	\$2,049	\$6,600	(\$4,551)	\$4,853	(\$2,804)	3
Travel Award Winner	\$2,229	\$4,250	(\$2,021)	\$4,261	(\$2,032)	1
Total Travel Expenses	\$9,947	\$14,350	(\$4,403)	\$13,709	(\$3,762)	
Telephone/Fax	\$1,552	\$1,920	(\$368)	\$1,583	(\$31)	
Telephone Conference Calls	\$480	\$950	(\$470)	\$850	(\$370)	
Website Expenses	\$164	\$250	(\$86)	\$245	(\$82)	
<b>Total Expenses</b>	<b>\$105,294</b>	<b>\$111,931</b>	<b>(\$6,637)</b>	<b>\$103,235</b>	<b>\$2,059</b>	
<b>Net Surplus / (Deficit)</b>	<b>\$15,422</b>	<b>\$3,421</b>	<b>\$12,001</b>	<b>\$7,186</b>	<b>\$8,236</b>	

#### NOTES

1. Additional expenses of around \$1,700 for Award Winner to travel to China for the Nanjing Wool Market Conference in September 2016 was expected in June but were incurred in July 2016.
2. Expenditure of \$1,400 for Archive Project was unbudgeted.
3. Overseas travel for Executive Director to attend the Nanjing Wool Market Conference in Sept 2016 was budgeted for 2015/16 but was expended in July 2016.

## National Council of Wool Selling Brokers of Australia

*Unit 9, 42-46 Vella Drive  
Sunshine West VIC 3010*

### Balance Sheet as at June 2016

Assets	NOTES
<b>Current Assets</b>	
WBC Cheque Account	\$16,636
WBC Maxi Direct	\$22,752
CBA Term Deposit	\$72,855
Bank Interest Due	\$1,452
<b>Total Current Assets</b>	<b>\$113,697</b>
Office Equipment	
Office Equipment at Cost	\$2,605
Office Equipment Accum Dep	(\$145)
<b>Total Office Equipment</b>	<b>\$2,460</b>
Website	
Website	\$4,590
Website Accum Depreciation	(\$4,590)
<b>Total Website</b>	<b>\$0</b>
<b>Total Assets</b>	<b>\$116,156</b>
<b>Liabilities</b>	
<b>Current Liabilities</b>	
Trade Creditors	\$1,545
GST Liabilities	
GST Collected	\$5,397
GST Paid	(\$5,059)
<b>Total GST Liabilities</b>	<b>\$338</b>
<b>Total Liabilities</b>	<b>\$1,882</b>
<b>Net Assets</b>	<b>\$114,274</b>
<b>Equity</b>	
Retained Earnings	\$98,851
Current Year Surplus/Deficit	\$15,422
<b>Total Equity</b>	<b>\$114,274</b>

Matures 7 September 2016 earning 2.45%

New Computer purchased April 2016

**APPOINTMENT OF DIRECTORS****2016/17**

A call for appointments was sent to member companies on 25<sup>th</sup> July 2016 in accordance with the Rules of the National Council of Wool Selling Brokers of Australia and in particular Rule 46:

**46. Appointments to the Board**

(1) *The Board shall consist of:*

- (a) *a representative appointed at least fourteen days prior to the next Annual General Meeting by each member which sells on average 20,000 bales or more of wool per annum during the immediately preceding three seasons. Where there is a joint venture or a group of “related bodies corporate” and/or “related entities”, as those terms are defined in s9 of the Corporations Act 2001 (Cth) that joint venture or group is entitled to appoint a maximum of two (2) representatives.*
- (b) *a minimum of one and a maximum of two Directors (called “Independent Directors”) representing Association members which sell an average of less than 20,000 bales of wool per annum during the immediately preceding three season.*
  - (i) *The representatives referred to in subrule (1)(a) are to be elected by these members at least fourteen days prior to the next Annual General Meeting.*
  - (ii) *The Board is to determine the number of Independent Directors at its meeting at least two months prior to the Annual General Meeting and advise members accordingly.*

The following people have been appointed as **Directors**:

Simon Hogan (Elders)

John Colley (AWN)

Andrew Lindsay (RuralCo/Primaries of WA)

Alistair Calvert (RuralCo)

Robert Ryan (Australian Wool & Pastoral Agency Ltd)

Stephen Keys (Landmark)

Geoff Clark (Quality Wool)

Emma Reynolds (Michells – appointed as the Independent Director).

Each company has also nominated alternates for their Director appointees.

Chris Wilcox

**EXECUTIVE DIRECTOR/COMPANY SECRETARY**