

Changes to Raw Wool Fees for Season 2010/11

From 1st July 2010, AWTA's Raw Wool Fees will be restructured to better reflect the core services provided to our customers. Some ancillary services like post sale processing fees will now be incorporated in the base fee and other fees like Certificate reissues and manual data entry fees revised to better reflect their costs.

Why change the base fee?

The electronic transfer of test data is now a key component of AWTA's standard presale service. The need for paper Certificates has diminished to the extent that AWTA now prints Certificates for less than 5% of all presale testing it undertakes. Despite the increased use of electronic test data, AWTA's fees have remained structured around the printing of Certificates, with post sale data exchange charged as additional fees.

Providing the test information electronically to the buyer of the wool after sale is the final step in the selling process and AWTA's basic service fee should reflect this. Restructuring in this manner will make the charges clearer and simpler to reconcile against each sale lot.

What is the current Base Fee?

The current base fee for Yield & Micron and Length & Strength certification includes:

- Sampling supervision
- Transport of samples to the laboratory
- Testing
- Data Processing and Documentation.

For 95% of sellers, 'Documentation' means the retrieval of electronic test information via EDI.

What is not included in the current Base Fee?

Most sellers notify AWTA electronically when sale lots are sold and AWTA delivers this information to the nominated buyer electronically. The seller pays a processing fee for the service. The current base fee does not include this processing fee.

Additionally, if the buyer wishes to have a Certificate printed, the seller pays an additional fee. This additional fee should be paid by the end user that requires the printed Certificate, i.e. the Buyer.

What is proposed?

AWTA's base fee will be changed to include the following:

- Sampling supervision
- Transport of samples to the laboratory
- Testing
- Data Processing and Documentation.
- Post sale processing fee

The above change to the base fee structure will mean that the processing fee and Certificate printing fees in the PSP service will be abolished while the basic certification fee will rise by \$0.25 per Test Certificate from July 1st 2010.

What if I want a Printed Certificate?

A small percentage of AWTA's clients (both sellers and buyers) still require printed Certificates. A fee will now be introduced to cover the cost associated with printing and delivering these documents. This fee will be \$1.00 per Certificate printed and will be payable by the company receiving the Certificate.

What will AWTA do to minimise the impact on clients who have traditionally requested Certificates?

AWTA is introducing full colour, Electronic Certificates in PDF format that can be emailed direct to customers at the time of issue or as requested by the PSP service. All clients that wish to receive Electronic Certificates will be able to do so **free of charge**.

In addition, there will be a 6-month moratorium on the charging for printing Certificates so that between 1st July and 31st December 2010, clients can receive both printed Certificates and Electronic Certificates free of charge.

What other changes are being introduced?

Reissues

AWTA amends Test Certificate information for a number of reasons, varying from minor changes to reference details through to complete changes of test information (e.g. weight changes due to regrabs). In doing so, we produce (or reissue) a new Test Certificate that replaces the original. The current reissue fee does not always accurately reflect the amount of work required to make these changes. In most cases, the fee will be reduced when the following change is implemented on July 1st 2010.

- Reissues that require minimal work (e.g. changes to reference information, Wool Preparation Category, Mulesing Status, Yield type etc.) will be reduced from \$10.80 to \$1.00 per lot.
- The fee for reissues that require additional work (e.g. regrabs) remains unchanged. (ie. \$10.80 per lot plus a fee per bale).

Manual Data Entry

As part of sampling supervision, AWTA records bale numbers, weights and other information. In most instances this information is recorded on the client's computer and transmitted automatically to AWTA. In return AWTA transmits completed test results to the client at no fee. A small number of clients don't have computers at the sampling line or send unverified data to AWTA.

In these cases there is additional work for AWTA to manually record, verify and enter this information. Rather than invoice separately for this data entry, AWTA has charged clients a transmission fee when it delivers the results electronically, known as a one-way transmission fee. This charging structure is difficult to reconcile and has in the past created some confusion. Our invoicing will be changed from July 1st 2010 to clearly show the data entry fee per lot. Overall, these data entry fees will be unchanged with the advantage that the charges will be clearer and simpler to reconcile against each sale lot.

FURTHER INFORMATION

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