

## **Review of AWI Project 00-440 – Ram Breeders Survey 2017**

Australian Wool Innovation Limited (AWI) instigated a project in early 2017 called 'Ram Breeders Survey 2017.' The intent of the project was to gain an understanding of the drivers of and barriers to engagement with the breeding and genetic development in the Merino industry. A specialist market research provider (AXIOM) was engaged to undertake a series of best practice market research focus groups, designed to inform AXIOM so the company could subsequently develop a survey which would be distributed to a wider range of ram breeders.

AXIOM's selected method for conducting the market research focus group was the common "one-way mirror" setup, which is considered best practice in many market research projects. The AWI Chairman decided to attend one of the focus group sessions, believing the sessions would be open-round table sessions. He was not aware that AXIOM had selected the "one-way mirror" method.

The Chairman's proposed attendance was conveyed to John Logan (AXIOM), who discussed with AWI that "sit-in" participants from AWI may affect the outcomes of the research but that he could arrange instead for the Chairman to observe without participating – along with other AWI and AXIOM representatives.

John Logan advised AWI that it is common practice in such market research focus groups to have the client (here AWI) observe but not actively participate to ensure participant's responses are not inadvertently biased or influenced, (with the participants knowing that their feedback will be provided to the client).

The Chairman observed the first (of four) market research focus groups from behind the mirror as directed by AXIOM research staff, before departing for other engagements. This session included a selection of industry ram breeders that are all members of Merino-Select and as between themselves, competitors.

Each of the market research focus groups was audio and video recorded and each of the participants were made aware of this in writing prior to attending the market research focus groups. This fact was reiterated to the participants by AXIOM, prior to the commencement of the market research focus groups, when participants provided written consent to being viewed and recorded by way of signature sheets. Three of the four market research focus groups were also further advised that they were being observed directly through the one-way mirror by AWI and AXIOM representatives at the beginning of the sessions.

It transpired that AXIOM inadvertently did not advise the participants of the first market research focus group that they were being observed directly through the one-way mirror by either AWI or AXIOM representatives. This became apparent when some of the participants of this session queried whether they had been observed to John Logan (AXIOM). AXIOM admitted this was an error and issued a written apology to these participants.

The Senior Management of AWI was first made aware of the issue sometime after and, in response, the newly appointed GM for R&D wrote to thank participants for their attendance and re-assure them that all information gathered during their session would be treated by AWI as confidential and that their anonymity would be maintained by AWI (which clearly extends to include the Chairman of AWI).

Notwithstanding the above, some of the participants reported the issue to the press. In response, AWI released a statement (Annexure 1). AWI also released an open letter to woolgrowers explaining the Chairman's attendance at the market research focus group (Annexure 2).

AWI's CEO, wanting to gain a greater understanding of what occurred, asked that a process review be undertaken by Directors Garnsey and Sheil. Directors Garnsey and Sheil made enquiries with relevant representatives from the project, and clarified an understanding of the events outlined above.

Directors Garnsey and Sheil concluded that all persons from AWI and AXIOM involved in the project acted in good faith and professionally notwithstanding the fact that some unintentional errors had occurred which may have led to some of the participants having a misunderstanding in relation to the event.

They concluded that:

- the Chairman was within his rights to attend a market research focus group in which woolgrower participants were being asked their advice and opinions on an industry matter;
- the one-way mirror market research focus group style is common in many market research projects and in fact represents best-practice market research in many settings. Although entirely appropriate, it was unfamiliar to the Chairman and the participants, who were more familiar with open-round table style session; and
- the Chairman's intention in attending the market research focus group was simply to observe the process, listen to woolgrower's views with the aim to find areas of commonality regarding the enhancement of breeding and genetic development for the Merino industry. There was no thought of, nor opportunity for personal gain to be had by the Chairman.

The key recommendations for AWI included:

1. reinforce procedures for delegated responsibility when a Senior Manager role is vacant;
2. reinforce procedures relating to Board Members attending AWI forums, meetings etc;
3. implement AWI checklist for procedures for third parties to follow when conducting confidential meetings on behalf of AWI;
4. reinforce processes relating to complaints reporting and handling in AWI; and
5. enhance the CEO's monthly Senior Managers survey around interest declarations to minimise the risk of any perceived conflict of interest issues.

AWI is working towards ensuring that the key learnings are being addressed. AXIOM has advised that the project has not been compromised, the data is highly valuable and still can be used to achieve the project's objective.

## ANNEXURE 1

### AWI's Statement

"As a member of the Australian Wool Innovation Board's Science and Welfare sub-committee, Wal Merriman often attends company-arranged meetings as an observer, this is not an unusual occurrence.

The Science and Welfare sub-committee was established to provide guidance and recommendations to the Board of AWI and the CEO regarding the scientific and research policies and on the conduct of programs relating to activities undertaken by AWI that utilise science or impact animal welfare activities.

The corporate governance of all AWI committees can be seen [on their website](#).

AWI was aware of Mr Merriman's presence at this meeting, as were the facilitators.

That it was conducted with some people in the room and some behind glass observing is not a normal occurrence and a practise AWI will not be undertaking again."