

8 September 2017

Dear Members,

I am writing to update you on your Board's approach to the WEP, our involvement to date, our proposals and the progress of our current exciting projects which we believe will have a significant and positive impact on the wool industry.

Firstly, Mark Grave and I met with ACWEP, NCWSBA & PTWMA during wool week. This was my opportunity to speak directly with and receive firsthand feedback from members and key stakeholders on a number of issues. The feedback and general support AWEX received was encouraging and reinforced that AWEX's role as a trusted source of information and independent service provider is valued.

## **WEP**

As you are aware AWEX was invited to be part of the WEP Working Group and Steering Committee. This presented AWEX with the opportunity to gain a greater understanding of WEP which was less clear at the start of the year.

The AWEX Board is very supportive of the opportunity and potential benefits the WEP presents for wool growers.

As your Board, we believe that AWEX should be actively involved in the WEP and in so doing this represents an opportunity to unify the industry and focus our collective efforts and resources to achieve a greater outcome for woolgrowers and benefit for all.

- \* AWEX made a submission to develop the WEP – AWEX was not successful
- \* WEP has requested data streams, raw and 'live' data, from AWEX including historical data (2yrs), MPGs – this issue has been the main item of discussion,
- \* AWEX put forward a proposal to the AWI Board for AWEX to:
  - ❖ Have some ownership and/or operational role in WEP: recognising that we were advised that the WEP will be majority owned by Growers – this was rejected,
  - ❖ Supply data on a similar basis as is currently supplied for WoolCheque – this was rejected.
- \* AWEX raised concerns about:
  - ❖ The proposed duplication and storage of data,
  - ❖ The duplication and potential confusion over the storage of unverified wool classer data,
  - ❖ The duplication of funding, effort and resources in producing software to collect in shed data (electronic specification – eBale project).

With respect to the supply of data to WEP:

- \* AWEX is respectful of the supply arrangements we have in place. It is these 'in confidence' arrangements that allow AWEX to conduct the AWEX QA programs and information services,
- \* The confidence that our data suppliers have in AWEX is critical to our working relationships with them,
- \* 'Live' data is a core asset and critical to our Market Reporting revenue streams,

We have expressed our concerns about the potential of WEP using this data to provide competing services to AWEX members and customers.

AWEX is also concerned about the WEP proposal for on-farm data collection. The AWEX e-Bale project which includes on-farm data collection (app & web) will commence in January 2018. e-Bale will be using rfid capability on individual bales with information to be collected on farm (speci etc.) to be utilised at the warehouse and dump. Whilst this differs from the WEP proposal, it presents what we believe is a great opportunity where we could work together to demonstrate a positive and unified approach to data collection and traceability through the pipeline. The obvious duplication of resources, including funding, is apparent to all.

Our proposals to 1. Partner, 2. Provide some funding and 3. Work together on this function of WEP have been rejected.

In consideration of the necessary controls required around proprietary information, combined with how industry resources may be used most efficiently and effectively, we proposed an alternative approach to the operation of the WEP. We proposed that AWEX should have some ownership of and/or an active operational role in WEP, with control maintained through wool growers.

To reiterate, we do want to collaborate to see WEP come to reach its full potential, but, not to the material detriment of AWEX. We believe the management of WEP by AWEX, post development phase, would be a practical and efficient option, minimising duplication of resources, and aggregating all industry information flows within one platform. In addition, the WEP Project Team has not given consideration to how WEP might interact and support the various Australian QA programs, standards and traceability programs. These are important immediate and long term issues.

The Directors of AWEX are not only acting in the interests of AWEX and you, our member(s), but also as articulated in AWEX's Objects, in what we believe will be 'for the benefit of all wool market participants'.

I look forward to providing you with further updates over the coming months and I would be happy to discuss any of the above issues with you.

Yours sincerely,



**Robyn Clubb**  
**AWEX Chairwoman**