

**THE PARLIAMENT OF THE COMMONWEALTH OF AUSTRALIA**

**THE SENATE**

**COMMITTEE OF PRIVILEGES**

**PERSONS REFERRED TO IN THE SENATE**

**DR GEOFFREY VAUGHAN  
DR PETER JONSON  
PROFESSOR BRIAN ANDERSON**

**110<sup>TH</sup> REPORT**

**DECEMBER 2002**

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## MEMBERS OF THE COMMITTEE

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The Senate  
Parliament House  
CANBERRA ACT 2600

Telephone: (02) 6277 3360

Facsimile: (02) 6277 3199

E-mail: [Priv.sen@aph.gov.au](mailto:Priv.sen@aph.gov.au)

Internet: [http://www.aph.gov.au/senate\\_privileges](http://www.aph.gov.au/senate_privileges)



# REPORT

1.1 On 15 November 2002 the President of the Senate, Senator the Honourable Paul Calvert, received letters from Dr Geoffrey Vaughan and Dr Peter Jonson, asking that their responses to comments raised by Senator Boswell, during debate in the Senate on 12 November 2002, be circulated to all senators. The President determined that the letters should be treated as submissions under the resolution of the Senate of 25 February 1988 relating to the protection of persons referred to in the Senate (Privilege Resolution 5), and accordingly forwarded them to the Committee of Privileges on the same day. Subsequently, on 20 November, he referred a further letter from Dr Geoffrey Vaughan as a submission to the committee. Finally on 2 December 2002, the President forwarded to the committee a submission from Professor Brian Anderson.

1.2 The committee met in private session on 5 December 2002 and, pursuant to paragraph (3) of Privilege Resolution 5, decided to consider the submissions. The responses, which the committee now recommends for incorporation in *Hansard*, have been agreed to by Dr Vaughan, Dr Jonson, Professor Anderson and the committee in accordance with Resolution 5(7)(b).

1.3 The committee draws attention to paragraph 5(6) of the resolution which requires that, in considering a submission under this resolution and reporting to the Senate, the committee shall not consider or judge the truth of any statements made in the Senate or of the submission.

1.4 The committee **recommends**:

**That responses by Dr Geoffrey Vaughan, Dr Peter Jonson and Professor Brian Anderson, in the terms specified at Appendix One, and agreed to by Dr Vaughan, Dr Jonson, Professor Anderson and the committee, be incorporated in *Hansard*.**

Robert Ray  
**Chair**



## **APPENDIX ONE**

### **RESPONSES BY DR GEOFFREY VAUGHAN, DR PETER JONSON AND PROFESSOR BRIAN ANDERSON AGREED TO BY DR VAUGHAN, DR JONSON, PROFESSOR ANDERSON AND THE COMMITTEE OF PRIVILEGES PURSUANT TO RESOLUTION 5(7)(B) OF THE SENATE OF 25 FEBRUARY 1988**

#### **(A) Response by Dr Geoffrey Vaughan**

I have noted from Hansard, 12 November 2002, that Senator Boswell has raised “serious questions of conflict of interest” in relation to my membership, as Chair, of the Cooperative Research Centres (CRC) Committee and as a member of the Industry Research and Development (IR&D) Board. Senator Boswell has implied impropriety in relation to my activities on these bodies. He has linked the conflict of interest to my position as a Director of BresaGen Limited and a perceived association with Professor Alan Trounson.

I should like to bring to your attention the following matters:

- The activities of the CRC Committee are under continuous review of a probity auditor appointed by the Commonwealth. The committee considers matters of conflict of interest as a key agenda item at every meeting of the committee.
- I have declared my directorships, all shareholdings, and all other areas of potential conflict to the Department of Education, Science and Training (and to the Department of Industry, Tourism and Resources in the case of the IR&D Board) and this information is held on the appropriate departmental registers.
- The CRC Committee is a committee of advice to the Minister for Science. The committee does not make direct grants to applicants: through its terms of reference it only gives advice to the Minister who is responsible for all funding decisions.
- The CRC Committee has never received an application for funding involving BresaGen Limited.
- Senator Boswell has stated that “Vaughan was also appointed to the Industry R&D Board that subsequently gave Vaughan’s own company, BresaGen, a grant of \$4.9 million to find a stem cell therapy cure for Parkinson’s”. The facts are that BresaGen was awarded a START Grant in May 2000 and I was appointed to the Board in September 2000.
- Whenever any matter related to BresaGen is discussed at the IR&D Board my conflict is declared by me in advance and I remove myself from the meeting. I do not receive any related agenda papers, I do not participate in any discussion, I am not involved in any way in any decision making, and I do not receive the minutes of the particular agenda item.

- Senator Boswell has linked me to Professor Trounson because I held the position of Deputy Vice-Chancellor of Monash University. I resigned from Monash more than 10 years ago. Since that time I have held Australian Government and industry appointments.
- Senator Boswell has linked my name in the debate to other people he has identified, namely Peter Jonson, Alan Trounson, and Bob Moses. I have never had any personal commercial interests or dealings with any of these people.
- The START grant awarded to the “Trounson company” Copyrat was made under delegation by the Biological Committee of the IR&D Board. I am not a member of that committee and played no role whatsoever in any part of the process.
- It is implied that I was associated with the Biotechnology Innovation Fund (BIF) award to the “Trounson company” IngenKO through my membership of the IR&D Board. Again, the Board delegated, through its legislated powers, the full operation and allocation of BIF awards to the Biological Committee of the Board. I am not a member of the Biological Committee and thus played no part in the award of any grant to IngenKO, nor indeed in any other award or grant of BIF Funds.
- I have never been involved with the funding bodies responsible for the award of the Biotechnology Centre of Excellence, Major National Research Facilities, ARC or NHMRC grants.

The implications that I have abused a conflict of interest because of my role on the CRC Committee, as a member of the IR&D Board, as a Director of BresnaGen Limited, or in my previous role of Deputy-Vice Chancellor on Monash University are without foundation and an unwarranted attack on my reputation, honesty and integrity.

Yours sincerely,



(Dr) Geoffrey Vaughan MSc PhD  
13 and 19 November 2002



**(B) Response by Dr Peter Jonson**

I note from Hansard, 12 November 2002, that Senator Boswell has mentioned my name in a context that implies possible impropriety in matters of decisions about Commonwealth grants.

I wish to make the general point that in my experience the Commonwealth processes in this area are very tight. Careful and explicit attention is paid to avoiding actual or potential conflicts of interest. A probity auditor is appointed by the Commonwealth to monitor the processes and report afterwards. Certainly this was the case in the two committees I have chaired for the Commonwealth.

In regard to the matters raised by Senator Boswell, I simply say there is no way in which any conflict occurred or could have occurred.

- I have had no past commercial relationships with Professor Trounson, Dr Geoffrey Vaughan or Mr Bob Moses.
- The CRC [Cooperative Research Centre] which I chair won its grant in April 1999; my association with it commenced in March 2002.
- I ceased to be Managing Director of ANZ Funds Management in April 1999. Even during my time in that role I would as a matter of policy have had no detailed knowledge of shares held by the portfolio managers, who were judged on results, not inputs.
- My personal and family share portfolios are managed by a professional fund manager on a basis that is entirely at his discretion and with no input from me. He confirms, incidentally, that he has never invested in BresaGen on my behalf.
- I had earlier written to Senator Knowles [as Chair of the Committee Affairs Legislation Committee] about the appointment of Dr Dianna deVore to the Board of MNT Innovation Pty Ltd, which was made well after the award of the Commonwealth Government and made entirely on merit.

Yours sincerely,



Peter D. Jonson

November 13, 2002

**(C) Response by Professor Brian Anderson, AO, FAA, FRS, FTSE**

On 12 November 2002, in the Second Reading of the Research Involving Embryos Bill 2002, Senator Ron Boswell, Leader of the National Party of Australia in the Senate and Parliamentary Secretary to the Minister for Transport and Regional Services, addressed the Senate. According to the record of Hansard, Senator Boswell stated "Another prominent Trounson supporter, also on the ARC [Australian Research Council] board, is Professor Brian Anderson from the Academy of Science - and a great believer in cloning."

I write to object in the strongest possible terms to the implied maligning of my integrity by Senator Boswell. This statement is a clear abuse of parliamentary privilege.

First, I am not a "prominent Trounson supporter" and indeed, have no recollection of ever meeting the man, before we found ourselves placed on the same stage by conference organisers at an Innovations conference early this November. He is not a Fellow of the Australian Academy of Science.

Second, I am not "a great believer in cloning". Indeed, during my Presidency of the Australian Academy of Science, the Academy published A Position Statement on Human Cloning in February 1999 that stated:

"Council considers that reproductive cloning to produce human fetuses is unethical and unsafe and should be prohibited. However human cells derived from cloning techniques, from ES cell lines, or from primordial germ cells should not be precluded from use in approved research activities in cellular and developmental biology."

Third, I object most strenuously to the implication that my personal relationships and personal beliefs impinge on my decision-making as a member of the board of the Australian Research Council.

For the record, I also note that to the best of my knowledge no member of my family or myself has any direct or indirect association through any investment or financial instruments with commercial activities with which Professor Trounson is associated.

The offending, and offensive, sentence should be struck from the official record of the Federal Parliament.

Yours sincerely,



B. D. O. Anderson

28 November 2002