

# CSIRO Spins Senators a Doosra

Peter Pockley monitored Senate Estimates hearings last month as Senator Kim Carr hit the deliveries of CSIRO's captain and vice-captain straight back down the wicket.

A Senate Estimates hearing on 2 June has once again put the massive reorganisation of CSIRO by its Chief Executive, Dr Geoff Garrett, under a hot spotlight. The most damaging exposure from relentless drilling by Labor Senator Kim Carr came with confirmation that Garrett engaged friends or favourites for lucrative contracts that were not open to tender.

CSIRO's Deputy Chief Executive, Dr Ron Sandland, also copped a grilling. According to an observer: "Donna Staunton [the Director of Communications responsible for briefing and coaching the executives] wasn't in the actual Committee room during the hearings". This may have been just as well, given the embarrassments that followed.

Of \$5.8 million in contracts over the past 3 years for management services (not for research, which had been crying out for support), only \$241,036 was let after open tenders. Of all contracts, worth \$5.8 million, 94% of costs went to a preferred list of management consultants and 62% were not advertised.

This included six to Garrett's acknowledged "friend", Ian Dean, whom he brought frequently from South Africa. Dean, a Director of Groman Consulting Group, South Africa, earned \$740,205. Yet, Garrett did not follow the advice of CSIRO's Director of People Development, Peter O'Keefe. In an answer to Question on Notice E98 CSIRO admitted: "Mr O'Keefe did express the view at the time of the initial engagement of Groman Consulting that the services should be put to tender. General advice on the applicability of tendering under CSIRO's then procurement policy was also sought from and

provided by other senior CSIRO staff."

While Dean is no longer engaged, Staunton continues on the payroll. She was engaged, also without tender, for 4 days per week over nearly 11 months. One stretch delivered her about \$143,000 plus about \$93,000 in another. Carr queried the large expenses incurred by her travelling between offices in Canberra and Sydney but these were not revealed.

Garrett and Sandland defended their practices by citing simple criteria of "urgency", "practicality" and "value for money" and refused, repeatedly, to divulge the salary bands now applying to Staunton.

Pushed by Carr, Dr Jeff Harmer, Department of Education, Science and Training Secretary, took the extraordinary step of qualifying CSIRO's practices.

**Harmer** – For the [CSIRO] Board to hear that a lot of discussion at committees like this and in the press is about matters of probity around consultancies would be very disappointing. I am sure they give high priority to fixing it up.

**Carr** – I presume that the Department will take steps to try to regularise the situation?

**Harmer** – The CSIRO is a separate body within the portfolio. It is a separate agency with its own Board. Our opportunity to influence what the CSIRO does is primarily through my position on the Board. I can assure you that I will be using that position.

## THE SMOKING GUN

Sandland praised Staunton effusively, saying she was "very highly regarded in that domain" and that her appointment was "vindicated [because she was] unanimously selected". Yet, given CSIRO's silence on her background, it seems possible that Garrett and Sandland (and possibly recruiters Korn/Ferry International) did not make themselves fully aware of Staunton's employment record. *Australasian Science* has collated the verifiable facts (Table 1).

**Carr** – There has been considerable public attention paid to Ms Staunton's involvement with the Tobacco Institute. How do you respond to the criticism, Dr Garrett? You know the nature of it – that is, she said during that time that smoking was not addictive and various other things.

**Sandland** – In 1994 Ms Staunton made statements of that nature. In 2000 she repudiated those statements publicly by sending a letter to a noted antismoking campaigner who I believe copied the letter to some hundreds of people.

**Carr** – So it was a private letter.

**Sandland** – It is on the public record that Ms Staunton has repudiated those views and did so in 2000. It was the subject of discussions during the interview process. We would not have gone ahead with the appointment had Ms Staunton still held those views."



Donna Staunton: CSIRO's smoking gun.

*Australasian Science* has determined that, despite their claims of a "rigorous appointment process", none of Garrett, Sandland and Korn/Ferry International checked this by approaching the antismoking campaigner in question, Simon Chapman, Professor of Public Health in the University of Sydney.

At our request, Chapman supplied a copy of a two-page apology that Staunton wrote to him (Fig. 1). On AMP letterhead and dated 20 December 2000, the two key paragraphs are:

As a registered nursing sister and then as a young lawyer, it was never my aim to work for the tobacco industry – frankly I stumbled into the work by chance. Having a nursing and legal background was in those days quite unusual and my superiors recognised the advantage I might have in understanding scientific and legal jargon.

Early in my legal career I met a number of senior medical and scientific experts who expressed to me what seemed to be a genuine doubt or at least scepticism about the relationship between smoking and cancer. The views I expressed in 1994 and 1995 were genuinely held by me. I now accept that nicotine is in fact addictive and that smoking is the major cause of preventable illness in Australian society.

Chapman has set the record straight: "Nothing CSIRO asserted in Estimates changes the facts. Staunton's letter to me was private and I only copied it as such, for information, to the Australian Cancer Society Board and one or two others.

Table 1. Donna Staunton's employment record.\*

1. George Trumbull, Chief Executive of AMP Ltd, hired Donna Staunton as Senior Vice-President, Corporate Affairs and Communications, on 9 April 1999 following 10 years as (in order):
  - Lawyer (Senior Associate) with Clayton Utz solicitors, working for the tobacco industry;
  - Chief Executive Officer of the Tobacco Institute of Australia; and
  - Vice-President, Corporate Affairs, of the Philip Morris Group.

These four posts are stated on the "Staunton Consultancy" web site, where Staunton has not declared the remainder of her record. CSIRO has not revealed any of her jobs to staff or publicly.

2. Under Paul Batchelor, the Chief Executive from July 1999, AMP's Corporate Affairs area was restructured on 31 August 2000, when:

3. Matthew Percival was appointed General Manager, Corporate Affairs & Communications, and

4. Staunton was transferred to Senior Executive, International Government Affairs, AMP Foundation, reporting to Percival. Her time in any communications role had been 16 months.

5. Staunton left AMP on 12 January 2001. AMP is unable to disclose details due to terms of an agreement. (Batchelor resigned on 24 September 2002 and was replaced by Andrew Mohl.)

6. Staunton started the Staunton Consultancy, offering "issues, crisis and reputation management". She placed AMP at the top of the list of clients on her web site.

7. Staunton was appointed CSIRO's Director of Communications on 1 March 2004 for 4.75 days weekly. Whether or when she formally applied is unknown. This is a staff position on contract at a rate that CSIRO's Chief Executive, Dr Geoff Garrett, has refused to divulge to the Senate.

\*Updated from the printed version

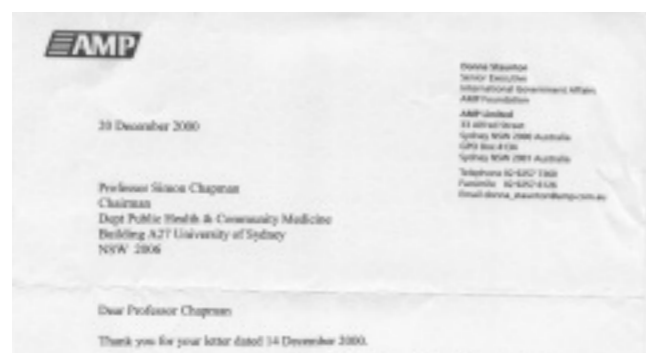


Figure 1. The heading of Donna Staunton's letter in which she retracts her public statements on tobacco's addictive properties. The letter begins with several paragraphs of private remarks to Prof Simon Chapman. *Australasian Science* has reproduced the key paragraphs on tobacco on page 13.

"Despite repeated public urgings by public health and cancer officials (e.g. in *The Bulletin*, 30 January 2001), Staunton has never publicly distributed any statement about her repudiation of nicotine as a dangerous, addictive substance, nor has she appeared in the media to express this over her own name or as an interviewee."

## COMMUNICATIONS: A "REVOLUTION" IN CONFUSION

There was also confusion over CSIRO's most recent communications plans:

**Sandland** – It [*The Communications Revolution* plan of 2001] obviously occupied a significant amount of time of the then Director of Communication, Ms Di Jay, but I have no idea of the cost...

**Carr** – We now have another document called *The Communications Strategy* [2003–2007; supposedly written by Staunton but, as Carr later said, essentially a rewrite of the 2001 plan].

**Sandland** – While there were many meritorious aspects to the original document, it was not considered by our Board to be an acceptable strategy.

**Carr** – What was wrong with it?

**Sandland** – A variety of issues were discussed with the Board. I think Ms Jay was labouring under the difficulty of not having an organisational strategy or an organisational strategy process to which she could tie that document. Therefore, it was a very difficult assignment for her to attempt to develop a strategy in the absence of a corporate strategy.

Although Sandland declared that Jay had prepared *The Communications Revolution*, she did not join CSIRO until 3 months after its release (Media Release, 16 November 2001). Instead, the document states it was "developed by the CSIRO's Communicators' network", with their consensus being reached at "the Network's conference from 25–27 July 2001". The convenor, Wendy Parsons (who has since resigned), says management did accept it and believes the Board did, too, as they were never told to the contrary.

Sandland is responsible for communications, yet he delivered to the Senate, unambiguously, a "piece of junk".