



Biotech Daily

Daily news on ASX-listed biotechnology companies

Friday January 19, 2007

EDITORIAL: CONFLICTS OF INTEREST AND TRANSPARENCY

Melbourne's daily newspaper The Age has run a series of articles noting Bionomics' involvement in the Federal Government's Industry Research and Development Board's grants process.

On December 22, 2006 the Minister for Education, Science and Training, Julie Bishop, announced a \$37.7 million award to the Cooperative Research Centre for Cancer to fund research over seven years with much of the work based at Bionomics in Adelaide.

The Age highlighted Bionomics chief executive officer Dr Deborah Rathjen's position with the IR&D Board as well as Bionomics chairman Peter Jonson also having involvement with the Board.

Dr Rathjen told Biotech Daily that there was "no conflict of interest" and that probity lawyers vetted all Board meetings.

She said that although no funds would flow directly to Bionomics, the company would have "access to about one third of the capacity" of the Cooperative Research Centre for Cancer grant.

The issue raises questions of transparency in a small sector where it is said there are limited numbers of scientific and financial experts.

Bionomics could have included a disclosure statement in its January 2, 2007 media release, thereby blunting any complaints.

Biotech Daily faces similar transparency issues and potential conflicts of interest.

Nearly all Top 40 companies – including Bionomics - are subscribers, as are many of the other biotechnology companies covered by this publication.

Editor David Langsam and analyst Marc Sinatra own and trade shares and the first publication of each month discloses the editor's current holdings.

Biotech Daily does not routinely disclose share ownership in rewriting straightforward media releases to the ASX. Where a story is taken further by Biotech Daily, disclosure is made.

For that matter, The Age does not disclose in every article on News Limited or Publishing and Broadcasting that the Murdoch and Packer empires own shares in Fairfax, because it reported those investments - extensively - at the time.

The same cannot be said for direct, potential and perceived conflicts in other organizations.

It is in the interests of publicly-listed companies to disclose openly and clearly any potential or perceived conflict of interest.

One sentence in a three page media release can save a lot of bother.