WESTERN AUSTRALIAN FUTURE FUND AMENDMENT (FUTURE HEALTH RESEARCH AND INNOVATION FUND) BILL 2019

Second Reading

Resumed from an earlier stage of the sitting.

HON MATTHEW SWINBOURN (East Metropolitan) [5.07 pm]: It gives me pleasure to stand this evening and speak on the Western Australian Future Fund Amendment (Future Health Research and Innovation Fund) Bill 2019, which I wholeheartedly support. As many members who undoubtedly follow all my speeches very closely know —

Hon Kyle McGinn interjected.

Hon MATTHEW SWINBOURN: I thank Hon Kyle McGinn.

My family has been affected by a range of medical conditions, some of which are exceptionally rare and some of which are common, but all of which place a burden on my family. That experience has given me contact with our medical fraternity and also our medical researchers, which often are one and the same. It gives me pleasure to speak on the bill because I believe its policy is very sound, which is to support more investment in medical research and innovation in this state. Such an aim can be only positive for the people of Western Australia—all the people of Western Australia—regardless of where they live, because any medical research breakthroughs benefit us all. The repurposing of the future fund and the dividends from it will positively benefit all Western Australians and, I hope, Western Australian children, and especially people who suffer from rare diseases.

This bill reflects one of the reasons that I became involved in Parliament. I wanted to be a parliamentarian because I wanted to be involved in the making of laws and policy that delivered more for our medical community and the people of Western Australia who benefit from that. Hon Roger Cook may or may not remember—I am sure that he probably does—that during the election campaign in 2017, my wife harassed him about funding for childhood cancer. Whenever she saw him, she would corner him and tell him that he needed to put more money into research for childhood cancer. That is obviously a reflection of our own personal circumstances, which have given us a particular insight into what happens to children when they go through that process.

As I have said before in this house, Western Australia punches above its weight, and that term has been used a bit in this debate. It certainly punches above its weight in medical research into childhood cancers, particularly brain cancers and leukaemia. That has only come about from the support the state and the commonwealth have put into medical research in this state. Anything, in my view, that delivers more funds into medical research and innovation is a positive thing. Of course, it needs to be done appropriately, and I accept that that is a consideration for other members here.

One of the commitments made by the Labor Party in the 2017 election was to repurpose the interest from this fund, which has been contributed to through mining royalties, towards medical research and innovation. This money will provide our researchers and innovators with a level of security they have not previously had, because they tend to get funded from project to project. Where the funding is directed and what is supported and what is not supported, of course, is often at the whim of the government of the day. This fund will, hopefully, give us a bit more security. That is very important in this field, because to be effective in medical research, we need to attract and retain the brightest, and what we need for that is security. The fund will help to achieve this.

As I have mentioned, we have a proud history in Western Australia of medical research into childhood leukaemia and brain cancers. To the credit of Australia and Western Australia, we often give recognition to those who have been pioneers in their fields. The two most obvious people I can think of are Professor Fiona Stanley and Professor Fiona Wood, who have both been Australians of the Year. Professor Fiona Stanley, of course, quite appropriately, also has a hospital named after her for her contribution. Professor Stanley is a medical researcher. Some of the areas in which she has done medical research is into the importance of folate to prevent neural tube defects such as spina bifida, and the connection between a deficiency of folic acid in women just before they get pregnant and the onset of those neural tube defects. Her research has contributed to a massive reduction in the number of people suffering from spina bifida. Older members of Parliament may remember people who suffered from spina bifida. It is far less common now, and for that we can thank the research done by not only Professor Fiona Stanley but also her team, which was the forerunner to the Telethon Kids Institute. The benefits of pregnant women ingesting folate is that babies are no longer born suffering spina bifida. Professor Stanley did not stop at the discovery, but went on to advocate for the fortification of our foods with folic acid, or folate, to ensure it reached the community. That benefits everybody, because not all members of our community have the capacity to make decisions about their food. For example, folate-fortified bread is now part of our diet. Most of us would not understand that the bread we eat is fortified with folate, and that is due to that great work that is delivering benefits to us.

Many members will be aware also of the brilliant work done by Professor Barry Marshall. I am not sure all people in the house will be familiar with the story of how he made his breakthrough discovery. Professor Marshall and his colleague Dr Robin Warren discovered that a particular bacterium causes stomach ulcers. Historically, stomach

ulcers were thought to be caused by stress or acidic food and a number of other things, but bacteria was excluded. As I recall the story, he went to a big international conference of his colleagues and postulated his theory about the bacterium and he was almost laughed out of the auditorium. Professor Marshall actually drank a solution of the bacteria that causes ulcers to prove his thesis that the bacteria caused ulcers. He drank the bacteria in a solution and later developed ulcers in his stomach. Since then, we have been able to make the connection between those two things and now understand that to treat most ulcers, people need a course of antibiotics.

Again, those who are old enough—as I look around the chamber, I see there are still some here—will perhaps remember that ulcers were a big thing, particularly for men. They had ulcers, which were aggravated. We hardly even talk about stomach ulcers in the way people did 30, 40 or 50 years ago because of the brilliant work done by Professor Marshall and Dr Robin Warren. They were awarded the Nobel Prize in Physiology or Medicine, I believe, for their discovery, and that indicates how important it was. It was done here in Western Australia with medical researchers. We can think about the benefits to our population because, due to that innovation, we do not have the chronic problem with stomach ulcers that we once had. That happened because Professor Marshall was supported through his university and his hospital with funding for that sort of thing. That funding does not come from nowhere. Often, for pioneers such as Professor Marshall , the funding does not come easily because their ideas are often not well accepted at the beginning. The point of government intervention in funding is that we can often fund those at the edge of medical research when pharmaceutical drug companies are not necessarily interested in that particular work. I remain eternally grateful for the discoveries that they have made.

I hope these events do not stop completely, given our current circumstances. Science Lands in Parliament is often held in the Aboriginal People's Room, when scientists and health researchers give presentations. Members may say, "Oh, well; it's another Tuesday night thing that interrupts my dinner; I'm not going to go", but I strongly encourage them to go and speak to the researchers. They are always very keen for people to take an interest in what they do. Maybe that is because they are locked away in labs for long periods and do not have much human contact, and when they come to Parliament, it is an opportunity for them to speak to people rather than engage in bacterial research or something like that.

Last year I met a very interesting woman, Dr Ruth Thornton, the head of infectious disease implementation and director of the Wesfarmers Centre of Vaccines and Infectious Diseases. I suspect she is exceptionally busy right now. Dr Thornton's role, and what she was talking about, was the research she did into inner ear infections among our children. She also does her research at the Telethon Kids Institute. In certain population groups in our society, particularly Aboriginal children, there is a high incidence of inner ear infections. They can be debilitating and can cause deafness—probably one of the most serious things they can cause—and vertigo. They can massively disrupt the development of those children. With her group, Dr Thornton is trying to find whether there is a genetic basis for why Aboriginal people are more prone to problems with bacteria in their ears. The purpose of her research is to help solve that problem so that those children can develop to their full potential by not being burdened with those kinds of ear infections. Again, she can do this research because she is supported financially. Her work mostly reaches remote and regional people and is done at the Telethon Kids Institute in Nedlands. Those people spend a lot of time going out into the community, and they provide a range of other services. I hope this bill—I am certain it will—will help support the important work of people like Dr Ruth Thornton.

I have had the opportunity to speak to a number of research groups, such as the Children's Leukaemia and Cancer Research Foundation. I do not want to speak on its behalf, but, from my understanding, it is keen to see this extra funding come through because it spends a lot of time fundraising and directing money towards research. Lots of people do lots of fundraising. Members have probably been invited to events fundraising for X or Y. A lot of those groups do not know how to connect the money they fundraise with researchers. The job of a group like the Children's Leukaemia and Cancer Research Foundation is to collect some of that money and then support researchers. That is the foundation's process, and it is very good at doing that. It helps the private or community sector to get money from different events and those sorts of things, but it is certainly very happy to see other money come from government support.

I would also like to talk about Professor Fiona Wood. Many members would know about her from her work after the Bali bombings and her innovations, such as the development of spray-on skin. That medical innovation is now used in many hospitals throughout the world to benefit people. Burns are horrific, and anything that reduces the burden on victims is good. Again, that innovation was developed here in Western Australia. I was fortunate, although it was through a misfortune, to meet Fiona Wood in a clinical setting. I will always appreciate the help that Professor Wood gave my son when he was suffering from ulcerating blisters on his hands and feet. We went to the burns clinic that she runs at Perth Children's Hospital and she was able to provide him with dressings that relieved some of the pressure from the ulcerating sores he was getting from the medication he was having to take. I probably should not say this, but one of the first things I noticed was how incredibly short Professor Wood is. You see people on telly and then you see them in real life. She was just brilliant. This former Australian of the Year

came in and she was obviously unaffected by her fame. She came in and did what she needed to do; she was very reassuring and moved on from there.

As I say, when we think about what this bill proposes to do, people might have truck with the manner in which it has happened or where the money will come from, but let us never forget that the thrust of this bill is to deliver resources into areas that provide a dividend in both a human sense and a financial sense for the people of Western Australia.

We have a number of medical research institutes. The Harry Perkins Institute of Medical Research is our peak adult medical research body and lists 18 major research achievements, including treatment for chronic kidney disease, which is a problem throughout our population and in our Aboriginal community because of the effect of type 2 diabetes; the discovery of micro-RNA that may help to treat cancer; and a new technology to discover microscopic cancer cells that might have been left to grow if not removed during breast conserving surgery. The Telethon Kids Institute, which is very close to my heart, has played a major role in the development of new technology for continuous glucose monitoring and has been instrumental in the development of national guidelines for autism diagnosis. This stuff cuts across our community. It is not metro, regional or rural; it is an entire community thing. Research into autism benefits all children in our state. I think that is a really key point to take from this.

Between 2013 and 2017, 401 articles written by TKI researchers were published in medical journals, and 98 were published in the top 10 per cent of journals. Obviously not every journal is equal. I am sure Mr Acting President (Hon Dr Steve Thomas) can attest to that. People want to be published in journals like *The Lancet*. We can be very proud of our researchers in Western Australia who have achieved those sorts of things.

What does medical research and innovation contribute to our economy? It is hard to get figures specifically for Western Australia. I was able to find a report prepared by KPMG and issued in October 2018 titled "Economic Impact of Medical Research in Australia". Although it does not use Western Australian evidence, it does give an overall picture. KPMG was commissioned by the Association of Australian Medical Research Institutes to conduct an analysis of the economic contribution that medical research makes to Australia. In doing so, the report estimates both the direct returns and indirect returns from medical research, including health gains and health system savings as well as the ability to generate jobs, contribute to gross domestic product and enhance the productivity of the Australian workforce. This report does not talk about the human benefit in terms of moving our understanding of diseases and potentially instituting cures; we are talking about the economic benefits. I will start at the report's conclusion, which states —

> Medical research is an integral factor in Australia's healthcare system and economy. It continues to progress treatment and prevention initiatives for the population, leaving a positive impact across the economy. As shown in the above three case studies, there are substantial existing economic and health benefits realised from medical research, with an average return on historical investment of $3.90 for every dollar invested.

We are getting a return almost four times what we put into the health system. Medical research is not a black hole into which we pour money and never get anything back. Quite the contrary; medical research results in a return of almost four to one for our economy and our society. The report continues —

> Medical research is expected to continue to deliver excellent returns on investment into the future, but delivering further health gains to the population will require ongoing investment. An increased focus on translational research through the MRFF will help to realise the gains of Australia's stock of research that has been built up over previous generations.

To drive that home, I refer to the key findings in the report's executive summary —

- Australia's medical research sector makes a significant and long-lasting contribution to the economy through job creation, downstream and upstream linkages with other sectors, and through the creation of knowledge.
- Medical research plays a significant and critical role in improving the health and wellbeing of the population.
- As a direct result of medical research, Australians are remaining healthier for longer due to improved treatments and improved healthcare that results from this research.

There is a direct connection between our investment in medical research and outcomes for our communities. We have longer, happier and more fulfilled lives because of what we spend on medical research. I think it would be fair to say that further investment in medical research would be expected to deliver more of those outcomes. The report refers to the impact of medical research —

- Medical research from 1990 to 2004 has delivered net present gains of **$78 billion** from a net present cost of $20 billion, returning a **benefit cost ratio** … **of 3.9**.

…

- The health savings from medical research significantly outweigh the cost of delivering them.

The old saying that "prevention is better than a cure" is exactly what we are dealing with here. If we put more money into medical research and have more support for researchers, we can expect to get the prevention and not have to think about the cure. I think the economic benefit from repurposing interest from the Western Australian Future Fund is self-evident. I think members should be able to support the bill on the basis of the benefits it will bring.

Members may not be aware, but would probably not be surprised, that Western Australia does not get its fair share from the National Health and Medical Research Council. For members who do not know what the NHMRC is, it is the commonwealth body that divvies up the money the commonwealth puts into medical research. In 2018, the commonwealth put a staggering—let me get my figures right here—$861 million into medical research. That works out to be $34.23 per capita for the whole of Australia. We can work out whether we are getting our fair share from the per capita amount we get in Western Australia. Let me go through what some of the other states get. The Australian Capital Territory is a bit under the per capita amount; it gets $33.86. New South Wales is a bit under as well; it gets $30.66. The Northern Territory gets $39.68 per capita. Queensland gets $24.50. South Australia gets $32.68. Tasmania is woefully low at $7.16. I will leave Victoria until last. Western Australia gets $15.36. Per capita, we are $18.87 below the average, so we are not getting our fair share. I do not think it should just be a proportional thing. It sounds like I am making that argument, but ultimately we are a long way below. Victoria gets $56.18. It gets $21.95 more per person than the national average. What do we do about that? We can complain to the federal government, of course, but another thing we can do is put our money where our mouth is and deliver more money to our researchers through this bill. We can build the economies of scale that demand that the National Health and Medical Research Council provides greater funding. These figures reflect the economies of scale that happen in Victoria with medical research. It is that classic saying: If you build it, they will come. Victoria has built it. It has built its economy around health innovation and research and it is seeing that reflected in its proportion of the share of that national funding. What we need to do in Western Australia, and what I think is incredibly important—I think all parties would agree, as we say time and again—is that we need to diversify our economy. We cannot just rely on what happens in the mining or agricultural sectors. We have to have other limbs to our economic argument.

One of the greatest things we have is the lifestyle we can offer people who come here to be researchers, but if we do not have the medical research funding to attract and retain those people, they will not come. They just will not. They will go somewhere else. These medical research places are full of homegrown people such as Professor Stanley but there are also full of expats such as Professor Wood. She came from the UK. She was not an Australian. She came here to do her research. The professor in Queensland whose name escapes me who did the research into cervical cancer was not from Australia either. He was another Nobel laureate for medicine and the work he did on developing the vaccine for cervical cancer was done in Australia with the support of the Australian government and probably the Queensland government, and that research is beneficial. We need to put this money in here. There are very sound reasons for supporting this bill such as the return to the state economically, the benefits to health and the prevention we might be able to get. For me, this speaks for itself. If we put our money where our mouth is, researchers will come. They will want to be here. We have fantastic facilities.

The Barnett government is to be commended for the final quality of the build—not the build over time—of the Perth Children's Hospital in terms of what it offers as a centre of excellence for research and a teaching hospital for children. I have told this story before and I will tell it again. My family went to the United States to the National Institutes of Health in Maryland, one of the centres of health in the world, to find out whether there were things we could do for our son that were not being done by our people. We got there with hope. We hoped there was something they could do. Of course, we all want the miracle. I had both a moment of pride and depression when we were told that our people do everything they can and that we are already up there. For an isolated city of two million people, an isolated state of 2.5 million people, we do it as well as anybody else does. We did not get the answer that we wanted, but we got the assurance that Western Australia's medical and research position puts us in the ballpark—not even the ballpark, but in the same league—as institutions such as the National Institutes of Health. If anyone ever goes to Maryland, I encourage them to make an appointment, because they will not be let through. It is like Fort Knox. The walls are 12-foot high and people carry semiautomatic weapons. We had to go through high security. Would members believe that that campus is so significant that it has its own police force? To have that message come to us in those terms was really good.

I think of our own oncologist for Mitchell, Dr Rishi Kotecha. He is from London; he is Anglo–Indian. He chose to bring his family, with his Polish wife, and raise his children here in Western Australia and to do his important research into leukaemia in Western Australia. As I say, we need to invest in these people. It is not just the superstars such as Dr Rishi; it is also the graduate students. They do a lot of the heavy lifting and we have to be able to attract and retain them. People studying for their PhDs do a lot of the heavy lifting in these research areas, and there has

to be places for them to do that. If we do not make opportunities here, they will go somewhere else. If they are locally educated and trained, the benefits of their knowledge, of what we have invested in them, gets up and goes somewhere else. Yes, that contributes to overall human knowledge, because they will publish and that information will be available, but it will not be from here, and I think that is really important. This fund is really about getting back to that point. The policy of the fund is really critical to me.

I am going to end my comments now. It is incredible to think that one small medical research team—it is usually not just one person; it is usually a team—can make a breakthrough that could save millions of lives. Just one small team working on something hard together can have impact on our society and the world. Think about the polio vaccine and the impact it had in eradicating polio from our society. Think about smallpox vaccine. Those are the obvious ones. Think about the medical research around the country and the world now working on a cure for this coronavirus and how important that is. If we do not invest in our human capital, if we do not lift it up, we cannot expect the great returns we have had in the end. I encourage all members to address whatever questions and concerns they have about the bill, but ultimately to support it and the important work it will achieve. I commend the bill to the house.

HON ALANNA CLOHESY (East Metropolitan — Parliamentary Secretary) [5.36 pm] — in reply: I thank everyone for their contributions to this second reading debate on the Western Australian Future Fund Amendment (Future Health Research and Innovation Fund) Bill 2019. I particularly want to thank Hon Matthew Swinbourn for giving full flavour to the real reason for the establishment of this fund and for colouring in, if you like, the way that the research that will be funded from it will impact people's lives. I think that is a particularly important contribution to make. I also thank everyone else who has contributed to the debate. As much as possible, I will try to address the questions that have been raised in each of the second reading contributions.

As some members have pointed out, this bill was brought forward because it was a commitment going into the last election. In March 2017, the government reaffirmed that commitment, which was to repurpose the Western Australian Future Fund in order to allow access to investment earnings—I point that out in particular—to drive improvements for the health and prosperity of the state. This bill amends the Western Australian Future Fund Act 2012, and it will establish a secure long-term source of funding to support research, innovation and commercialisation in health and medical sectors in WA. Some members asked how the account will be established. Through the bill, the WA future health research and innovation fund will be established and will continue as a Treasurer's special purpose account. I think Hon Dr Steve Thomas asked about that particularly. That special purpose account will be administered by the Treasurer. The new agency special purpose account will be called the WA FHRI account and it will be administered by the Minister for Health. It is generally accepted that spending on health and medical research and innovation should be considered an investment and not a cost. That is certainly something our government believes in. It is interesting to note that a 2016 study commissioned by the Australian Society for Medical Research outlined an estimated economic dividend of $3.20 for every dollar invested in the research workforce. The government hopes that that sort of benefit will be achieved through this bill.

During the course of the debate, members raised some other questions around some of the financial intricacies of the bill, including the fund and the account. I will talk about what has been credited to the future fund. Since its establishment in 2012, the future fund has been credited from only three sources. As I think Hon Martin Aldridge pointed out, the initial capital came from the royalties for regions fund, the second source was one per cent of the state's forecast royalty income, and the third was interest earned on the capital. Between 2013 and 2015, the initial capital plus additional moneys credited from the royalties for regions fund totalled $932.6 million. From the 2016–17 financial year, one per cent of the state's royalty income was credited to the WA future fund annually. From 2016 to September 2019, this amounted to $204.8 million. Finally, between 2012–13 and September 2019, $253.1 million came from interest earnings on the capital in the WA future fund. In summary, the WA future fund has received credits only as I have just described; no additional money has been provided from any other source.

Other members talked about the balance of the future fund. As at 31 December 2019, the balance of the current WA future fund was approximately $1.3 billion, rounded to $1.4 billion. The projected balance for 30 June 2020 is $1.413 billion. The projected balance for 2032 is $2.78 billion, not taking into account the amendment bill and related impacts, which may be subject to change due to fluctuating interest rates and royalty income. If forecast interest is credited annually to the new special purpose future health research and innovation fund account, the value of the FHRI fund in 2032 is estimated to be approximately $2.08 billion. That is also subject to change due to fluctuating interest rates and royalty income. The proposed FHRI fund will continue to be credited with one per cent of the state's forecast royalties. In addition, the bill allows for crediting via any income derived from investment of money standing to the credit of the FHRI fund, any amount that is the subject of a joint direction of the Treasurer and the Minister for Health under proposed section 4D(1), and any money lawfully made available to the FHRI fund. This will provide a real opportunity for philanthropists, the private sector and the government of the day to contribute to the advancement of health and medical research and innovation in Western Australia. Members asked about

what is expected to be credited to the account. The proposed FHRI account is expected to be credited between $40 million and $50 million each financial year over the forward estimates, subject again to fluctuations in interest rate projections. This estimate is based on a weighted average interest rate of between 2.9 and 3.5 per cent. Over the past 12 months, the average interest rate earned on the WA future fund was 3.12 per cent, with the average interest rate since inception being 3.51 per cent.

As Hon Dr Steve Thomas noted in his contribution, it can be difficult to measure and evaluate the benefits generated from research and innovation, but this has been considered with this new fund and account. The evaluation framework is being developed based on best practice and consultation. The Department of Health has been liaising with a number of entities that manage funding and give grants, so as to learn from those entities about their processes and experiences in the development of an evaluation framework. These organisations include the Department of Treasury, Lotterywest, the Cancer Council Western Australia and the Australian government's medical research future fund. Evaluation at a high level will be guided by a consistent set of key evaluation questions, which might include how the application of moneys from the account has contributed to the economic prosperity of the state. Also, processes will be put in place to make sure that only the most relevant and highest quality research or innovation activity is supported with funding from the FHRI account, which will maximise the chances that those activities will lead to useful outcomes. The governance framework also provides that programs and initiatives might align with the funding priorities in place at the time, which will in turn be derived from the five-year strategy for the application of funds in the FHRI account. This is a multistep process, which will include broad and thorough consultation on the five-year strategy and potential priorities, led by an independent advisory group; ministerial approval of the strategy and the priorities recommended by the advisory group; ministerial approval of the programs and initiatives that are based on previously approved priorities; and excellence-based assessment processes, including competitive peer review, to determine funding recipients.

Members also raised questions about conflicts of interest. Extensive processes and accountability measures will be in place to make sure that conflicts of interest of advisory committee members will be identified early, and, if they do arise, managed appropriately. Conflicts of interest of the advisory group will be managed through the provisions in the bill, the governance framework and the governance documents that will be made publicly available. The advisory group will also be required to maintain a conflict of interest register, which will be subject to freedom of information legislation.

Other governance matters were raised, particularly about the governance mechanisms for the new fund and account, and the reporting requirements, which will enable public scrutiny of the allocation of funds and how we will determine the benefits generated. Reporting will be publicly available, as required by the Financial Management Act 2006 under proposed section 4D, amended section 5 and proposed section 9A. The FHRI fund governance framework has already been tabled in both houses, so that will provide the reporting framework, if members like. There are also additional reporting requirements for agency special purpose accounts and they are contained in the Treasurer's Instructions. The government intends to use mechanisms for publishing and tabling information in Parliament, publishing information on the future health research and innovation website, and publishing information on the Departments of Health and Treasury websites.

Proposed section 4D(5) and (6) also includes an annual reporting requirement for the FHRI account. This will be prepared by the Department of Health and will contain information about the operation of the account during that financial year. It will also outline how money is being applied. The reporting requirement is in addition to other statutory reporting requirements for agency special purpose accounts. The Department of Health annual report will include the financial statements on the operation of the account and details of the advisory group, including any remuneration or travel expenses paid. That will be published on the Department of Health website and, of course, will be tabled in Parliament, as is required under the Financial Management Act. It is also intended that the ministerial advisory group will prepare its own annual report on the operations of the FHRI fund and the FHRI account, and that will be provided to the Minister for Health and published online and could also be tabled in Parliament.

As I have said, the governance framework has already been tabled in both houses, and future revisions approved by the minister could also be tabled in Parliament. The framework requires that the advisory group produce an annual report on its activities, and that will be presented to the minister and published online and could also be tabled in Parliament. The governance framework also requires the Department of Health to make the strategy, priorities, programs, initiatives, market-led proposals and individual grants of the FHRI account publicly available. The new FHRI fund website will also be created, with a suite of detailed information to be made available to the public.

Members asked about funding relationships for current research and innovation. Stakeholders and members in both this and the other place have queried whether the funding to which this bill refers will replace current revenue streams for research and innovation. I wish to make clear that once the FHRI fund is established, the investment income from this fund will cover new rounds of existing research and innovation programs currently administered

by the Department of Health's research development unit, as well as provide substantial additional funding for further research and innovation. The Department of Health has committed to meeting the costs of all grants and contracts made before the FHRI fund is established, noting that this is still subject to approval through the state budget process. Since 2015–16, the Department of Health's research development unit has expended between approximately $17 million and $21 million per annum to support health and medical research and innovation, excluding administrative and operational costs. The FHRI fund annual investment income is projected to be between $40 million and $50 million by 2022–23, which signifies approximately $20 million to $30 million in additional funding being available for health and medical research and innovation initiatives in WA. This will more than double the amount of current funding.

I am pleased to say that there has been strong support for increased funding in health and medical research and innovation. The Australian Medical Association has publicly and emphatically welcomed this legislation. Furthermore, renowned leaders in research, such as the Telethon Kids Institute and the Harry Perkins Institute of Medical Research, have highlighted its importance, given that the increased funding will address a gap in the current investment in health and medical research, improve the quality and range of projects and contribute to improving the health of Western Australians and economic opportunities.

In conclusion, I want to talk briefly about manner and form. I would like to remind members that the Western Australian Future Fund Act 2012, which this bill seeks to amend, includes a manner and form requirement at section 10(2). The bill before us retains this provision at clause 16. An absolute majority in both houses is required for the second and third readings of the bill. The government has not sought to amend the period ending 30 June 2032 to which the manner and form provisions apply. Hon Nick Goiran, in particular, raised this issue and some members also said that in 2012, when the future fund was established, the then Labor opposition wanted to do that, with an extension proposed to 2062. Our government has recognised the issue and thinks that in our current environment, this is no longer the best course of action. We do not need the protection of the extended date in the manner and form provision. We will honour the original date and see that through. The intent of the original manner and form provision is about building capital before allowing amendments to be made to access earnings. The new bill essentially pauses the accumulation period so that the original manner and form purpose is not relevant. We wish to avoid administrative tinkering with provisions that do not go to the heart of the bill. Changing the manner and form provision does not affect the objective of the bill. The context of the fund has changed. In 2012, the focus was on infrastructure, but we can see that in 2020, and with this bill, there is a true emphasis on and need for health innovation and research.

With that, I commend the bill to the house.

The ACTING PRESIDENT (Hon Dr Steve Thomas): Honourable members, before I put the question, the second reading of this bill requires an absolute majority, pursuant to section 10 of the Western Australian Future Fund Act 2012. If there is a dissentient voice when I put the question on the second reading, I will divide the house. I have satisfied myself that an absolute majority is present.

Question put.

The ACTING PRESIDENT: There being a dissentient voice, it is necessary for the house to divide.

Division

Division taken, the Acting President (Hon Dr Steve Thomas) casting his vote with the ayes, with the following result —

Ayes (25)

Hon Ken Baston	Hon Diane Evers	Hon Samantha Rowe	Hon Colin Tincknell
Hon Robin Chapple	Hon Donna Faragher	Hon Robin Scott	Hon Darren West
Hon Jim Chown	Hon Adele Farina	Hon Tjorn Sibma	Hon Alison Xamon
Hon Tim Clifford	Hon Nick Goiran	Hon Charles Smith	Hon Laurie Graham *(Teller)*
Hon Alanna Clohesy	Hon Kyle McGinn	Hon Matthew Swinbourn	
Hon Peter Collier	Hon Michael Mischin	Hon Dr Sally Talbot	
Hon Sue Ellery	Hon Martin Pritchard	Hon Dr Steve Thomas	

Noes (4)

Hon Jacqui Boydell	Hon Colin de Grussa	Hon Colin Holt	Hon Martin Aldridge *(Teller)*

Question thus passed with an absolute majority.

Bill read a second time.

Sitting suspended from 6.00 to 7.30 pm

Made Order of the Day — Motion

On motion without notice by **Hon Sue Ellery (Leader of the House)**, resolved —

> That consideration in Committee of the Whole House of the Western Australian Future Fund Amendment (Future Health Research and Innovation Fund) Bill 2019 be made an order of the day for a later stage of this day's sitting.