



**The Hon Roger Cook MLA
Deputy Premier
Minister for Health; Mental Health**

Our Ref: 60-22713

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Dear Professor Geelhoed

FUTURE HEALTH RESEARCH AND INNOVATION FUND

I write further to our recent working dinner to clarify a range of issues relating to the Future Health Research and Innovation Fund (the Fund).

I acknowledge the support of the health and medical research community for the Fund. This has been a vital part in us reaching the stage where my original vision to secure an enduring funding stream to support health and medical research in Western Australia is close to becoming a reality.

The Bill currently before the Legislative Council, if passed, will substantially deliver on that vision.

As I am sure you agree, in addition to supporting Health and Medical Research and Innovation (HMRI), the Fund will attract the best medical workforce, boost clinical services, diversify the economy, and create jobs.

The Fund will ensure local support for researchers and emulate policies long pursued in other parts of the world, where sovereign wealth funds provide long-term benefits for research and the people of those jurisdictions.

The McGowan Labor Government is determined to significantly boost HMRI in Western Australia to create a world leading sector.

During our discussion a number of issues were raised that should be clarified.

Funding

As you will be aware, funding for HMRI comes from a number of sources. In the case of Lotterywest, Healthway, and the Teaching, Training and Research funds provided by the Health Service Providers, these will remain available to health and medical researchers separately from the Fund.

Since 2013/14, the Department of Health's Research Development Unit has expended funds on health research at an average of \$19 million per year. The 2019/20 health budget provides an allocation of approximately \$19 million.

On passage of the Bill the intention has always been for the Fund to ramp up over the forward estimates. This would see funding for HMRI increase to approximately \$24.5 million in 2020/21, \$31.3 million in 2021/22 and \$36.5 million in 2022/23. This equates to an increase in funding of \$6 million in 2020/21, \$13 million in 2021/22, and \$18 million in 2022/23 over the \$19 million funding level. Should the Bill be passed, the source of this funding will become the Fund.

This approach will allow a scaling up of our State's research and innovation activity over the next few years. In 2023/24, it is anticipated more than \$40 million will be available for HMRI in Western Australia, more than doubling funding on current levels.

In addition, there is a separate allocation of approximately \$5 million per annum for administration of the research functions of the Department of Health, including the management of the Fund. This allocation will not come from the Fund.

The Fund

Recently, assertions have been made that the stream of funding currently flowing from the Consolidated Account should be maintained and that provisions from the Fund should be in addition to this funding. Again, I explain that this will not be the case. While funding for HMRI may also be available from other WA Government sources, the Fund will be the primary source of funding for HMRI. There are compelling reasons for this.

With finite resources available for HMRI activities, it is critical to ensure that funds are leveraged for maximum impact. Establishing an independent expert Advisory Council reporting to me, as was strongly championed by the sector, that will lead the development of both Strategies and Priorities will ensure the Fund is more effectively aligned to achieve ambitious goals.

Further, the new approach will ensure that all research funding will be subject to consistent and rigorous standards, enabling a level playing field and supporting high quality research and innovation activities.

My vision for the Fund has always been that it will secure funding for research and innovation in perpetuity, reducing the need for the research community to continually lobby for resources each budget round.

Ultimately, the Fund will more than double the amount of money available for HMRI, as has been the long standing stated objective of the McGowan Labor Government.

If the current level of Consolidated Account funding was maintained in addition to the Fund, it would mean a tripling of the available funding for HMRI. Increasing funding to this extent would of course be desirable, however does not reflect the commitment made and is unachievable given the considerable challenges faced by the State Government in the current fiscal environment.

I remain confident that the ramp up of the Fund will provide the security we all agree is necessary, and a significant boost to activity that will help our State achieve our research and innovation ambitions.

Current Research Programs

With respect to the Medical and Health Research Infrastructure Fund (MHRIF) and the Research Institute Support scheme (RIS), the need to fund indirect costs is not disputed but the allocation may be reviewed in the future to ensure it is contemporary and reflects best practice. While the Advisory Council will provide recommendations to me with respect to the entire research landscape, the elimination of funds to support research infrastructure, such as is provided through these programs, has neither been proposed nor considered.

Interim Advisory Council

At our meeting, concerns were raised about the interim period before the Advisory Council is constituted and the direction that might emerge without its guidance. I have asked the Chief Scientist to take on an interim role as my key advisor in lieu of the Advisory Council being established, to advise me on the early direction of the Fund until the Advisory Council can be appointed (over the coming year). I can confirm the Chief Scientist has accepted my offer.

I appreciate that this is an exciting time for the HMRI sector. We are on the cusp of important funding and operational reform. I am determined to deliver the important benefits of the Fund for the future of Western Australia. While not all the measures will meet your aspirations for the sector, I am sure you will agree that these are important changes and well worth supporting.

Once again, thank you for your support. I am very much looking forward to working with you on the next exciting chapter of the Western Australian HMRI sector.

Yours sincerely



HON ROGER COOK MLA
DEPUTY PREMIER
MINISTER FOR HEALTH; MENTAL HEALTH

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