

**ANIMAL RESOURCES AUTHORITY AMENDMENT AND REPEAL BILL 2021**

*Second Reading*

Resumed from an earlier stage of the sitting.

**MS M.J. HAMMAT (Mirrabooka)** [3.06 pm]: Before the adjournment, I was talking about the wonderful work of the Animal Resources Centre, and, indeed, the work of a number of research institutes in Western Australia. I was going to reflect at a bit more length, but I will constrain my comments, because I think we are interested in concluding discussion as soon as possible.

I was going to reflect on the very strong reaction I got from people when I told them that I was going to talk about a bill dealing with the Animal Resources Authority. I think it really highlights that for most people, contemplating the work of the Animal Resources Centre causes a bit of discomfort. People do not often think about the animals we use for scientific research. Of course, it is a matter that in more recent years has attracted quite a lot of social commentary, activism and debate about what is appropriate. I acknowledge that it is a difficult issue for many. I will save my reflections on that maybe for a debate on another occasion, other than to acknowledge that I think it is interesting to recognise people's emotional reaction to it, but also recognise the important role that animals have played in the development of important health advances such as the development of insulin, the polio vaccine and penicillin, as well as the elimination of smallpox. I think this is a somewhat vexed issue, but, as I say, I will save those reflections for another time.

I will conclude by returning to where I began, which is to recognise that this bill is important for the Animal Resources Centre to ensure that it is able to move on to the next chapter and can continue to perform its important work in providing high-quality animals to support medical research not only here in Western Australia, but also around Australia and internationally, which can go on to have a profound impact on the health of people not just here but around the world. The centre undertakes important work. We greatly value its commitment to not only producing animals of a high standard, but also animal welfare. On that note, I conclude my contribution and commend this bill to the house.

**DR D.J. HONEY (Cottesloe — Leader of the Liberal Party)** [3.09 pm]: I rise as the lead speaker on this bill for the opposition. Members may know that the purpose of the Animal Resources Authority Amendment and Repeal Bill 2021 is to close down the Animal Resources Centre. That is made clear in the explanatory memorandum that states —

The Bill provides for the State to exit ownership and operational control of the Animal Resources Authority, including the ability to realise its assets and discharge its liabilities. When the Bill is enacted and receives Royal Assent, the primary focus of the Authority will shift to implementing an orderly wind-up of its business. It is anticipated that this will involve the transfer of assets to an interested party to continue production operations under new a business model. The Bill requires all wind-up activities to be concluded no later than 30 June 2023. After 30 June 2023, the Authority is abolished and the necessary administrative steps are taken to formalise the resolution of matters.

In addition to the wind-up order, the bill will also see the board dissolved and replaced by the minister. That means that on 30 June 2023, the centre will cease to legally exist. The opposition will not support the bill at this time, because we recognise the importance of scientific research and the significant contribution the Animal Resources Centre makes to that effort. I recognise the contribution from the members for Nedlands and Mirrabooka in outlining the importance of the science. I will explain why we have reached that position. We are not opposed at all to the government's intent in this matter; we are opposed to the timing. It looks like it is putting the cart before the horse.

The ARC is an essential service to the biomedical research community. Although the former Minister for Health stated that the government wanted to see the centre's work continue under a third party, this bill does not guarantee that position. If the government is truly committed to the centre's work and the important contribution it makes to scientific research, it would hold back this bill until it has secured the centre's future with another party. As I said, we are not opposed to looking at changes to the legal status under which the centre operates, which would guarantee speedy passage of this bill, on our part at least, if firm arrangements for continuing the centre were already going to be in place. However, winding up the centre in its current legal form should not proceed until other arrangements are assured, because there is no guarantee of the centre's continuation in this bill. We will not vote for a bill that could see the government fail to find other options for the centre and thus declare the centre closed without any continuing service. We therefore oppose what is, at this stage, an unnecessary bill that could do enormous damage to the state and the national scientific research effort.

Some members, perhaps not many—although the minister, given his long service here—may remember that in 1981 the Liberal–National government created the Animal Resources Authority.

**Mr R.H. Cook:** I was still in high school in 1981!

**Dr D.J. HONEY:** The minister was very keenly interested in politics, I am sure. This would have gripped him at the time.

**Mr R.H. Cook:** I was studying politics in year 11 though.

**Dr D.J. HONEY:** Very good. He was not quite there!

The purpose of that legislation was to establish a body to supply high quality, disease free, specially bred laboratory animals for research, particularly mice and rats. That centre, currently based at Murdoch University, has 64 highly skilled staff. The impetus for the initiative was the difficulty our local tertiary sector had in accessing such animals for research. Local universities and other research bodies were relying on various sources of supply with varying quality, reliability and cost issues. For the past 40 years, Western Australia's Animal Resources Authority, through the Animal Resources Centre, has provided specific, genetically defined laboratory animals for scientific and medical research. The centre is one of two major providers of research animals in Australia, and sells annually around 200 000 animals to institutions around the state, country and internationally. It is important to note in the context of the government's bill to close down the animal centre that in 1981, the Labor Party, although supporting the bill, did note that a lot of people were utterly opposed to the use of animals for any form of research, as was alluded to by the previous member. I hope that is not influencing this closure, but I am reassured by comments made about that by other members. It is true that there was an expectation that the centre would be self-funded by generating revenue from the sale of animals, and it is true that the centre has relied on modest subsidies, a cost that should be readily accepted as a small contribution to the critical science that is enabling a much bigger research effort. Most research centres utilising animals are undoubtedly publicly funded to some extent. The subsidy for the animal centre is no different and is a relatively small investment in the broader scientific research effort. The subsidy, the annual shortfalls, are about \$1 million or less depending on demand for the animals. Last year the deficit was \$350 000, which, in the context of the position of the state government's budget, is a very small amount of money indeed.

It seems very clear that at the initiation of this bill, the subsidy was the government's prime rationale for closing the centre, explaining it on the basis of a need for budget repair, and even more so in that our briefing was led by a member of Treasury. I quote the government's response to my grievance on this subject. The minister replied —

... I am sure he can see that the problem of the financial viability of the ARC is not the sort of thing that a government with a focus on fixing the budget bottom line can accommodate ...

It is remarkable that that rationale was offered in August 2021, when the government was looking at multibillion-dollar surpluses. The budget is well and truly in a healthy position. Admittedly, some might say that that is ephemeral given it is due to iron ore prices and the federal Liberal government's GST fix; however, the government will have no shortage of revenue for some time. This is not going to make any material difference to fixing the bottom line. As I said, it was very clear in the initial discussions that that was the primary motive. I know that the government has received many solicitations subsequent to that, and I think it has become more aware of how critical the centre is to scientists and medical professionals across Australia and internationally.

Scientists are very concerned about this. The announcement of the centre's proposed closure was a surprise for the scientific community and it came without consultation with the people who rely on the centre and the supply of animals that it provides. The government's decision to close the centre is, in fact, creating panic for scientific researchers across the nation who use animals provided by the centre. Numerous research projects depend on the centre's supply of animals. The science and medical research community is greatly concerned about where it will find an alternative supply, because it is not easy to establish a centre to supply such a large number of animals bred specifically for specific scientific and research purposes. I quote Dr Malcolm France, a laboratory animal care and management consultant and former President of the Australian and New Zealand Laboratory Animal Association, who, in *The Guardian* of 9 July 2021 said —

“Closure of ARC would not just affect the many medical research programs that depend on these specialised strains of mice and rats, there is also the potential loss of the technical expertise required to breed them,” he said.

Michelle Haber, executive director of the Children's Cancer Institute in Sydney is worried because 80 per cent of the animals they use come from the ARC, including one strain of mice not available from any other supplier. That was reported in *Nature* on 9 July 2021. I personally discussed the matter with emeritus Professor Miranda Grounds from the University of Western Australia, who was kind enough to enlighten me about some of the work being done using animals provided by the centre. One of the specific types of animals bred in the centre is the dysferlin-deficient BLAJ mouse colony. There are no alternatives to this supply of mice. The BLAJ colony, a model for the human disease dysferlinopathy, held at the ARC is funded by the overseas Jain Foundation, which is a single issue group focused on trying to solve this particular disease. The mice are held at the Animal Resources Centre and provided by the ARC laboratory. It is the only supplier for the whole of Australia. Dysferlinopathy—I am sure that someone will correct me on the pronunciation, so have fun with that one!—is a serious muscle-wasting disease. It is a critical area

that is related to muscular dystrophy. At least four research groups across Australia depend on these mice for all their funded research—research groups in Queensland and Melbourne and two collaborative groups at the University of Western Australia and Curtin University. At one stage, the Jain Foundation tried to send mice from its international colonies at the Jackson Laboratory in Maine in the United States, but it was an administrative nightmare and highly inefficient and it cost an enormous amount of money for the researchers. Of course, that has obviously been exacerbated at the moment with the disruption to flights into Australia because of COVID.

One of the huge strengths of the ARC is its specific pathogen-free status—its SPF status—because it meets high standards and is formally affiliated with what are called the Jain labs in Jackson in Maine. The JAX labs are major supplier of mice for global research. This means that all ARC mice are accepted by animal houses across Australia and, in fact, around the world. Without this guaranteed SPF quality, mice cannot be readily transferred between animal houses within Australia. We need one major guaranteed SPF professional supplier in the country. Pregnant and newborn mice are required for studying the early development of childhood diseases. Timed mating, pregnant mice and young litters are available from the ARC but are not available from the international JAX labs, even for researchers in the USA. It is a unique supply of animals. That is a huge bonus of the ARC. Such mice are essential for studies into muscle development, especially for our many studies in the dystrophic mdx mouse model of the lethal childhood disease Duchenne muscular dystrophy.

Another area that perhaps not many members would be aware of is the provision of older mice. Older mice are utterly critical in studying the diseases of ageing. Over the last 20 years, the ARC has been highly productive—or at least Australia has been highly productive—in the research on ageing. Initially, ageing mice were not available commercially from anywhere in the world. It was only around 2020 that the JAX labs established colonies of mice that could be purchased from 15 months of age. Before that, there was nothing. Such old mice are very expensive, plus there is the cost of importing them into Australia. Potential flight restrictions are also a big and current problem. The ARC established and maintains these colonies for us here and now more widely. It takes two years to age these mice. It is a very expensive and time-consuming commitment. This now includes major collaboration with other groups at Curtin University. The whole field of ageing health and disease is a rapidly expanding research area. Without the professional service of the ARC, none of that research would have been possible. There is also great concern about sustaining future animal supplies at the required quality standards if the task is scattered across facilities that come and go across Australia.

Research requires the reliable availability of high-quality mice. Planning for this extends for many years into the future, especially for old mice that need to be accommodated and monitored until they are two years of age. The government's Animal Resources Authority Amendment and Repeal Bill 2021 to wind up the centre provides no comfort or assurance that the supply of needed animals will continue beyond the centre's closure on 30 June 2023, which is demanded under the bill.

The decision continues to perplex people familiar with the centre and concern remains that it has not been well thought out. It certainly cannot be that this is simply about budget repair. Whatever the reason, we know that the decision to close the centre does not have a credible financial argument. The Labor government has responded—I know that the minister has received the same solicitations that I have received—to the great concern expressed by the scientific community and has sought to find a third party to continue the centre. In the statement it issued in November 2021, the government stated —

The State Government and the ARC appreciate that stakeholders need confidence that the range of services and the high quality product they have come to expect from the ARC will be maintained, so that research can continue without disruption.

That was a welcome statement. However, under the amendment bill, the centre will close without any certainty that the operations of the centre will be guaranteed by some other means. Given the government's previous statement, I do not understand—I did have a briefing on the bill—why this bill has to progress through this house before those negotiations are complete. If the government had seriously acknowledged the importance of the centre, it would have first established a way forward with certainty by establishing a new centre before winding up the ARC in its current form. Instead, the government is moving to close the centre; make no mistake, this bill, once it has passed, puts an absolute finish date on the centre. In fact, the principle is for the centre to wind itself up. If that is done before we find another party to take it over, the government will cause enormous harm to the enormously important scientific work in Western Australia and Australia and, in fact, around the world.

As the minister can guess, I am not being dogmatic in saying that we would oppose this bill under any circumstance—it is quite the opposite. My only concern is the continuation of the centre. What I cannot understand is why the government has not gone down the same path that it does with state agreements. The minister would understand those very well given his other role. In the case of a state agreement, the government enters into a contractual agreed position with a third party and then the legislation comes into Parliament. I genuinely do not understand why this could not have been done in exactly the same way, with an agreement being finalised before the bill came to

Parliament. I understand the argument that was put in the briefing that the centre's remit does not allow it to negotiate this transition of its own volition and that it may be limited in some way. I am not sure whether that is true, but that is what I was told and I trust that what was said was done so with genuine belief. I am not alleging that there was any subterfuge in the answer that was given to me. But, as I have said, I cannot understand why the government could not complete its negotiations, guarantee transition to a third party and then bring a bill before the house. I can guarantee the minister that I would have given the shortest second reading contribution that he has heard in this place in supporting the legislation going through the chamber.

A government member: Third reading.

**Dr D.J. HONEY:** A third reading contribution perhaps.

If the government is sincere—I am sure that it is—in wanting this centre to continue and it realises just how enormously important it is to Western Australia and Australia and, in fact, for medical research on a global scale, I believe it should withdraw or at least prevent this bill from progressing further until it has agreement in place with a third party. Otherwise—this is the problem—if the bill passes through both houses, by June 2023, if no other arrangement is in place, that will be it. The whole operation of that centre will cease.

That would just cause chaos for medical researchers across the state, the country and, in fact, the world. We do have concerns, but I will not labour the original point. It was very clear from the second reading speech and the supporting information to the bill that concern around this matter was based on the financial outgoings of the government to an organisation that was supposed to pay its own way. Clearly, when the government came to office in 2017, it genuinely wanted to embark on budget repair and looked at all sorts of areas. Treasury, as it does, went through and identified areas in which it thought it could achieve those savings. However, in this case, I think it misidentified a target. The philosophical argument could be mounted that this organisation should have funding provided by another means that does not place a burden on government, but we would never contemplate a situation in which the output of this centre should be wound up. It would be a highly egregious outcome if that were to happen.

When the former health minister, who is also the Minister for Science, responded to a budget question on the Animal Resources Centre, he noted that there will be a \$6 million equity injection, but that is expressly for the purpose of dealing with all the issues that will come out of winding up this organisation. As I said, it seems that the position was clear at the start—that this would be a financial saving. The government realises the importance of this centre. That being the case, I think it is time to put a halt to this bill at this stage. We need an ironclad guarantee that this centre will continue. I fully accept the minister's good intentions to find a Western Australian-based group if possible, and my understanding is that there are some highly reputable groups that will possibly participate. I accept that the minister is genuine about finding that, but that should be done outside the confines of this bill. Only once we have that guarantee should the bill be passed through Parliament to wind up the centre, because, despite the good intentions of the minister, there is nothing in this bill that guarantees a continued service. That is why we are saying that the bill should not proceed until the government has an agreement in place with a third party to take over the centre or its activities, and that is publicly revealed. I call on the minister to do that. As I say, I do not doubt the minister's good intentions in that matter.

The opposition has no philosophical objection to this moving from a government-provided service to another provider that can reliably provide the types of animals that are needed; however, we do not want to be in a position, for whatever reason, in which negotiations fall over and the medical and scientific research community is left without these critically important animals or has their supply disrupted. When I spoke to Professor Grounds and others, I was told that these research programs run for decades. The other thing that I had not intuitively thought about is that a comparison of the results of medical research for particular diseases can be done only when the research has been done on genetically identical animals. If research by the Jain Foundation in the United States was being compared with research by Curtin University, they would have to know that the same animals were used; otherwise, it would make a comparison of that research difficult. This is a critical service and it is critical that we maintain it. That is why I say that, at this time, the opposition does not support the passage of this bill.

**MS S.E. WINTON (Wanneroo — Parliamentary Secretary)** [3.34 pm]: I, too, rise to make a small contribution on the Animal Resources Authority Amendment and Repeal Bill 2021, and through that I will take the opportunity to talk for a few brief moments about the future health research and innovation fund, which demonstrates the McGowan government's strong emphasis on research, innovation and science in this state. Before I explain the purpose of the bill, I want to talk about the Animal Resources Centre located at Murdoch University.

The centre was originally set up to provide highly disease-free laboratory animals for teaching, research and diagnostic purposes in Western Australia. Over the last 40 years, the ARC has become a major supplier of laboratory animals, providing resources for researchers across Australia. In fact, it now supports not only a national research capability, with the majority of the stock supplied interstate, but also research institutions overseas. The ARC is run by the Animal Resources Authority, which is the statutory body that was established in 1982 under the WA Animal Resources Authority Act. Critically and importantly, the act states that the authority must be self-funding.

However, the authority has not been able to maintain a financially sustainable model, with the state government having to contribute in recent years to cover costs. The 2020–21 annual report detailed the challenges faced under the current model. In the 2019–20 financial year, the ARC had an operating loss of \$1.2 million. In the 2020–21 financial year, the ARC had an operating loss of over \$340 000. The 2020–21 annual report details those losses. It states —

Major factors contributing to the deficit included:

- Impairment costs of \$556K ...
- Increased mouse production in immunocompromised and niche lines
- Continued high repair and maintenance expenses ...
- Mouse custom breeding revenue fell by 30%
- Rat custom breeding revenue fell by 42%
- The number of rat and mouse custom strains lines decreased

The aging infrastructure at the ARC poses risks in terms of potential equipment failure and ongoing high maintenance costs.

It is good to remind ourselves that the ARC was originally intended to supply animals for use within Western Australia alone. However, over time, the activities of the Animal Resources Centre expanded. As it stands, only around 16 per cent of the animals supplied by the ARC remain in WA, with the balance of that stock—around 80 per cent—going interstate and overseas. The result is that both overseas and interstate medical research institutions are in fact being subsidised by the Western Australian taxpayer, and that is not a sustainable model.

Given the lease at Murdoch University is due to expire, the opportunity and time is right to reassess that business model. The state government undertook a review of the ARC, which identified that the existing model cannot operate and manage infrastructure and maintenance costs. It found that change is needed now for the capability to be continued in Western Australia. The purpose of this bill is to transition the assets and operations of the centre to a third party provider. This bill will repeal the act and provide the legislative means to transition the ARC function to a third party operator. The WA government is aiming to exit ownership and operational control in a way that retains the capability in WA, secures a sustainable future with a new independent operator, and minimises the disruption to ARC stakeholders.

I will not go further into that. However, I do want to focus on the comments of the Leader of the Liberal Party. The government will invite a limited number of parties to participate in a single stage limited request process, the outcome of which will be the selection of a third party to acquire the ARC's capability. Parties will be invited to participate in this process as a result of the expressions of interest submitted during the market sounding process. The Western Australian government expects to be in a position to choose a preferred party by approximately June 2022.

This bill will allow us to maintain the ARC's capability in Western Australia, and the state government again reaffirms its commitment to local jobs and the health and medical life science sector. I will take just a couple of minutes to talk more broadly about the importance of medical research, innovation and science, particularly for this state. It might be interesting for members who were not here in the fortieth Parliament to do some research into a very important bill that was passed in that Parliament. Of course, I refer to the Western Australian Future Health Research and Innovation Fund Act 2012 that was passed in our first term in office. That legislation in effect repurposed the \$1.4 billion future fund, allowing interest earned on it to be directed to local health and medical research, innovation and, very importantly, commercialisation. In real terms, it has meant for the medical research community in WA that they now have a secure and ongoing source of funding to the tune of \$37 million in its first three years.

Whenever I get to my feet, I like to talk a lot about what this government is doing, but in doing so also highlight what the alternative is for Western Australians. When the future health research and innovation fund legislation came to this chamber, and also when it was before the other place, it was not supported by the Nationals WA. The National Party did not support research, science and innovation in this state, and it did not support that bill. It begs an important question when we talk about an opposition. At the moment the opposition could be best described as an alliance of convenience in the sense that together they have only six members in this place, but when we see such clear differences between the Liberal Party and the National Party, and when we talk about research and science and Western Australia trying to become a global leader in research, the National Party did not support our government's future health research and innovation fund. I do not understand how in the next few years they can build on selling themselves as a creditable alternative government when between them they are so clearly at odds in key social and economic policies that impact this state. That is no clearer than when it comes to research. They were not united when they were in government. National Party ministers contradicted what the Liberal-led cabinet wanted to do. They were not united in opposition in the fortieth Parliament and they certainly are not united in the

forty-first Parliament because now, instead of the Liberal Party forming the opposition and having the Leader of the Opposition, the member for Central Wheatbelt is the opposition leader. She stood here in 2020 and voted against the establishment of a future health research and innovation fund that now pours millions of dollars into this important industry in our state.

The pandemic has highlighted the importance of medical and health research. Often we think about medical research when it impacts us. I know that people who have loved ones with diabetes or cancer take a bit more interest in research in this state, Australia and across the world. However, since the COVID-19 pandemic people are increasingly interested in medical research and appreciate its worth in assisting us to manage this pandemic. I highlight that as part of the future health research and innovation fund, the government has already delivered over \$6 million to support 18 important projects across three streams. Medical research is important for us. It is not something that happens in far-off areas and impacts only small sections of the community. The medical research undertaken in Western Australia right now is what guides and supports the health advice that we so often talk about. It is an important plank on which we are going to get through this pandemic. This government values a medical research industry that is important both now and obviously for the future.

The industry is important for future jobs, and I always try to swing it back to education. We have a strong, vibrant medical and health research sector in Western Australia that also creates career paths for our young people so we can keep them in WA. We are doing much in our schools in science, technology, engineering and mathematics and innovation, but it is very important that we also have a thriving and growing medical research industry in our state. The future health research and innovation fund will allow WA to move forward to promote this state as a global leader in health and medical research and innovation.

I pivot back to this bill in particular. The government is not abandoning the Animal Resources Centre, but acknowledges that private industry and private research institutions need to do this work and the government, through this bill, is supporting third parties to take on that work so that the ARC's capability can be maintained in Western Australia and so our commitment to local jobs and the health and medical life science sector in Western Australia continues.

**MR C.J. TALLENTIRE (Thornlie)** [3.47 pm]: I am pleased to rise to make a contribution to the second reading debate on the Animal Resources Authority Amendment and Repeal Bill 2021. It has not been mentioned, but it strikes me that the origin of this legislation—the need for it—is that Murdoch University has decided it does not want to renew the lease. Murdoch wants shot of it. Murdoch does not want the Animal Resources Centre on its grounds because it wants to develop the land. That raises an interesting issue about the governance arrangements around our universities. Public universities are enormous beneficiaries of taxpayer money, but when it comes to the governance of universities, we the public do not always have much say, and as a Parliament, we do not have much say. This is another example of that strange arrangement between our public universities and this Parliament. After all, those universities are constituted through statutes of this Parliament. The governance arrangements and the accountability of our universities is a question that I keep coming back to on this issue and on others.

Also in this debate I was interested to hear reference to animals as though all animals were mice. I do not think that is quite right, and I notice that the head powers in the legislation we are amending are that the legislation supplies laboratory animals for teaching, research and diagnostic purposes. Section 15 of the Animal Resources Authority Act 1981—legislation that is over 40 years old—states that the minister may direct the authority as he thinks fit.

I am not clear whether some policy arrangement is in place, but I understand that the term “laboratory animals” very often refers to a whole host of animals, including mice, rats, rabbits, monkeys and dogs. I am probably overlooking any number of other animals that are used. I am not so sure that it is as active now as it was, say, 20 years ago, but the anti-vivisection movement was very strong globally. I think it made some great headway. As a result, the medical research and scientific community was forced to look at the alternatives. It made some great headway. Indeed, there are many alternatives to using animals for medical research. In fact, there is some good evidence to suggest that we get far better results by cultivating stem cells because that involves using a stem cell from a human being rather than trying to use something from another species.

I welcome the winding-up of the Animal Resources Centre. I see that there has been some discussion about handing over assets. We know that there is no lease to hand over. I gather that the cages, the breeding apparatus and other equipment at the university is very aged. I am not sure that there is a lot of value in those assets. But, of course, some company will try to step into this space and no doubt wave some sort of blessing or halo over them, saying that it is the continuation of the Western Australian government's Animal Resources Authority. We would have to guard against that because if it comes to fruition, it would be a completely private operation. We need to protect ourselves against that. Once it becomes a private body, we do not know what activities it will undertake. I speak here for the various animals that have gone through the centre. Where they have ended up has not been under any sort of control or surveillance from the Animal Resources Centre. These creatures are sold nationally or internationally. We know that there are grave concerns about all sorts of traffic in animals, the illegal transport of animals, live animal exports et cetera. There is no question that we have no say or control over what sort of experimentation goes on in the laboratories in which these animals end up.

I can only accept that the situation would become more serious when a private body is involved. I hope that it would be licensed.

We have to look at the power of the market. I recall that when we were setting up the original legislation in Western Australia in 1981, a very successful commercial business, the Body Shop, was being set up by Anita Roddick. That organisation was a huge success because it traded on the idea, which it promoted first and foremost, that it was against animal cruelty and it did not use any form of animal testing. That became a real hallmark of that company and many others as well. It is a priority for companies to be able to say that they are against animal testing. It is almost a standard logo that we see on cosmetics counters and in many other areas. I accept that in some cases there may still be the need for animal testing in medical research.

I come back to the point that there are alternatives. I noticed one paper in the *Regulatory Toxicology and Pharmacology* journal, a peer-reviewed journal. It states —

Along with unique abilities of stem cells including self-renewal, infinite proliferation, and differentiation into multiple lineages, human stem cell-based in vitro systems have been proven valuable to increase predictive power of toxicology through providing with better scientific information related to toxic risks in humans without inter-species variability.

This theme comes up constantly. Using other species, we get all sorts of variabilities. When we stick with human stem cells, we get a more accurate picture. I do not take it as a given at all. I come back to the point that not only was it very different in 1981 compared with today, apart from those like the Anita Roddick group and its forward thinking, but also science has also come a long way. Now we say that we do not need to do nuclear testing anymore because we can model it. There are all sorts of modelling capabilities around. It is a very different world. That is something about which we really have to be mindful. It is perhaps why there is not great enthusiasm. It seems quite remarkable that this centre has been in operation for 40 years and has not been met with fierce competition from other groups trying to drive a government-subsidised entity out of the market—probably because there is not much money in it and not much of a future in it. My suspicion is that there are better alternatives and they give more accurate results. I am very interested in the idea that we will be transferring assets to a new independent operator. I am unclear what they are—perhaps some old cages and things like that. There are certainly no premises because they are gone. Murdoch has pulled the rug out from underneath the Animal Resources Authority on that one.

This is a very interesting piece of legislation. I will be supporting it because I think it is good that we move on. Many people in my electorate will be asking me questions about the animal welfare provisions around this whole entity and what kind of animals are there. I am sure that we can all recall horrific images of situations in which animals have been tested. I will not torture the chamber with a recollection of the sorts of tests that have been and are still done on animals in many cases. When we know we can get better results elsewhere, we want to be sure that we can do so.

Some people whom I have enormous respect for, like the Chief Scientist, have mentioned to me that there is still a need for some sort of animal resource centre. We have to ensure that we are doing all we can to drive towards alternatives. We shall see whether it is left to the private sector, but I hope that if a private entity picks it up, we will have the controls over that body to make sure that it operates only under the highest standards of animal welfare and it does not seek to undercut the market where there may be stem cell options, which may be somewhat more expensive. I am not sure whether that is the case. The stem cell options may be better value for money than the breeding of various animals, whatever the species may be. I emphasise again that I do not think it is just mice. Given the complexities around breeding animals, the generational wait that we have for the testing of genetic images and what have you, there may well be better options.

I conclude my remarks, offering my support for the legislation. I will be very interested to see who, if anyone, emerges to acquire this state government asset.

**MR R.H. COOK (Kwinana — Minister for State Development, Jobs and Trade)** [3.58 pm] — in reply: I want to respond to members' second reading contributions. I thank them. There is obviously a great deal of interest in this area, particularly from the member for Nedlands, who has the premium or the most important medical research precinct in the heart of her electorate. She talked about the importance of medical research to not only the Western Australian health system, but also the Western Australian economy. I could not agree more with her. This is important legislation because it is about medical research. Medical research is a very important part of what we do as a community and the governance and funding of that is very important to what we do as a government.

Indeed, this is legislation that, as a number of members have observed, has been around since 1981, and a lot has happened since that time. When the legislation was initially struck, it was under the stewardship of the government in partnership with tertiary institutions and universities. The vision was for the authority to be a self-funding institute that could provide its services to the Western Australian medical research community. But the world has changed, and the situation now in relation to the governance and management of the Animal Resources Centre and the demands around it have also changed. The resources centre no longer supplies products just to the WA medical

research community; as the member for Wanneroo observed, only 16 per cent of the animals it supplies to the research community are actually in Western Australia. I guess that is very much part of our thinking: what is the future for the Animal Resources Centre as part of the national research infrastructure? This is essentially something that should be managed, funded and resourced by the commonwealth government. It is an important part of our national research infrastructure and it is the biggest facility of its kind in the country; there is only one other such facility, in New South Wales. It is something that should be part of national critical research infrastructure and it should be resourced as part of the national research infrastructure road map.

We put that very point to the commonwealth government and said that this is a centre that has operated under legacy arrangements in Western Australia, but it is really now part of our national research landscape and should be funded by the federal government. Indeed, the government has formed the view that it is now no longer appropriate for this organisation to operate under a state structure. We undertook a review of its arrangements and came to the view that the existing model could not operate and manage infrastructure and maintenance costs. We found that change was needed for this important capability to be continued in Western Australia.

We do not want to see this facility wound up, but at the end of the day, it is not the role of the state government to continue to prop it up when there are other, more appropriate models of governance and resourcing that can be brought to bear.

I will address one specific part of the Leader of the Liberal Party's commentary, but before I do that, I want to go to one of the issues that the member for Thornlie raised—that when we do these things, we should do them in a manner that is ethical and does not bring unnecessary harm to these creatures. I, too, struggle with the ethics associated with this, and it is a moral conundrum that is managed by people who are cleverer and have more insights than I. All medical research is undertaken under the stringent oversight of ethics committees, which make sure that any research that is undertaken, whether with human or animal subjects, is done so in a manner that is highly ethical and meets all the stringent standards we would expect in a modern medical research community.

I am very pleased to say to the member for Thornlie that the Animal Resources Centre supplies product, for want of a better word, only to medical research projects that have ethical accreditation. We can be confident that wherever we send them, the research will be carried out in an ethical manner consistent with ethics committee accreditation. I put that on the record to provide the member with that assurance. It does not go to the heart of the philosophical point that he was making, but I hope it goes some way towards providing him with some comfort that animals do not meet with unnecessary and unethical harm in the work of the Animal Resources Centre.

The 65 staff who work there do a great job. They are highly skilled individuals who provide important national research, and we want to see their work continue. But it is important that we look at modern ways in which to manage and resource this centre to meet the modern challenges it will confront. The government undertook a market sounding to ascertain any interest out there in the community to take over this facility. There is a high level of interest, and it is my understanding that those conversations are at a mature stage, which is why this legislation has been brought to the Parliament.

That brings me to the points raised by the member for Cottesloe. He raised concerns around guarantees on the operational future of the centre and wanted to know why we are bringing this legislation in now. He also made observations on our approach to state agreements—that they come at the end of the conversation, not the beginning. I will deal firstly with the issues around guarantees. Legislation is not the place to provide operational guarantees in relation to these things. Legislation is there to facilitate the policies of the government of the day, with the concurrence of the Parliament. From that perspective, it is not appropriate to seek political reassurances in the statutes of Parliament. I can provide the member for Cottesloe with an assurance that conversations with participants in our market-sounding process are mature and that they have expressly called for the passage of the bill to facilitate timely transition to their control.

Under a state agreement, the subject of the agreement is publicly revealed and we debate in Parliament how we will facilitate the agreement that has been made. In this case, because of the confidentiality that comes with the commerciality of those conversations, we cannot expressly discuss the participants who are in conversation with the government; it would not be appropriate to do so. But we would not have brought this legislation into Parliament if these conversations were not at a mature stage and if we were not ready to execute the transactions that will be required to transition the Animal Resources Centre to new ownership—that is, to the minister, and then to the new arrangements under a transaction that will take place in the coming months. We are now in this place to pass this repeal bill so that we can finalise those transactions, which will see the Animal Resources Centre continue to provide outstanding and, indeed, world-class services to the medical research community.

I will now finalise a couple of points. The member for Thornlie raised the issue of the conversations with Murdoch University. It is fair to say that Murdoch University has ambitions for the site on which the centre is currently located. In my previous role as Minister for Health, I had good discussions with Murdoch University, and



it is happy to cooperate with new owners and to find solutions for a better siting for the Animal Resources Centre. Again, that underpins the need for us to move now, as the member observed, to make sure we have these new arrangements in place so that we have a more nimble and appropriate ownership and governance structure so that they can make those decisions and move forward with the appropriate discussions.

Finally, I want to put on the record that the member for Mirrabooka has committed to riding in the Ride to Conquer Cancer later this year. I want to provide an assurance to all members here that I will hold her to that commitment. I very much look forward to her raising buckets of money for cancer research in Western Australia as part of her efforts. I am sure she will thank me for reinforcing this point and making sure that it is well and truly etched in *Hansard* that the member for Mirrabooka will later this year be undertaking the Ride to Conquer Cancer.

Finally, I thank all the members for their contributions to the debate. I thank the opposition for its sincere consideration of this bill. I am sorry that we do not enjoy the opposition's support on this occasion, but I can provide opposition members with the assurance that their ambitions for this bill will be achieved, albeit not in the manner that they seek. On that note, I commend the bill to the house.

Question put and passed.

Bill read a second time.

[Leave denied to proceed forthwith to third reading.]

*Consideration in Detail*

**Clause 1: Short title —**

**Dr D.J. HONEY:** I think the minister has a pretty clear understanding of my concerns. I note that the minister said in his reply to the second reading debate that the proponents want some certainty in this matter. The minister also stated that those parties would want those discussions to be confidential. Is there any reason that the government cannot conduct commercial-in-confidence discussions with those proponents outside the framework of this legislation? With state agreements, the government conducts those discussions privately before it brings the matter before the Parliament, and although the outcome is announced at the end of that process, the detail of the negotiations is not a matter of public record. Is there any reason that similar discussions could not be progressed with third parties on behalf of government, and the commercial-in-confidence aspect, which we hear a lot about in this place on other matters, would apply to those discussions so that we would not be revealing sensitive commercial information from those parties?

**Mr R.H. COOK:** As I said in my second reading speech, the passage of the bill was expressly called for by those who are participating in the market sounding process. It is really just a matter of the sequential nature of how we go through that process. In the event that those discussions are finalised with the final bidder, we want to be in a position to be able to execute the contract; and, from that perspective, this is the correct timing. Obviously, we are essentially passing the ownership of the Animal Resources Centre from the Animal Resources Authority to the minister. Once we have done that, we will finalise the contract and be able to execute it.

**Dr D.J. HONEY:** Thanks, minister; that is clear. Let us say that despite the minister's best intentions, those negotiations falter and other circumstances then occur, would it not be the case that we could end up with the situation that the centre will cease to exist altogether? Although the minister might think that is improbable, this bill will put a death sentence, if you like, on the centre as it exists; if no alternative is found, its function will simply cease.

**Mr R.H. COOK:** That does not really characterise the risk profile of what we are doing here. We have undertaken lengthy discussions and are now confident that this is the appropriate way to go to facilitate the transaction.

**The ACTING SPEAKER (Mr D.A.E. Scaife):** Before we go on, Leader of the Liberal Party, I want to be clear. The minister is indulging your questions, and I am happy to indulge them, but, technically, questions are supposed to be relevant to the short title of the bill, and I do not think either of the questions you have asked strictly are. I am happy for this to go on for a little while if the minister is happy to indulge it, but there will come a point where I will raise questions about the relevance and whether the questions are in order.

**Dr D.J. HONEY:** Thank you, Acting Speaker. I appreciate your indulgence. This is traditionally where we ask general questions, but I fully appreciate that you are indulging me in the matter.

**The ACTING SPEAKER:** Leader of the Liberal Party, I need to take that up. You should not argue with a decision of the Chair. I also want to make the point, because it has been said before in this place, that that is the practice in the other place. It is not the practice in this chamber that general questions can be asked on the short title of bill.

**Mr R.H. Cook:** Take the victory!

**Dr D.J. HONEY:** I will. I genuinely mean this. I am always happy in this place to be educated. I mean that sincerely, and I am grateful for that.

Does the minister have any idea about what will happen to the land once this facility is closed? I will cut straight to the chase; I am not trying to drag this out in any sense whatsoever. Does the minister know whether that land is intended to be used by the university, or will it be used for a private purpose?

**Mr R.H. COOK:** To supplement my previous answer, I guess the member is saying that he wants the transaction concluded before we pass the bill. I imagine that the people on the other side of the transaction want the bill passed before they do the transaction. They want the same assurances that the member does, I suppose, in this particular instance. They are the purchaser, for want of a better description, and they would like these things in place before they finalise the negotiations, rather than accepting what would then be our assurances that we can pass the legislation.

To go to the point that the member made, I understand that this is part of the university's future ambition for the redevelopment of the campus. I cannot give the member any indication or idea about what the university has planned; ultimately, that is the university's business, not ours, in this context.

**Clause put and passed.**

**Clauses 2 to 7 put and passed.**

**Clause 8: Section 9A inserted —**

**Dr D.J. HONEY:** Just to clarify, proposed section 9A, "Authority to continue performing its functions for certain purposes", reads —

(1) The Authority must continue to perform its functions under this Act, but only for the following purposes —

(a) to prepare reports and financial statements ...

And the like. I will not read it all. It continues —

(b) to wind up its affairs (including realising its assets and discharging its liabilities) ...

(2) The Authority may do all things necessary ... to be done for or in connection with the purposes specified in subsection (1) ...

(3) This section overrides sections 9 and 10 ...

Will the centre keep supplying animals during this period? I have been told that that is the case, but when I read that, it could be read as it will cease doing that. What in this bill or otherwise guarantees that the centre will, in fact, continue operating as it is at the moment when this bill passes this Parliament?

**Mr R.H. COOK:** Member, I am advised that the powers to wind up affairs includes realising its assets and discharging its liabilities. It essentially allows for the ongoing management and discharge of its duties as the oversight entity for the Animal Resources Centre, and from that perspective, it will be able to continue to undertake its work. Obviously, the main limitations it places on this is that it does not provide the Animal Resources Centre with the authority to make radical policy decisions, wind down its production or ramp up its production, make a significant purchase of assets or other larger decisions. Essentially, winding up affairs is a fairly broad statutory responsibility. It provides for its ongoing work, but, ultimately, guides it in what its ultimate objective should be.

**Dr D.J. HONEY:** On the same clause, would that include the centre being able to take new orders? I appreciate what the minister said; we would not want to see a substantial change in its business and I am not saying that this will be the case, but if perhaps a research program is coming to an end and there is a replacement research program being continued, would the centre be authorised to enter into a new contractual arrangement under this? I mean a new supply arrangement.

**Mr R.H. COOK:** Member, yes to the last point; it would be able to continue to operate and enter into new supply arrangements. It could not enter into a big contractual arrangement that would not be consistent with its day-to-day operations.

**Clause put and passed.**

**Clauses 9 to 11 put and passed.**

**Clause 12: Part 6 Division 2 inserted —**

**Dr D.J. HONEY:** I refer to the way staff will be treated. Is the minister able to explain what will happen to the staff? If I understand it correctly, in effect, before the transition, the staff will become public sector employees and may be relocated. Could the minister clarify for me how the staff will be dealt with, particularly if they do not transition to a parallel organisation?

**Mr R.H. COOK:** I am advised that there are essentially three pathways for the staff in this process. One is obviously redeployment, as they are members of the public service, so they can be redeployed to other parts of the public sector;

they could take a voluntary severance arrangement if they believe it is in their interests to do so; or, indeed—I think this will be the majority of cases—they will transition to the new entity. I draw the member's attention to my second reading speech, in which I said —

The government will facilitate a voluntary severance scheme for these employees, consistent with other recent schemes in the public sector. Importantly, a voluntary severance scheme will provide flexibility to employees while also maintaining essential staff to meet current obligations. Animal Resources Centre employees who do not express interest in voluntary severance will be able to seek redeployment in the public sector. These employees have extremely valuable skills and I am confident that there will be demand for these skilled workers in Western Australia.

**Clause put and passed.**

**Clauses 13 to 16 put and passed.**

**Title put and passed.**

[Leave granted to proceed forthwith to third reading.]

*Third Reading*

**MR R.H. COOK (Kwinana — Minister for State Development, Jobs and Trade)** [4.27 pm]: I move —

That the bill be now read a third time.

**DR D.J. HONEY (Cottesloe — Leader of the Liberal Party)** [4.27 pm]: I thank the minister for, as always, the highly professional way that he has conducted debate on this bill, and I also thank his officers and advisers for helping us in the briefing and with the answers today. I wanted to cover a little bit of the content that was covered previously, particularly some of the comments in the second reading speech. I will not drag this out; that is not my intention in any sense.

I want to reinforce this. I know that the member for Thornlie, for whom I have very high regard, was perhaps musing as to whether we could replace these animals with stem cells. As the minister put well, I do not know any medical researchers who would want to experiment on animals if there were another credible alternative. I do not think it is something any of them enjoy. They do it because there is no alternative. Particularly when they are looking at not chemical effects, but trying to understand things such as muscular dystrophy and other complex diseases, they simply cannot do that by those more remote means. It is impossible. This is critical. I again reinforce the comments that the minister put well. I have every confidence of the places that these animals, the highest end supply, are going to and I think the whole western world has moved enormously in this area. Ethics committees and the like make sure that we do not see the abuse of animals.

I know that the member for Wanneroo was trying to be perhaps a little provocative, but perhaps if she is concerned about coalition support of medical research funding, she could look no further than the outstanding Harry Perkins Institute of Medical Research that was established under the coalition government led by former Premier Hon Richard Court. That is now a globally iconic research facility, carrying out the most marvellous research. I do not intend to go into any more details. The idea of the future fund—I will not go into a long discussion—is that it would generate income so that this state could move to the position in which it does not rely on debt. If we are not relying on debt, it frees up money for medical research and other purposes. In any case, the government made a decision on that.

I will put on notice here that I have had some involvement with the medical research community, and a major problem it faces is the uncertainty of funding and short-term grants. It is highly destructive. Just as a slight anecdote, with your indulgence, Acting Speaker, I attended an Australian Society for Medical Research function at the conference centre on the river and I spoke to a number of medical researchers there. Almost every one of them who are completing their PhD are moving on to a medical degree because of the uncertainty in funding. I applaud the effort on both sides to increase certainty in medical research funding. It is something that this Parliament needs to give certainty to, given its importance to us.

Certainly, as I made clear, I have no contention with the government deciding to wind this up. I understand what the minister has told me, in the sense that the proponents the government is talking to at the moment want this, and I can understand why. They want the certainty that they will not suddenly be left competing with what they would see as a subsidised government organisation, even though it is subsidised by only a very small amount. I am still concerned that we could end up in a situation in which we would lose this centre. That would be an absolute tragedy if that were the case. Regarding mature conversations, it could be that we do this as an agreement with government and then put this bill in, and confidentiality could be maintained. For that reason, I still do not support the bill.

**MR R.H. COOK (Kwinana — Minister for State Development, Jobs and Trade)** [4.33 pm] — in reply: I want to thank all members who participated in this debate, particularly the member for Cottesloe, the Leader of the Liberal Party. I understand his concerns and I hope to some extent we went somewhat to satisfying those concerns.

Ms Meredith Hammat; Dr David Honey; Ms Sabine Winton; Mr Chris Tallentire; Mr Roger Cook

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I want to thank all who have been involved in the passage of the Animal Resources Authority Amendment and Repeal Bill 2021, in particular the advisers who have been on this journey. Can I just for a moment take the opportunity to thank Ms Kirsty Moynihan, the acting CEO of the Animal Resources Centre. I think she has done an outstanding job stepping up at a difficult time in the organisation's journey and dealing with some very difficult issues. In particular, it must be difficult to provide the 65 staff under her leadership certainty in their future and our intent is to make sure that there is a future for the Animal Resources Centre. I want to thank her and all the scientists who work in that building and the people who support them. They do an outstanding job providing a tremendous service to the community, in particular the medical research community. I want to make sure that I put the government's appreciation on the record. On that note, I commend the bill to the house.

Question put and passed.

Bill read a third time and transmitted to the Council.