

ANIMAL RESOURCES AUTHORITY AMENDMENT AND REPEAL BILL 2021

Introduction and First Reading

Bill introduced, on motion by **Mr R.H. Cook (Minister for Health)**, and read a first time.

Explanatory memorandum presented by the minister.

Second Reading

MR R.H. COOK (Kwinana — Minister for Health) [10.34 am]: I move —

That the bill be now read a second time.

The overarching purpose of this bill is to implement the government's considered decision to transition the assets and operations of the Animal Resources Centre to a third-party provider. The change is needed for the Animal Resources Centre's capability to be continued and strengthened to better serve the needs of the Western Australian scientific and medical research community and, increasingly, the needs of researchers across Australia. This bill will wind up the statutory authority that currently runs the Animal Resources Centre, which will enable the transfer of assets to a new independent operator. It is the state government's intention that this nationally important capability be retained in Western Australia, and that through this process, a new sustainable future be secured.

The Animal Resources Authority was established in 1981 under the Western Australian Animal Resources Authority Act 1981. The purpose of the authority was to supply high-quality, disease-free laboratory animals for teaching, research and diagnostic purposes in Western Australia. Over the past 40 years, the ARC has become a major supplier of laboratory animals, providing crucial resources for researchers across Australia. The Animal Resources Centre now supports a national research capability, with the majority of its animal stock sold being supplied to interstate and overseas clients for medical research.

Critically, section 16(1) of the Animal Resources Authority Act states that the authority must be self-funding. 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. In this context, the state government undertook a review of the Animal Resources Centre. The review identified that the existing model could not operate and manage infrastructure and maintenance costs, and found that change was needed for this important capability to be continued in Western Australia. To transition this capability, the state government has undertaken a market sounding process to understand the interest of third parties with the appropriate capabilities and expertise to acquire the Animal Resources Centre assets and continue production in Western Australia.

In parallel, the state government has also considered how to work with stakeholders to develop transitional strategies for the Animal Resources Centre's customers and suppliers to ensure their requirements continue to be met. The transitional arrangements are in place to ensure continuity of products and services for people who routinely use the Animal Resources Centre's services. The state government is also committed to ensuring that the Animal Resources Authority's 65 employees, who are highly respected and continue to serve the scientific research community well, be given the choice to remain within the public sector and seek redeployment, or apply for voluntary severance.

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. In maintaining the Animal Resources Centre's capability in Western Australia, the state government is again reaffirming our commitment to local jobs.

The bill itself will come into operation over three distinct stages, as follows. On day one, the act will receive royal assent and part 1 and part 2 of the bill, other than clauses 6 and 12, will become operational. Part 1 of the bill deals with preliminary matters and will not impact upon the current operations of the Animal Resources Centre. Part 2 of the bill, other than clauses 6 and 12, will result in the Animal Resources Authority's primary function being amended to wind up its affairs as soon as practicable, but no later than 30 June 2023. Winding up affairs can include maintaining full production until the authority's assets are transferred to enable the establishment of a new business model. Reflective of the change of function of the Animal Resources Authority, the authority's board will be disbanded on that day and the Minister for Health installed in its place. These amendments are essential for the authority to work with its suppliers and customers during the transition process.

On day two, which is 30 June 2023, clauses 6 and 12 of part 2 will become operational. On that day, the Animal Resources Authority will cease to operate, existing employees will be transferred to other agencies, and the authority's accounts will be closed. Finally, on day three, which is a day fixed by proclamation, the Animal Resources Authority Act 1981 itself will be repealed and consequential amendments made to other acts.

Considerable deliberation has gone into arriving at this decision. Given the structural challenges facing the Animal Resources Centre's business, this decision is financially prudent and in the best interests of the state. The state government recognises that the Animal Resources Centre's capability is nationally significant and provides crucial resources for medical researchers across Australia. We are confident that through this process Western Australia can retain this capability and secure a sustainable future with a new independent operator. Every effort will be made to support employees, customers and suppliers through the process. The interest, support and efforts by the research community to support the state government in navigating the path forward is deeply appreciated.

I commend the bill to the house.

Debate adjourned, on motion by **Mr P.J. Rundle**.