

PUBLIC ACCOUNTS AND ESTIMATES COMMITTEE

Inquiry into the 2023–24 Budget Estimates

Melbourne – Friday 9 June 2023

MEMBERS

Sarah Connolly – Chair

Nicholas McGowan – Deputy Chair

Michael Galea

Paul Hamer

Mathew Hilakari

Lauren Kathage

Bev McArthur

Danny O’Brien

Ellen Sandell

WITNESSES

Ms Mary-Anne Thomas MP, Minister for Medical Research,

Professor Euan Wallace, Secretary,

Mr Daen Dorazio, Deputy Secretary, Corporate Services,

Ms Nicole Brady, Deputy Secretary, Reform and Medical Research, and

Ms Megan Astle, Executive Director, Health and Medical Research, Department of Health.

The CHAIR: I declare open this hearing of the Public Accounts and Estimates Committee.

I ask that mobile telephones please be turned to silent.

On behalf of the Parliament, the committee is conducting this Inquiry into the 2023–24 Budget Estimates. The committee's aim is to scrutinise public administration and finance to improve outcomes for the Victorian community.

I advise that all evidence taken by the committee is protected by parliamentary privilege. However, comments repeated outside of this hearing may not be protected by this privilege.

As Chair I expect that committee members will be respectful towards witnesses, the Victorian community joining the hearing via the live stream today and other committee members.

Witnesses will be provided with a proof version of the transcript to check. Verified transcripts, presentations and handouts will be placed on the committee's website.

I welcome the Minister for Medical Research the Honourable Mary-Anne Thomas and officers and officials from the Department of Health. Welcome. Minister, I am going to invite you to make an opening statement presentation of no more than 5 minutes before handing over to committee members to ask questions. Your time starts now.

Mary-Anne THOMAS: Thank you very much, Chair. Could I begin this presentation by acknowledging that we are meeting on the lands of the Wurundjeri people of the Kulin nation. I wish to pay my respect to elders past, present and emerging.

I thank the committee for the opportunity to talk to you about this very exciting portfolio. Indeed Victoria is a global leader when it comes to research, industry and innovation, and it is certainly my intention as minister to keep building on these great strengths into the future.

Visual presentation.

Mary-Anne THOMAS: I am sure it is no surprise to the committee to know that we are indeed a global leader when it comes to health and medical research. Our government knows that precincts work, and indeed we are home to 18 world-class medical research institutes where we will find more than 5800 people working hard every single day to make the lives of other Victorians better. But when I say 'other Victorians', let us be clear: not just other Victorians – all Australians and indeed people around the world, because these are world-class research institutes. Victoria's health and medical research ecosystem has a unique set of capabilities that include manufacturing, global recognition, research of course – our outstanding capabilities in neuroscience, cancer, regenerative medicine, cardiovascular disease and infectious disease – that ensure that we are a national leader when it comes to early-stage trials, including specialist units focused on immunology, neuroscience, oncology, ophthalmology and paediatric diseases.

We are investing in several major research infrastructure projects to continue to strengthen our world-class biomedical research precincts. The Australian Institute for Infectious Disease, in the heart of the Melbourne Biomedical Precinct, co-locates the University of Melbourne, Doherty Institute and the Burnet Institute into a purpose-built facility. This is a very exciting initiative. It is a \$650 million collaboration, including up to \$400 million from the Victorian government. As the biggest institute of its kind ever planned in the Southern

Hemisphere, the AIID will establish Victoria again as a global leader when it comes to fighting infectious diseases.

Of course it is investments like these and commitments like these that then in turn lead to profound announcements, like that of Canadian philanthropist Geoff Cumming. Mr Cumming has made a \$250 million philanthropic donation, the largest ever in Australia's medical research history, for the establishment of the Cumming Global Centre for Pandemic Therapeutics. This comes off the back of our investments in building up our medical science research institutes here in Victoria and continuing to grow our reputation internationally. Our government has committed \$75 million over the next 10 years to support its establishment.

We are also delivering \$60 million into the Aikenhead Centre for Medical Discovery, again in the Melbourne Biomedical Precinct. I had the opportunity to join with the Premier, turning the sod on the establishment of this fantastic facility. It really will be a game changer when it comes to new technologies. It is very interesting to reflect on the significant role that engineering now plays in medical research. Other key investments of course include \$35 million for the operational infrastructure support program, and that is a program that supports our medical research institutes to run here in Victoria.

Chair, there are many other exciting initiatives to talk about in relation to medical research. The fundamental role of government is as an enabler of the institutes that then access funding through the Commonwealth, private enterprise, philanthropy and other sources.

The CHAIR: Thank you, Minister. I am going to hand over to Mr O'Brien now for the next 8 minutes.

Danny O'BRIEN: Thank you, Chair. Minister, budget paper 3, page 227, is on the output for medical research. As you know, the government made a 2018 commitment of \$52 million in total to build the national proton beam therapy centre in Parkville. When will that open?

Mary-Anne THOMAS: Thank you very much for that question. I welcome it because it is an opportunity to set the record straight when it comes to proton beam therapy. I will talk you through the history of this project –

Danny O'BRIEN: No, just when will it open?

Mary-Anne THOMAS: No, I need to explain this to you –

Danny O'BRIEN: No, no, you need to answer the questions, Minister.

Mary-Anne THOMAS: Well, I do –

Danny O'BRIEN: You are doing this consistently.

Mary-Anne THOMAS: No, no, no, let me answer the question. Our government made a contingency allocation when the federal government announced it would seek a partner for the establishment of proton beam therapy. We made a contingency allocation because we understood that there would be a process by which we would be able to bid for proton beam therapy to be located here in Victoria, which of course would make –

Danny O'BRIEN: Minister, I have got limited time. Can you get to the point: is it going to happen or not?

Mary-Anne THOMAS: Okay. The point is that we made funding available to partner with the Commonwealth. The Commonwealth government in 2017, under former Prime Minister Turnbull, made a political decision to locate the proton beam in Adelaide.

Danny O'BRIEN: Right. So we missed out.

Mary-Anne THOMAS: Victoria is the leading centre of medical research, and yet a decision was made to prop up the chances of some of his MPs in the 2016 federal election. It was announced, funded –

Danny O'BRIEN: So it is not happening here in Victoria?

Mary-Anne THOMAS: We continue to assess opportunities to invest in world-leading treatments and therapeutic and technical investments.

Danny O'BRIEN: So, Minister, it was not just a contingency. The announcement by the then minister said:

Victoria has provided \$50 million in funding towards establishing a National Proton Beam Therapy Centre for the treatment of cancer in Melbourne.

She went on to say that:

Children with cancer will benefit the most from proton beam therapy ...

and that this will mean that patients:

... won't be forced to seek treatment overseas, saving them from the distress of being separated from loved ones ...

et cetera. Does this now mean that children will no longer benefit from treatments from proton beam therapy?

Mary-Anne THOMAS: Well, if the former federal government had not treated the proton beam in the way that it attended to, like, sports rorts, we may well have had the proton beam here in Victoria.

Danny O'BRIEN: Where is the evidence of that, Minister? Where is the evidence of that? You are making a political statement about a political statement.

Mary-Anne THOMAS: We worked to bid up to the Commonwealth government to partner in the establishment of proton beam therapy. But let me say this: Victorian hospitals, particularly our specialist children's hospitals –

Nicholas McGOWAN: No mention of the government in your press release, Minister – your government's press release.

Mary-Anne THOMAS: routinely support children from South Australia and indeed from other states around the nation, and indeed around the world. Similarly, it is the expectation of health systems around Australia that proton beam therapy, when it is available in South Australia, will be made available for the treatment of children, again, from all around Australia. It would have made sense to locate it here in Victoria, where we have the leading scientists at one of the worlds best children's hospitals. But, no, it is not located here. The money was ready. We were working with the Commonwealth.

Danny O'BRIEN: It was your government that said it was a \$400 million commitment. They said you would go standalone.

Mary-Anne THOMAS: A political decision was taken by your mates in Canberra to put the proton beam in Adelaide.

Danny O'BRIEN: Oh, so it is okay to have it, just not in Adelaide.

Mary-Anne THOMAS: We are delivering on PET scanners, which of course are diagnostic tools, not treatment tools. I am very well aware of the difference.

Danny O'BRIEN: On a point of order, Chair.

The CHAIR: Excuse me, Minister. Mr O'Brien, on a point of order.

Danny O'BRIEN: The minister is no longer being relevant to the question. She is talking about PET scanners, which has got nothing to do with the proton beam. Can I now move on, please?

The CHAIR: Thank you, Mr O'Brien. On top of all of the noise, I thought you might have another question and want to move on.

Danny O'BRIEN: I do. Secretary, can I ask: the \$52 million that was allocated to that project – what has happened to it now?

Euan WALLACE: I think the minister has answered the question, and actually I answered this question also last year. The initial investment made by government was contingent upon co-investment from the Commonwealth, which was not forthcoming.

Danny O'BRIEN: So where did the money go? Into other research – is that what the minister said?

Mary-Anne THOMAS: No, I did not say that.

Euan WALLACE: The minister has answered the question: the money was held in contingency –

Mary-Anne THOMAS: I have made it clear.

Danny O'BRIEN: So it is still held?

Euan WALLACE: dependent on Commonwealth co-investment.

Danny O'BRIEN: Have you asked the new federal government for money for a new proton beam therapy centre?

Mary-Anne THOMAS: As it happens, there are only so many proton beam investments that are needed in a nation the size of Australia –

A member interjected.

Mary-Anne THOMAS: and we are waiting for the Adelaide proton beam therapy to come online. Mr McGowan, you might not understand this –

Nicholas McGOWAN: You might not understand it.

Mary-Anne THOMAS: I do understand it, and here is the thing: you cannot just wake up one day and decide you want a proton beam therapy centre. You actually need to take the time to invest and build and manufacture very complex technology.

Danny O'BRIEN: Minister, it is a simple question.

Mary-Anne THOMAS: You would need to speak to the South Australian government about why it has taken so long to deliver the proton beam therapy, one that could have readily been –

Danny O'BRIEN: Have you asked the new federal government to co-fund with you?

Mary-Anne THOMAS: I have regular conversations – and very fruitful conversations, I might say – with the current federal government minister about a range of matters, including how to deliver the very best care and continue our state's leadership in cancer care and research for children and other Victorians.

Danny O'BRIEN: Thank you, Minister. Secretary, page 227 again, on the total output costs: the budget for this year was \$61.7 million but the actual expected outcome is \$98 million – \$36.3 million. The footnote says the additional funding is:

... due to funding provided for government policy initiatives.

Secretary, I will take that up at another time perhaps, but 'funding provided for government policy initiatives' is so broad as to be ridiculous. The entire budget is for government policy initiatives. What did it go to?

Euan WALLACE: It went to COVID-related research.

Danny O'BRIEN: COVID-related research. Can I ask for a list of the funding?

Euan WALLACE: We have a list here.

Danny O'BRIEN: Yes. Could you provide that to us on notice?

Euan WALLACE: Of course.

Danny O'BRIEN: In the very short time I have got left: was any government funding to go to – and it may well relate to this – the work by the Burnet Institute on mask-wearing during COVID? Was that a government-funded research project?

Euan WALLACE: During the last three years we have had a collaborative relationship with the Burnet, but remember that the medical research portfolio laid with DJPR, now DJSIR, and is only coming back under MOG to us this year. The relationship that we have had with the Burnet over the last three years in dealing with COVID has not related to the medical research portfolio at all.

Danny O'BRIEN: Do you know if the COVID and mask-wearing study that was highly criticised was funded by government at all?

Euan WALLACE: I am not sure which study you refer to. We did work ourselves on mask wearing, showing it was highly effective.

The CHAIR: Apologies, Professor Wallace.

Danny O'BRIEN: Thank you.

The CHAIR: Mr O'Brien, you are out of time. We will now go on to Ms Kathage for the next 11 minutes.

Lauren KATHAGE: Thank you, Chair. Minister and officials, in your presentation you spoke about Victoria as part of I think the global top three, with Boston and others – I think the Premier also spoke to this last week – in the world for medical research. I think we have got a bit of a history of investment in this area. I know a good friend of mine came all the way from the Netherlands to work here in medical research, so it certainly draws people from around the world. Can you speak a bit to how we are going to continue our investment in this area and if there are any trends in specific areas of research that we are becoming known for or are focusing on?

Mary-Anne THOMAS: Thank you so much, Ms Kathage, for that question. I relish every opportunity I have to talk about our medical research sector. It is a great honour to hold this very important portfolio responsibility. And it is true: our state is recognised as one of the top three medical research centres in the world. The one you were looking for was London – Boston, London and Melbourne, Victoria. Indeed, recently I had the opportunity to have a cup of tea in the Parliament dining room with the chief medical officer of Moderna, who was out here from Cambridge, Massachusetts, and he made the point to me about how highly regarded we are here in Melbourne for the quality of our research sector. Melbourne is seen as a key leader also in new and innovative medicines, and of course that is why Moderna made a decision to establish a manufacturing capability here in Melbourne.

I have talked also about Mr Cumming's extraordinary, generous philanthropic commitment of \$250 million. He could have invested this money anywhere in the world, but he chose Melbourne, Victoria. And he chose us because of all the synergies that exist with the existing research institutes and, of course, the leadership of those institutes. And I think he certainly credited his close relationship with Professor Sharon Lewin, or his admiration for her work and everything that has been done at the Doherty, as one of the reasons why he made that decision.

Our government has committed up to \$400 million to support the \$650 million Australian Institute for Infectious Disease and, as I have said in my presentation, co-locating Melbourne Uni, the Doherty and the Burnet.

Our state's \$50 million investment into mRNA Victoria and the agreement announced in 2021 with Moderna will make Victoria the first place in the Southern Hemisphere to manufacture mRNA vaccines. And for those of you who do not know, let me take this opportunity to explain what makes mRNA so exciting. Professor Wallace is now looking on with some trepidation. But how the mRNA vaccine works is that it sends messages to our cells to create proteins to strengthen our own immune response to a virus – and I am looking at actually qualified people now to confirm that I have got this right – to strengthen our immune system in its response to viruses and disease, which is very different to other treatments that attack the disease itself. It is a very exciting technology, and we are glad that Victoria is home to this manufacturing facility.

We have also invested \$16 million to establish the Brain Cancer Centre to forge new frontiers in brain cancer research that will significantly improve treatments and outcomes for patients now and for future generations. And of course, I should acknowledge the Brain Cancer Centre at WEHI has had substantial philanthropic support from Ms Carrie Bickmore, of course, who lost her partner to brain cancer. So I want to acknowledge the great contribution that she has made. She has used her influencing power for real good here in Victoria, and we thank her very much for that.

And of course, the operational investment support program provides annual funding of \$35 million to 12 independent medical research institutes to help support them with the costs of research and so on.

But as I mentioned earlier, the thing that I find most exciting about this medical research sector is, indeed, the energy and innovation of the people involved and the way in which they operate in a global sphere. So they are looking for partnerships, support and investment. The state government provides that kind of base funding, but it is really leveraging those investments through federal government NHMRC grants, philanthropy plays a very critical role, but partnering with business and industry and of course the university sector. That is how our medical research ecosystem continues to grow and strengthen.

I wanted to tell you a little bit, if I could, about our investment in the Aboriginal health and medical research accord. We are making a \$750,000 investment there. Our government has worked very closely with the Victorian Aboriginal Community Controlled Health Organisation, VACCHO, to develop this agreement. And it was a real honour to be at the most recent Victorian Aboriginal health and wellbeing forum, where the partners in the forum – me as co-chair along with Mick Graham, the board chair of VACCHO – signed an action plan with Minister Williams for the delivery of actions to improve the health and wellbeing of Aboriginal people. We also reaffirmed our commitment to the research accord.

It will be no surprise to many members of this committee that for way too long Aboriginal people have been the subject of research without actually being the beneficiaries of any of that research, and a lot of research has been done on Aboriginal people that has not had the intent necessarily of improving the lives and the health and the wellbeing of Aboriginal people. The accord is about ensuring that there is an ethical framework in place to ensure that research with Aboriginal people respects their culture and is done in a culturally safe and appropriate way but also is driven by a commitment to improve health and wellbeing outcomes for Aboriginal people. Our government believes Aboriginal health belongs in Aboriginal hands, and to that end also we are working to continue to grow our First Nations research community.

Infectious diseases I have talked about and of course the COVID pandemic. Our own research institutes played a global leading role in helping the world understand what it was that we were dealing with with COVID-19, and we thank them very much for the work that they have done. It was interesting, I suppose, that COVID was the time and place where so many more Victorians became aware of the world-leading researchers and scientists that we have here in Australia and the regard globally in which they are held. The AIID, which I have talked about, is going to be an extraordinary contribution – another jewel in the crown, if you like – to the Melbourne Biomedical Precinct. It is such a hub of activity, and we see research institutes located close to universities and hospitals.

Clinical trials are something that I wanted to talk about as well. We are the Australian leader when it comes to clinical trials, and the important thing about clinical trials is that they are not just for research purposes. Clinical trials are conducted here in Victoria for treatment purposes as well. I would like to invite members of the committee to check in with your local health services and health providers to understand what trials may be taking place and how you can participate in those trials, because when we are looking at research trials, in the first instance we need baseline data. Also with treatment trials there are many underway. I would encourage you to let your constituents know and your family members know that they could always ask about what trials are underway if they are indeed in one of our health services receiving treatment.

The final thing I wanted to talk about is our announcement in relation to the women's health research institute. I explained to you earlier that our health is impacted by both our sex and our gender, yet this has been very poorly understood amongst the medical fraternity and indeed, I might say, some members of the medical research fraternity. The institute will finally give women's health the research investment and focus that it needs and deserves. Thank you.

The CHAIR: Thank you, Minister. We are now going to go to Ms Sandell for the next 3 minutes.

Ellen SANDELL: Thank you, Chair. I would like to ask about the childhood cancer research investment. I note that the initiative will not begin until the 2024–25 financial year, so I am just wondering about the rationale for it not starting sooner.

Mary-Anne THOMAS: Thank you very much for that question. This is a really exciting and important announcement. The funding is there, and now we will work to identify the research partners, and this will be done through a department-led process, through an expression of interest process, so that we can find the best fit and the best match. So we have got the funding, but we need to –

Ellen SANDELL: Do you have some ideas, leads, already?

Mary-Anne THOMAS: Yes, we do have ideas, but these are conversations that are occurring, and I do not want to intervene in any process that is underway except to say that we have so many great opportunities and partners and we do not have a fixed view yet about whether that is one, two or more. There are real opportunities. Again, I have talked about the importance of leveraging investment, and indeed with the establishment of this institute we are also partnering with the Victorian Children’s Cancer Foundation, which is a charity that raises money for cancer research.

Ellen SANDELL: And did that partnership kind of predate or predicate your government’s investment, or did your government’s investment come first?

Mary-Anne THOMAS: No. There is money available, and we have sought to leverage that money and make a commitment, but I think it is really important that –

Ellen SANDELL: So will you be looking for other partners as well, or that is it?

Mary-Anne THOMAS: Well, again, I think that what we will do – we have got our money, we have got some money from the cancer foundation – we are always open to continuing to expand, and I think that says a little bit about how the research sector works, that we look to leverage and seize opportunities wherever they arise.

Ellen SANDELL: Thanks. I would just like to ask about long COVID. Particularly, the pandemic has led to a large and growing burden of long COVID; is the state investing anything in medical research around long COVID given it is not particularly well understood?

Mary-Anne THOMAS: Yes, and I might ask the Secretary to talk to this, if that is okay.

Euan WALLACE: Thanks, Minister. Yes, we initiated a long COVID research program a couple of years ago. It is currently live, so we have a cohort of 12,000 Victorians who have had COVID who have participated in a survey about symptoms and impacts et cetera, and actually the research team that is leading that is now just interrogating that data. So it will be the largest curated dataset in the world.

The CHAIR: Apologies, Ms Sandell, your time is up. The time for questions has now come to an end.

Minister and department officials, thank you very much again for appearing before us today. The committee will follow up on any questions taken on notice in writing, and responses are required within five working days of the committee’s request.

The committee is now going to break for lunch before beginning consideration of the portfolio of the Attorney-General at 1:30 pm.

I declare this hearing adjourned.

Witnesses withdrew.