PRIMARY INDUSTRIES AND RESOURCES COMMITTEE

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Mr NJ Dalton MP
Mr GR Kelly MP
Mr JR Martin MP
Mr LP Power MP

Staff present:
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PUBLIC BRIEFING—INQUIRY INTO THE QUEENSLAND INSTITUTE OF MEDICAL RESEARCH BILL 2025

TRANSCRIPT OF PROCEEDINGS

Wednesday, 11 June 2025

Brisbane

WEDNESDAY, 11 JUNE 2025

The committee met at 12.15 pm.

CHAIR: I declare open this public briefing regarding the Queensland Institute of Medical Research Bill 2025. My name is Steve Bennett; I am the member for Burnett and chair of the committee. With me here today are: Mr James Martin MP, the member for Stretton and deputy chair; Mr Nigel Dalton MP, the member for Mackay; Mr Glen Kelly MP, the member for Mirani; and Mr Linus Power MP, the member for Logan, who is substituting today.

This briefing is a proceeding of the Queensland parliament and is subject to the parliament's standing rules and orders. Only the committee and invited witnesses may participate in the proceedings. Witnesses are not required to give evidence under oath or affirmation, but I remind witnesses that intentionally misleading the committee is a serious offence. I also remind members of the public that they may be excluded from the briefing at the discretion of the committee.

These proceedings are being recorded and broadcast live on the parliament's website. Media may be present and are subject to the committee's media rules and the chair's direction at all times. You may be filmed or photographed and images may also appear on the parliament's website and social media pages. The protocols around phones still exist. I welcome representatives from Queensland Health who are with us today.

ALLEN, Ms Amy, Manager, Legislative Policy Unit, Queensland Health

BRYANT, Ms Peta, Deputy Director-General, Strategy, Policy and Reform Division, Queensland Health

MAHLER, Mr Karson, Director, Legislative Policy Unit, Queensland Health

VAN WYK, Ms Angela, Manager, Legislative Policy Unit, Queensland Health

CHAIR: I invite you to make a brief opening statement, after which committee members will have some questions for you.

Ms Bryant: Thank you for the opportunity to brief the committee on the Queensland Institute of Medical Research Bill 2025. I would like to start by acknowledging the traditional owners of the lands upon which we are all meeting and pay my respects to elders past, present and emerging. Queensland Health acknowledges them as our first researchers on these lands.

Queensland Health is committed to ensuring that our statutory bodies operate in a way that is transparent, has integrity and aligns with modern governance principles. These bodies play an important role in the Queensland health system, and the framework that governs them must keep pace with contemporary standards and expectations. This bill repeals the Queensland Institute of Medical Research Act 1945 and replaces it with a much more modern legislative framework that better reflects the institute's scale and complexity and the strategic role it plays in advancing medical research. It also establishes a fit-for-purpose governance structure for the council of the QIMR, the Queensland Institute of Medical Research. The council is the governing body responsible for overseeing the strategic direction of the institute.

Before outlining the key reforms in the bill, I will provide you with a brief overview of the institute itself. This will complement the public hearing you held earlier and give you some context around the landscape in which the institute operates. As you know, the institute was established 80 years ago. Since then it has grown into a globally recognised medical research organisation. It is known for its leadership in research areas including not only cancer, which Arun and others talked about before, but also mental health, dementia and infectious diseases. It has been a leader in these fields since the 1970s. Today the institute is home to around 1,000 scientists. There are also around 300 commercial agreements and, in addition to this, around 360 patents. It also boasts 67 laboratories, so it is quite an achievement and an important institute in the Queensland health landscape. The institute also partners with a number of health clinics and hospitals right across the state, not just in Brisbane but also in some of the regions.

Given the size and standing of the institute, it must be supported by legislation in upholding integrity and enabling it to have good governance which reflects its strategic importance in Queensland's health and innovation environment. While the act has been amended many times since it was created 80 years ago, it really is due to be overhauled to ensure it maintains contemporary standards around statutory entities and provides suitable governance. This bill addresses many of the gaps that have been identified in terms of having an institute that is competitive, is able to attract funding and delivers research that improves health outcomes for all Queenslanders. I will now outline the key amendments which align with the reforms captured in the bill.

In terms of council membership and functions, to modernise the council's structure and improve its effectiveness the bill introduces changes to both membership and governance. The bill clearly sets out the council's functions, providing greater clarity around its responsibilities and reinforcing the council's role in guiding the institute's strategic direction and overall performance. The bill also refines the council's composition. Rather than having a legislative range of seven to eleven members, the bill sets out a fixed membership of nine members. This change reflects the council's current operating structure and provides greater clarity and consistency moving forward. Responsibility for appointing and removing council members will be vested in the Minister for Health and Ambulance Services. This approach supports appropriate accountability and ministerial oversight. To align with this appointment framework, the bill allows for the remuneration or allowances of council members to be determined by the minister rather than the Governor in Council. These decisions will remain subject to the whole-of-government remuneration policy.

Given the importance of the council's leadership role, it is also essential that its members meet appropriate standards of integrity and conduct. The bill enables the minister to request a criminal history check for any current or proposed council member, with the individual's consent. This is a standard safeguard used across government to support rigorous and transparent appointment processes. The council plays a critical role in shaping not only the institute's strategic direction but also its reputation. Ensuring the suitability of members to hold positions of public trust is really important and enabled by this bill.

Another reform relates to council membership. To reinforce accountability and integrity, the bill introduces clear grounds for the removal and disqualification of council members. The minister will have the power to remove a council member who engages in misconduct or other conduct that makes them unfit to serve. This reform strengthens the bill's broader governance framework by embedding principles around transparency, ethical conduct and ministerial oversight. It also introduces new disqualification criteria. These include convictions for indictable offences, which is consistent with contemporary governance standards found in other legislation for establishing statutory bodies.

Another important reform in the bill is around conflicts of interest. To support fair and impartial decision-making, the bill introduces a formal conflict-of-interest framework for the council. Council members will have a legislated requirement to disclose any material personal interest in matters under council consideration. Members who do have such an interest must abstain from voting on the relevant matter. This framework reflects contemporary best practice in governance, strengthens transparency and accountability, and builds public confidence in the institute and council's decisions.

The other important requirement this bill introduces is around the council having to notify the minister of any significant matters. Significant matters could be around financial viability, administration or management of the institute. This could include financial risks, legal proceedings or operational disruptions that may affect the delivery of the institute's core functions. Requiring notification ensures that appropriate oversight can occur and that potential issues are addressed early, before they escalate. The change provides an additional layer of accountability and supports the long-term stability and success of the institute.

Regarding commercialised incentive payments, the bill also reforms the way in which the council can reward individuals who contribute to research that results in commercial outcomes. Currently, the act only allows for financial bonuses to be paid to employees who are narrowly classified or defined as discoverers or inventors. This definition excludes many people who make a meaningful contribution to research projects, including collaborators and those who are under different arrangements. The bill replaces references to bonuses, which commercialise incentive payments, and broadens the eligibility criteria. This will allow the council to recognise and reward a wider range of contributors who support the development of valuable intellectual property, regardless of their employment status. To ensure transparency and responsible financial management, the bill specifies that commercial incentive payments must be paid out of net commercialisation revenue. That means that they cannot come out of government funding or general operating funds.

In addition, the bill introduces new thresholds to ensure appropriate oversight of large payments. Approval from the Governor in Council will be required if payments relating to a single piece of intellectual property exceed $10 million in one financial year or if an individual contributor is set to receive more than $5 million for their role in a single project. These thresholds strike a balance between oversight and operational flexibility. They also support the institute's ability to attract and retain top researchers and the talent that we want to contribute to the institute's work. Providing equitable financial incentives will help foster collaboration, drive innovation and maintain the institute's position as a leader in medical research.

In addition to the key reforms I have just outlined, the bill also includes several minor amendments to modernise the act and ensure its consistency with other contemporary legislation underpinning statutory bodies. These include allowing the council to delegate its functions and powers to the director and enabling the director to further delegate their own responsibilities or delegated council functions to appropriately qualified staff. That might include where managing facilities, for example, is delegated to a chief operating officer.

The bill also provides clearer authority for how gifts and donations may be managed and updates terminology by renaming advisory committees to subcommittees to better reflect their role in supporting the council's work, noting that people on these committees may be doing more than just providing advice. Collectively, these amendments will ensure the legislation is modern, practical and aligned with contemporary governance arrangements.

In closing, as the Queensland Institute of Medical Research prepares to mark its 80th anniversary this year, the bill provides a timely opportunity to modernise the institute's legislation and ensure it reflects the scale and complexity of the work it does and its national significance in leading the research agenda. By strengthening the council's structure, clarifying its functions and embedding contemporary governance safeguards, the bill ensures that the institute is positioned to continue its world-class research in critical areas such as cancer, mental health and dementia. It also enhances the institute's ability to attract and retain top research talent, collaborate with national and international partners, and achieve outcomes that benefit patients and drive medical advancement. Queensland is really fortunate to be home to this research institute, and these reforms will help build on an already strong legacy. Thank you for the opportunity to brief you on this bill today. We are happy to take any questions.

Mr MARTIN: I have a question about the money and where it goes. I think you mentioned 70 patents?

Ms Bryant: I think I mentioned 360 patents and 300 commercial partnership agreements.

Mr MARTIN: Are those held by Queensland Health or by the institute?

Ms Bryant: They are held by the institute.

Mr MARTIN: Does the money they would get paid for those patents go back to the institute, or does it go to Queensland Health or general revenue? Where does that money go?

Ms Bryant: Member for Stretton, I am usually very good with my numbers, but it is actually 380 active patents, not 360. In response to your question, the revenue from patents and any fundraising revenue is held by the institute and managed by it as a statutory entity and reported in their annual report in those financial statements.

Mr MARTIN: If the institute was to make some sort of massive breakthrough—a very lucrative one—can you explain what would happen? You mentioned an individual could potentially receive a payment of $5 million. Who could that be? Could it be an employee or is that referring to another organisation that was working with the institute?

Ms Bryant: I will step through that in two parts. If they make a breakthrough and it is able to be commercialised for profit, to sell it in some way and have a patent developed, then the commercialisation revenue from that would have to be publicly reported and captured in alignment with accounting standards and therefore that money is still held by the institute. As to how it is paid to a contributor or an employee, if the council were to make a recommendation that more than $5 million is to be paid to a particular individual, they would have to seek approval for that from Governor in Council. Where we have set those benchmarks—$5 million for an individual—is to align with a broader Treasury policy around when an institute can make a decision about how those funds can be spent as part of a commercialisation payment and at what threshold they should seek independent approval of what can be paid out to that contributor or employee.

Mr MARTIN: I understand. I guess what I am really asking is, for the benefit of the committee, more of an example of when somebody would get paid $5 million as opposed to the approval from the Governor in Council. Can you give us an example of how that would happen?

Ms Bryant: Do you want to talk to an example from, say, the Garvan Institute as much as QIMR? What we are trying to do here is align how these commercialisation payments are provided to contributors in a way that still aligns with other competing research institutes and partners in this space, including universities. I am an economist, not a researcher. The institute does work in bipolar disorder. If there was to be identification of a discovery around medicines that appropriately respond to bipolar disorder that could be patented and it was found to be working then at that point, when there is an identified revenue stream, the council might make a decision to say, 'We should pay a portion of this to our contributors or discoverers.' I might just pause and check that what I am describing is an example that aligns with other like institutes and what might happen in the QIMR.

Mr Mahler: Just to build on what Peta has been saying, this is a fairly standard kind of arrangement. It has been modelled on other similar types of institutions. Five million dollars sounds like a lot of money, but it would be probably the exception to the rule that one individual would be receiving that kind of commercial incentivisation payment. Really, with the way research is conducted—I think Professor Sharma spoke a little bit about this morning—we have moved away from a paradigm in which you have individual inventors who are solely responsible for discovering a new innovation or a new treatment. It happens from time to time. Modern-day research is conducted as part of large teams. The bill addresses this by setting a $10 million cap per item of intellectual property, and $5 million is the maximum that an individual contributor could be paid. If you think about it, it would be the rare circumstance that one contributor would be paid the lion's share of the contribution when you are talking about a large, multidisciplinary research team potentially working across different institutions and reflecting the types of ways in which research is done today.

To back that up, we are aware of only one instance in recent years of an individual researcher being paid in excess of that $5 million cap. That was in 2022 and the individual received a payment of $6.1 million for a single item of intellectual property. I cannot comment on the specific example because it is commercial-in-confidence, but that is the only instance in which the cap that we would be instituting through this bill would have been exceeded, based on our conversations with the institute and the research we have done. That would be most likely a situation where you have a breakthrough cure where one person has basically had an outsize influence in terms of producing that.

The other point I would make, which is really important to keep in mind, is that it is not a case of the institute just making bonus payments. That is the problem with the old act. It refers to these payments as bonus payments, which really does not reflect what they are. The payments are about incentivising innovation—about ensuring we can attract researchers and enter into partnerships which increasingly, in today's day and age, are commercial partnerships with a range of different sectors. There needs to be the flexibility to competitively renumerate where there are these kinds of breakthrough innovations. The old 'bonus' nomenclature can be a little bit confusing at times. These are not really bonuses.

The other point I want to make is that all of this comes from—I think Peta said it already—the net commercialisation revenue. It is not a matter of the institute paying money to staff or to employers or to researchers out of its standard operating budget. It is only making these payments where the intellectual property—the research breakthroughs—actually leads to commercial ventures which are then profitable and that profit makes its way back to the institute. The incentive payments come out of the profit generated through the innovations—not from public money, not from philanthropic donations or anything of that nature. It is purely from the commercial value that has been added as a result of the translational research that is coming out of the research that QIMR is doing. Does that answer the question?

Mr MARTIN: Yes, thank you.

CHAIR: Thank you. It was a good question and it is a very complex issue.

Mr DALTON: Thank you for your information. The QIMR is a worldwide organisation. How does this piece of proposed legislation affect international contributions and issues? Maybe it comes from more of a legal perspective than a health perspective.

Ms Bryant: In terms of an international perspective, what we are trying to do with changes in this bill is shore up the institute. With the integrity measures and the governance measures included, it does make it more attractive and less risky for investment from all regions. The institute already has

a number of international partnerships that are not just about financial investment but also about the exchange of talent and having researchers and workforce here, particularly clinician researchers. What it does do is, in strengthening those integrity measures, protect the reputation of the institute.

In contemporising the act we have an ability to attract talent through reputation, as we have discussed, and commercialisation incentive payments. For me, the other part of modernising this is around the donations. In the past, the institute has received donations of different types of assets. Clarifying how those things can be treated and used by the institute is important, because that has not been clarified before. Where there is ambiguity, there is also a risk of there being a perception that the statutory entity is misusing those assets. I am thinking, for example, where there has been a donation of property or a donation of shares. They are not really typical things that we have as donations for other statutory entities that we have, and we want the institute to have real clarity around its governance and approach to dealing with management of the organisation in the legislation so that there are absolutely no questions. That provides clarity to the institute but also those international partners and potential donors or investors.

Mr DALTON: Overall, it is a really good thing to keep that collaboration going internationally.

Ms Bryant: Absolutely. It is a good thing to keep that collaboration going, yes.

Mr POWER: The minister made a big deal of talking about the commercialisation incentive payments. There is obviously research that does not necessarily lead to something that is commercially rewarding but may be a significant advancement in science that may be commercialised by other institutes—or not. In this case, it is drawing people towards incentives to change behaviour. You are an economist. Incentives are there to change behaviour to more fully focus on those things, and they can only get some kind of incentive payment if they have done something and they only get a proportion of the direct commercialisation of the research they have done.

Ms Bryant: There are two things that I want to say in response to your question. One is around the incentive structure and whether it is changing the behaviour and focus of the organisation. I think it is important to—

Mr POWER: Or focus for the individual researchers, because that is who we are incentivising.

Ms Bryant: The institute receives revenue from a range of sources: around $18.6 million from Queensland Health and about the same from the National Health and Medical Research Council and from the MRFF, which is the Commonwealth medical research fund. They are really about identifying priority initiatives or research opportunities and funding those without giving regard to whether it is going to generate a profit. It is about, of the priorities for the organisation and for those funders, how we best wrap around a problem, whether that is a particular type of cancer or, as I mentioned before, some of the mental health issues that the institute looks at. In managing the organisation, it is important that they focus on their strategic research priorities across conditions or cohorts and geographies, and that will not change. With the commercialisation incentive payments, though, where they do get a patent or something is turned into commercialised revenue, the individuals who contributed to that—as Karson said, it is not just one individual but the team—have an opportunity to have access to those returns.

Mr POWER: Often the revenue from commercialisation comes long after the actual research—sometimes decades. Is it a misnomer, then, to call it an incentive payment in that that incentive is often not connected directly with the time period of the research they are doing?

Ms Bryant: From a policy perspective, I would say that it is not a misnomer in that the incentive is about not just doing the work but also exploring opportunities to look at how it could be patented, translated into practice and translated into a commercial service or product. It is not just an incentive to do the work, because I think many of the researchers there, as you would probably know, are purpose-driven and are there to have a positive impact. Also what we have tried to build into this bill is to bring the institute and the council into alignment with other similar organisations, and that is the language that is used. I might just pause there and check with my team. The Garvan Institute and others are using that type of terminology; right?

Mr Mahler: Absolutely. It is pretty widely used terminology across modern research institutes. That is exactly right, Peta. These researchers are purpose-driven individuals. The nature of research is that you do not know which ventures are going to be profitable. It is a cultural phenomenon in research. This is across private institutions as well. Part of the model, the incentive structure and the terms and conditions that come along with research, for the people involved in research, is this expectation that if things do become commercially viable there is some opportunity there for that commercial value, in some form, to be funnelled back into research and to supplement the income that researchers have which may not otherwise be as profitable as in some other areas.

The reality is that, in modern-day research—again, going back to the multifaceted, multidisciplinary types of teams which are involved in research—the partnerships with pharmaceutical companies and with other research partners, Queensland needs to recognise the environment that we are playing in. These incentive payments are aligned with longstanding practice across research bodies, internationally as well, and they are important in terms of being able even to enable the QIMR to enter into partnerships with other entities, with pharmaceutical companies, with their other partners, because those entities are going to expect—

Mr POWER: Can I clarify? There is a great incentive in private pharmacy and drug creation to create something that is high-cost, continual use and ultimately a very high cost to public health institutes—Queensland Health, for instance—whereas we should have the incentives to try to find the repurposing of off-patent drugs and the use of clinical studies to look at lower cost options. Those, by definition, do not have a big commercial stream. Do we have incentives for that type of research which also has a big public health benefit?

Mr Mahler: Absolutely. That goes back to the purpose—

Mr POWER: We do not have incentive payments?

Mr Mahler: No, we do not have incentive payments for that type of research. That being said, often you might start down a path of research looking at developing those types of drugs and you may generate some form of IP that could be commercialised, or it may be more about translating that research into treatments which otherwise would not be brought to market. In terms of what the actual price of those drugs or those therapies might be, just because there are incentives and there are payments made out of net commercialised revenue, that does not necessarily mean that those treatments are going to be commercialised forever. There are limitation periods for intellectual property. A lot of the drugs that are on the PBS today might have started out as medicines which were developed in a proprietary way. Then patent expires and you have generic drugs. This is part of the life cycle for pharmaceutical drug development.

CHAIR: We will move to a different line of questioning. Member for Mirani?

Mr G KELLY: I am supportive of the bill. I am just going back through my memory. Was it 1,000 scientists that Queensland Health provides in the institute?

Ms Bryant: Yes, it is 1,000 scientists.

Mr G KELLY: That is amazing, when you look at the broad picture of Queensland. It is such a big area with so many diversifications in Queensland, and obviously the health system is so important with the types of jobs we have in our area. Is there anything in the bill that strongly supports regional Queensland?

Ms Bryant: The bill is really focused on the governance integrity issues and contemporising how the organisation is governed and operates and, with that, enabling those partnerships that the institute has established in regional areas. There is a partnership with a Toowoomba enterprise. There is a partnership that they have stood up with a Sunshine Coast enterprise. They have a range of clinical trials and that is so important for us to have locally.

Whilst the institute is based in Brisbane, what that is really about is saying: if we do have a clinical trial in skin cancer, for example, our folks in the western corridor do not have to travel to another part of the country. The institute is doing that research in our own backyard to enable more equitable access to those types of therapies. Whilst it is not something that the act itself really goes to or is prescriptive enough to say it is about more services or access to research in the regions, absolutely having an institute that is appropriately governed, is safeguarded against reputational risk through these governance mechanisms and having some flexibility to operate with the reforms captured in the bill, that will enable the chair and the director of the institute to pursue those goals in having more regional partnerships and enabling Queenslanders to have access to those types of clinical trials and cutting-edge research that, for some people, is certainly important when they get a diagnosis of a rare disease, for example. I use cancer as an example only because in the public hearing you heard about cell therapies, and that is one area where there is a known area of research that is having a real impact.

Mr MARTIN: You might have heard me ask the institute about bowel cancer—the increase in the number of young people who have been diagnosed with bowel cancer and the fact that Australia seems to be ahead of other countries. Does Queensland Health have a position on that, or has Queensland Health asked the institute to look into bowel cancer in particular—not just therapies but research into what is actually causing this?

Ms Bryant: Queensland Health has not asked the institute to look into this. In fact, I would be happy to take on notice what our policy position is. We obviously do a range of cancer-screening initiatives, but I will take on notice to get some information about bowel screening as a first-order issue and what we are doing around understanding the drivers of that uptick. We certainly are, at an executive leadership team level, aware that there has been research to say that there is a rising incidence of bowel cancer among young people and also that in that public commentary and that research it is unclear what the drivers are so we need to do more work to understand that. I am happy to get you some more information on that.

CHAIR: We have exhausted our questions. If there is anything you want to say in closing, you are welcome to. I remind you that 25 June is the due date for the response to the question on notice, if you could be kind enough to come back to the committee by then. We are very interested in the member's question; he has raised an important point about bowel cancer. Do you have anything to add?

Mr Mahler: I am not sure I answered the member for Logan's question as eloquently as I would have liked. I completely understand the question around wanting to incentivise research that is going to lead to low-cost drugs. We do not necessarily want commercial considerations to supersede providing low-cost drugs throughout Queensland, to be innovating and to be delivering cures that Queenslanders need. The point I was trying to make is that, again, in the modern medical research landscape, the scale of capital, the partnerships, the kinds of apparatus, the R and D that is required oftentimes does require more than just QIMR; it requires much larger scale research initiatives.

Commercialisation is a way which research is conducted. It can spur innovation; it can spur that kind of research and, critically, translate pure research outcomes into commercially viable products—that is, drugs, therapies and cures. Without having commercial incentives to drive that, the institute itself may not necessarily be in a position to actually bring those products to market. That is the point I was trying to make. However, the institute enters into very specific contracts and agreements around its IP; it is protective of that. Part of the reason for that is that it has its public purpose which, first and foremost, it is delivering. As the professor said earlier, its paramount principles are about delivering health benefits and treatments that are of relevance to Queenslanders. That is its loadstar. When entering into these commercial partnerships and ventures, the act provides that that is ultimately the touchstone. Any kinds of commercial ventures should support the ultimate goal of driving research and translating it into cures, treatments and therapies that are going to be impactful for people throughout Queensland and, as part of that, that are going to be financially accessible for Queenslanders as well.

CHAIR: Well said. With that, we will conclude the briefing. Thank you to everyone who has participated today. Thank you, Hansard, as always. A transcript of these proceedings will be available on the committee's webpage in due course. I give a reminder that the response to the question on notice will be required by 25 June 2025 to help with our deliberations. With that, I declare this public briefing closed.

The committee adjourned at 12.57 pm.