

HEALTH CARE

Research and innovation cash splash key to growth sector

MEILIN CHEW



WA's health sector is growing exponentially, contributing more to the State's economy in value terms than at any point in its history, according to health economists.

The healthcare and social assistance industry is a heavyweight when it comes to the State's bottom line, accounting for 5.6 per cent (\$14.5 billion) of WA's economy in 2018-19, making it the third-biggest industry in the State, behind mining (32.4 per cent) and construction (6.4 per cent).

Since 2014-15, it has increased its share of the economy from 4.8 per cent to 5.6 per cent, and has grown at an average rate of 4.4 per cent per annum, compared to 0.7 per cent for the total economy.

As one of the biggest sectors of the State's economy, the numbers associated with WA health care are staggering.

The sector employs more than 160,000 West Australians, or 11.9 per cent of all workers — more than any other workforce of any industry in the State — and this is set to expand by almost 40,000 people by 2023.

The sheer breadth of WA's healthcare sector encompasses public and preventative health, primary and allied health services,

es, clinical and acute healthcare, and residential and aged care services.

Bankwest Curtin Economics Centre Associate Professor Astghik Mavisakalyan said one area where more investment could reap enormous dividends was in preventative health initiatives.

"Very little is spent on preventative health initiatives in WA," he said.

"Our breakdown of health spending in WA shows just 1.7 per cent is spent on preventative measures.

"Returns to investment in preventative health initiatives might be potentially high. For example, it's estimated that \$9 million invested in anti-smoking campaigns between 1997 and 2007 saved \$740 million on smoking-related illnesses like lung cancer."

Associate Professor Mavisakalyan said under-investment in research in WA was also a wasted opportunity.

"A vibrant health innovation system requires investment... the contribution from the Federal Government to WA's total health spending sits at around \$2840 per person, which is the lowest level of funding across all States and Territories — some \$212 lower than the national average," she said.

"WA also receives less funding per person for health research than other States and Territories, averaging \$17.34 per person, whereas Victoria stands at \$66.98, NSW at \$72.56 and Queensland \$39.65."

Shane Kelly, the man in charge of St John of God Health Care — one of the State's biggest non-government employers — said the two areas in need of further investment were mental illness and palliative care.

"We should also be focusing on deliver-

ing more services with other funding sources for both in and out of hospital care, increasing community-based and home care, as well as further addressing unmet needs with respect to mental illness and palliative care," he said.

Dr Kelly, who oversees the running of St John of God's six hospitals in WA, said the recent decline in those taking out private health insurance would be a significant additional burden on the public hospital system.

"It's vital that we restore the balance as soon as possible... a healthy and vibrant private healthcare system takes pressure off public hospitals, provides consumers with greater choice, and by the private sector working in tandem with the public healthcare system, ensures availability of health services for all those in need," he said.

Health Minister Roger Cook, pictured, said establishing the Future Health Research and Innovation Fund would provide a source of funding to the growth industry.

Legislation allowing annual interest from the \$1.3 billion WA Future Fund to be used to supercharge health and medical research is before State Parliament.

The funds cannot be accessed before July 2032. Changes would result in annual forecast interest earnings, an estimated \$40-\$50 million, being allocated to support health and medical research, and health and medical innovation in WA.

"This is an exciting opportunity to supercharge our existing health research and innovation sector," Mr Cook said.

"There is an opportunity for us to grow jobs, nurture our talent pool in the local health research and innovation sector, and attract and retain the best and brightest scientists to bring their research projects to WA."

Professor Gary Geelhoed, executive director at the WA Health Translation Network, said what had been missing in

SUPERCHARGED



Biotech on the global map

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A Nedlands-based listed biotech specialising in the industrial-scale study of proteins has been quietly making its mark globally.

Proteomics International is at the forefront of providing specialist analytical services on a fee-for-service basis to a predominantly export market.

In 2014-15, the company diversified into new markets in the Americas and Middle East, with exports accounting for 47 per cent of total annual revenue.

Managing director Dr Richard Lipscombe, pictured, said the complexity of the molecules it analysed was why its services were in high demand, particularly by drug-making companies in India and Asia.

The main type of drugs the company works on are immunotherapies — anti-cancer drugs developed in the last few years which have proven effective for cancer patients.

"The increase in complexity in going from an aspirin drug to an anti-cancer drug is similar to going from a penny farthing to an F18 jet fighter," Dr Lipscombe

said. "Our job is to analyse these products when they are made by different companies around the world to show that they are the right structure and that the product is safe to use."

The company's specialist analytical services make up the bulk of its revenue stream, but it is hoping its research and development unit, which develops new diagnostic tests, will take the spotlight.

Its lead product, PromarkerD, is a blood test that can diagnose and predict whether a patient will develop diabetic kidney disease.

Dr Lipscombe said the company had spent 10 years developing the product, which has just gone to market in Europe.

"Based on the protein fingerprint that's present in that blood sample, we are able to predict who will develop disease in four years time," he said.

"There's no other product out there that can do what our test does.

"It was world-first and obviously it's a busy market... the use of analysing samples in this way is new in clinical practice."

WA was the recognition that you get better patient outcomes if you don't just treat them but take a longer view and invest in innovation and research.

"At the moment, the Government tends to be very fossilised when they fund things — they put such restraints on the way the money's spent that it strangles the very thing they're trying to do," he said.

**DIVERSIFYING
WA'S ECONOMY**