



LHAAC BUSINESS PLAN 2019 - 2024

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THE BUSINESS

Vision

'Supporting Local Governments to promote, protect and enhance public health in Western Australia through the provision of high-quality analytical services.'

Mission

'LHAAC promotes and protects public health through the operation of an effective and efficient analytical scheme providing information and trustworthy reports.'

Business Description

The Local Health Authorities Analytical Committee (LHAAC) is a 'Body Corporate' under Section 247A of the Health (Miscellaneous Provisions) Act 1911. LHAAC partners with and supports LGAs in their efforts to promote public health in Western Australia for the long term.

LHAAC plans for and delivers Coordinated Sampling Projects (CSPs) and provides important reporting to the participating 137 Local Government Authority (LGA) members of the LHAAC scheme in Western Australia.

LHAAC considers emerging issues and trends as well as providing CSP sampling across traditional and historical public health monitoring initiatives, as well as planning for future activities of the organisation.

LHAAC produces an Annual Report as an important measurement tool for the organisation and for stakeholders.

Utilising LHAAC's broad networks, the organisation has the capacity to apply innovative, yet measured, adaptations to a variety of forms of testing and reporting as emerging issues present.

Contact Details

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C/- School of Medical and Health Sciences
Edith Cowan University
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270 Joondalup Drive
Joondalup WA 6027

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Email: t.chapman@ecu.edu.au

Website: www.lhaac.org.au

Business Activity

LHAAC was established in its present form in 1970 to provide analytical services to LGAs in Western Australia to monitor and manage public health.

LHAAC introduced the Revised Sampling Scheme in 2011 which consisted of Coordinated Sampling, Discretionary Sampling and Non-Compliant sampling.

LHAAC contributes to public health in Western Australia through the operation of a Sampling Scheme and by identifying areas of specific risk. LHAAC also conducts CSPs, the results of which are communicated to all Local Governments in WA.

LHAAC ensures testing is conducted in a professional and timely manner, aligning with changes to public health requirements and needs. The scheme identifies and employs Analysts through contracts and negotiates fixed fee for service rates which are funded by LGAs participating in the scheme.

Client Base

LHAAC plans for and delivers CSPs) and provides important reporting to the participating 137 LGA (LGA) members of the LHAAC scheme in Western Australia. The individual populations range from around 81 (Sandstone) to 220,000 (Stirling).

LGAs who wish to spend more than their 'allocation' may do so by communicating that need to the LHAAC Coordinator who will then review the request based on criteria approved by LHAAC. This includes consideration of previous spending, Scheme usage, aggregated spending to date and what stage of the financial year the request is made. Excess Fees to individual LGAs will only be considered when the aggregate fees allocation for all LGAs is exceeded in the financial year.

Licenses and Registrations

Tender Arrangement: Date From 1 Aug 2017, to 31 July 2020 with two one-year extension options.

Analysts:

Agrifood Technology
38 Clark Court
BIBRA LAKE WA 6163

Analytical Reference Laboratory (WA) PTY Ltd
46-48 Banksia Road
WELSHPOOL WA 6106

Business Advisors

Banker	Bankwest, Perth
Accountant	Chatto Business Services, Suite 3, 755 Albany Highway, East Victoria Park WA 6101
Lawyers	Kott Gunning, 8/140 St. George's Terrace, Perth 6000 State Solicitors Office, 28 Barrack Street, Perth 6000
Insurers	Austral Risk Services, 33 Cedric Street, Stirling WA 6021
Human Relations	Cornerstone Consulting, PO Box 3051, Carlisle South WA 6101
Business Development	Belay Consulting, 27 Honeytree Place, Falcon WA 6210

Relevant Industry Associations

- WALGA (WA Local Government Association)
170 Railway Parade, West Leederville
- Environmental Health Australia (WA)
PO Box 2220, MIDLAND DC, WA 6936
- Public Health Advocacy Institute of WA
Building 603 Tech Park, 6 Sarich Way, Bentley

Industry Analysis

LHAAC is a 'Body Corporate' under Section 247A of the Health (Miscellaneous Provisions) Act 1911. LHAAC partners with and supports LGAs in their efforts to promote, protect and enhance public health in Western Australia for the long term.

LHAAC operates sampling programs for food and non-food based products and services and plans for and delivers CSPs (CSPs). LHAAC also provides important reporting to the participating 137 LGA (LGA) members of the LHAAC scheme in Western Australia.

LHAAC is an independent body.

All LGAs are required to financially contribute to the LHAAC Scheme and to use the appointed analysts (under contract) where the sampling service required is provided by them.

MARKETING PLAN

Product and Service

LHAAC will continue to lead the way, engaging with and supporting 137 LGAs to actively participate in the LHAAC Sampling Scheme and to facilitate and deliver relevant Coordinated Sampling Projects.

The LGAs can use the LHAAC Sampling Scheme for any required sampling and contribute to the scheme directly proportionate to their population, or through the Minimum Fee charge for LGAs with a population of less than two thousand residents. There is a cost for each sample, which is determined in a transparent Tender Process. Each LGA is 'allocated' a portion of their fee back to them for sampling activity.

Information is collected and analysed using a uniform approach - developed in association with the Department of Health - to ensure timeliness and consistency for each project.

Marketing Objectives

Future research projects may be undertaken in recognition of their potential benefit to the management and execution of public health in Western Australia.

LHAAC will consult with all LGAs regarding their sampling activity and encourage each LGA to fully utilise their 'allocated' sampling budget and to offer support where needed.

LHAAC will also regularly liaise with all LGAs and seek their input and ideas on future CSPs.

Product Development and Diversification

LHAAC has identified and will continue to identify a number of current and emerging issues and plans to be proactive in developing and implementing a series of CSPs which are beneficial to the future of public health in Western Australia.

LHAAC will utilise LHAAC funds to help encourage a broader geographical participation of LGAs in Western Australia.

Product Range

LHAAC offers a three-tiered food sampling service and also offers a suite of non-food related testing (e.g. asbestos, chemical, heavy metals and water). Procedures are in place addressing the analysis and reporting of sample submissions to each submitting LGA.

1. Discretionary Sampling
2. Co-ordinated Sampling Projects
3. Non-compliance Testing

Discretionary Sampling is for each LGA to randomly test aspects of food production and food storage systems and general public health issues at their discretion. An example is meat content of meat pies, or preservatives in mince-meat or the presence of asbestos in a house demolition or renovation.

CSPs are projects determined and selected by the LHAAC Committee and focus on public health issues in perceived high-risk foods. The LHAAC Sampling Sub Group, LGAs across the state and other stakeholders help identify issues and trends in public health and bring them to the attention of the LHAAC committee for consideration as a CSP. LGAs will then consider whether the CSP is appropriate to their population, or their food premises, and whether to participate in the CSP.

Non-compliance testing is for food complaints, foreign bodies in foods or re-testing of a product previously found to be inconsistent.

Advanced Research Projects

Advanced Research Projects (ARP) are a new initiative of the LHAAC Committee. ARPs are strategic collaborative projects, aimed at focusing on emerging issues and trends in public health. These may be larger projects than the more traditional CSPs and will be specific research projects funded or part-funded through grants from LHAAC and other public health stakeholders. The ARPs may develop into larger collaborative research projects and partnerships with existing and future stakeholders.

Major Suppliers

LHAAC conducts a transparent tender process every 3-5 years (depending on contract term) to select a specialised organisation(s) who have the required capacity and capability to undertake the necessary testing, analysing and reporting of the many forms of samples submitted. The successful tender applicant(s) are chosen based on price, location, service and reputation.

Personnel (Human Resources)

The LHAAC Coordinator is employed under terms and conditions outlined in the three year Employment Contract between LHAAC (the Committee) and the LHAAC Coordinator, commencing 24 February 2018. The necessary and relevant employment, industrial relations and human resources requirements are in place including providing a safe workplace, workers compensation insurance, superannuation contributions and single touch payroll requirements.

2019 Staff:

- Coordinator
- Research Assistant (one day per week)

NOTE:

It is expected that additional human resources and financial resourcing will be necessary to develop and implement this Business Plan and the LHAAC 2019 - 2024 Strategic Plan.

Industry and Operating Environment Analysis

SWOT Analysis

STRENGTHS	WEAKNESSES
<ul style="list-style-type: none"> • Expertise; Service provision • Coordination • Focus on trends affecting public health • Competitive pricing (volume) • Autonomous • Potential to lead • Analyse and report (centralised on behalf of all LGAs) • Consistency • Credibility • Talking communication is good • LGA controlled – (simple) • LGAs must participate in Scheme • Elected member interaction • More information on what is healthy – e.g. CSPs • Department of Health wanting MOU to formalise relationship & collaboration 	<ul style="list-style-type: none"> • How fee formula is developed is unfair on some LGAs • Not good at telling everyone what we do • Diminishing support from LGAs • Timing of newsletter/communication • Who communications go to • Legislative change - industry manipulates decision making • Don't advocate LHAAC very well • Reporting of surveys and results - is it getting to the right people *
OPPORTUNITIES	THREATS
<ul style="list-style-type: none"> • New Public Health Act • LHAAC – is in a unique position to lead in areas of supporting public health initiatives • Grass roots public health work - are foods consumed by the public fit for human consumption • Labelling of imported foods • Imported foods - thorough investigation • Public Health planning for education of Western Australians - safe foods to eat • Develop promotional material - use research to be analytical; to show gains/benefits (or not) • Advocacy training 	<ul style="list-style-type: none"> • Compulsory spend of LGAs is a negative spin on LHAAC • New Public Health Act - interpretation - EHOs not listed so lose intelligence • Labelling of imported goods • Police sample water - LHAAC could/should do it (e.g. drugs) • Budget cuts to LGAs and State departments • Risk based reporting - constrictive and hinders strategic thinking • Information withheld e.g. fermented drinks • Government might close LHAAC down

A SWOT - PESTEL analysis identifies the Strengths, Weaknesses, Opportunities and Threats of LHAAC, with the added depth of considering Political, Economic, Social, Technological, Environmental, Legal influencers.

In consideration of the Strengths identified, our Strategic Plan, operational Business Plan and Marketing Strategies will consider Opportunities as they arise and minimise our vulnerability to overcome external Threats and internal Weaknesses.

The Competitive Working Environment

Participants undertook a Competitive Working Environment Analysis to investigate the operating environment. The analysis considers the ‘5 Forces’ (Buyers, Suppliers, Competition, Substitutes and New Entrants) that impact the operating environment of the organisation from a general perspective.

The analysis has shown that ‘LHAAC’ is well placed in the current market, offering a well-tested and proven model where LGAs are obliged to use the service. This is an unusual (and very positive) model in business and it is noted that this is a unique position for any organisation.

LHAAC has the capacity to potentially ‘grow’ and further develop new markets to conduct testing in WA, nationally and even internationally. This will require further investigation as opportunities present and technology develops.

Competitive Market Analysis

Buyers	Local Government
	Department of Health
Suppliers	ARL (WA)
	Agrifood
Competition	Sole Supplier
Substitute	Local Governments
	WALGA
	Department of Health
	Analysts direct
New Entrants	LHAAC is sole supplier
	LGAs are mandated to pay fees

OPERATIONAL STRATEGY

LHAAC's Operational Strategy has well developed internal operations and processes which enable the organisation to strive to achieve short and long-term goals.

Managing risk is an ongoing challenge for any organisation and includes the regular review of risk management policies and procedures. Strong governance principles are applied, aligning with the management of both public funds and the LHAAC Sampling Scheme.

LHAAC is located at the School of Medical and Health Sciences at Edith Cowan University, Joondalup. A lease agreement is in place which includes accommodation, security and some IT provision.

LHAAC accesses a small amount of volunteer resources through student internships, which provide valuable administrative support to the LHAAC Coordinator. LHAAC also employ paid Research Officers on occasions to complete specific research tasks for the organisation.

Additional contract resources will be necessary to implement the LHAAC Strategic Plan.

The Strategic Plan (2019- 2024) articulates three clear strategic focus areas which will drive success and provide clear direction for the allocation of resources.

This will be delivered through:

- A Centre of Excellence (including strong governance)
- Reliable and relevant research of emerging public health risks
- Developing a clear Communication Plan

LHAAC 2019 – 2024: Strategic Pillars for Success



LHAAC will work in partnership with the various LGAs and the WA Department of Health and will work in collaboration with stakeholders and alliance partners to support a vibrant highly regarded organisation, working towards sustainable public health in WA.

Strategic Alliances

LHAAC has the potential to develop strategic partnerships with current and new stakeholders, to identify and manage current and emerging issues and to recognise changing trends in public health.

Working with stakeholders, LHAAC will be able to formulate an evaluation and feasibility process to investigate emerging issues and to develop important new CSPs (CSPs) and Advanced Research Projects (ARPs).

Strategic alliances will be a beneficial way to work on important and collaborative shared projects which may require funding or resource support – for example with stakeholders such as the Cancer Council, Diabetes WA, Live Lighter, Anaphylactic Australia, the Heart Foundation.

FINANCIAL STRATEGY

Current Organisational Performance

LHAAC receives annual contributions of approximately \$611,000 from the 137 contributing LGAs, based on a formula linked to population. Each LGA chooses to participate in the various LHAAC sampling activities.

Fee Structure

LHAAC oversees the testing, analysis and reporting of a variety of sampling activities undertaken by contracted analysts. There are two aspects to the LHAAC Fee Structure:

1. LGAs are charged based on their population. Approximately 70% of their fee is 'allocated back' to each LGA. The remainder is used to meet the general operational costs of LHAAC (accommodation, IT equipment lease, insurance, accounting, Coordinator salary and on costs).
2. LHAAC pays the appointed analyst(s) a monthly fee based on contract prices for the various forms of sampling undertaken.

Indicative Cash Flow Forecasts

Cash flow forecasting and contingency planning will be required of LHAAC to effectively manage the current and anticipated future funds accumulated via fee income.

The cash flow into LHAAC from fee income in 2019/20 was \$611,000 (net of GST). The table below projects costs over the next five years and shows a 3% increase per annum to align with the projected Consumer Price Index (CPI) in Western Australia.

Expenditure for 2019/20 was estimated at \$608,000. The LHAAC Budget assumes that any additional and necessary spending, not included in the budget, can be met from the reserve fund that LHAAC has built in recent years.

Grants/contributions from Special Project or Advanced Research Project partners would be sought on an as-needs basis to supplement contributions from LHAAC. The grants from external stakeholders are therefore indicative only.

EXPENDITURE ITEM	2019/20	2020/21	2021/22	2022/23	2023/24
Office and Administration (includes Coordinator salary and on costs)	\$200,000	\$206,000	\$212,000	218,000	225,000
Routine Sampling	\$250,000	\$258,000	\$266,000	\$274,000	\$282,000
CSP x 3	\$150,000	\$155,000	\$160,000	\$165,000	\$170,000
ARP x 1 (potentially with strategic alliance projects see below)	\$0	\$50,000	\$55,000	\$60,000	\$60,000
Centre of Excellence (plus digitization of LHAAC records)	\$15,000	\$25,000	\$5,000	\$5,000	\$5,000
Website re-development to house 'library' of reports	\$10,000	\$5,000	\$5,000		
TOTAL	\$625,000	\$679,000	\$703,000	\$722,000	\$742,000
INCOME					
Fees	\$611,000	\$629,000	\$648,000	\$668,000	\$688,000
Shortfall (Use Reserve Funds or Stakeholder Grants)	\$14,000	\$50,000	\$55,000	\$54,000	\$54,000

NOTE:

Additional resourcing will be necessary to reach the goals of the Strategic Plan 2019 – 2024.

IMPLEMENTATION ACTION PLAN

CSPs – Annual and Ongoing

The CSPs will continue to be an important component of LHAAC supporting LGAs to determine and investigate public health risks across Western Australia. The following dates are proposed to begin a minimum of three CSPs each year.

- a. CSP 1: September 1
- b. CSP 2: December 1
- c. CSP 3: March 1

It is suggested that LHAAC provides details of proposed CSPs for the following financial year to LGAs and the Department of Health by 1 April each year.

Form a Centre of Excellence (CoE) by Dec 31, 2020

Key Initiatives		Target Date
Clarify the information to be available and the type of reports to be housed in the CoE virtual e-Library		June 30, 2020
Allocate resources to develop the e-Library; source an IT specialist to map exact requirements and design a user-friendly and effective solution that can be added to as required		Sept 1 2020
Upgrade/ expand LHAAC website capability to support additional data		June 30 2020
Investigate need for/feasibility of a 'Member' log-in to e-Library		Sept 1, 2020
Provide Professional Development on the information and how to use the e-library – both face to face and webinars for EHOs		December 31, 2020
Monitoring and evaluation to occur at six monthly intervals with updates as required		1 November and 1 May – annually and ongoing

Advanced Research Projects

Key Initiatives	Target date
Develop and conduct a short survey of LGAs to choose the Top 10 issues in public health management	July 1, 2020
Identify emerging issues, so as to decide on and undertake one ARP by 30 th Sept 2020	31 Dec, 2020
Aim to support one ARP each year – LHAAC committee and stakeholders to decide and allocate appropriate resources	August 1, 2020 – annual and ongoing

Develop a Communication Strategy

Key Initiatives	Target date
Develop and resource a 5-year Communications Plan with monitoring and management - with quarterly and annual reviews	By 1 July 2020
Resource and undertake the development of a stakeholder contact list – including media	By 1 July 2020
Develop strategic partnerships with stakeholders – conduct a series of 4-6 meetings with key stakeholders to identify emerging issues and how LHAAC might work on a collaborative project in the future	1 Sept 2020
Develop and scope a potential project with one strategic partner for the 2020- 2021 year (aligning with CSP or possible ARP)	1 Aug 2020
Complete website changes/enhancements	Sept 30, 2020
LHAAC Coordinator to organise for 6 monthly updates of EHO staff and contact details cross the 137 LGAs – request to EHO's to update as they enter or depart a role.	1 December and 1 June annually