

**Western Australian Health Promotion Foundation —**

Mr T.J. Healy, Chair.

Mr R.H. Cook, Minister for Health.

Ms S. Hunt, Acting Executive Director, Healthway.

Mr N.J Fergus, Chief of Staff, Minister for Health.

[Witnesses introduced.]

**The CHAIR:** This estimates committee will be reported by Hansard. The daily proof *Hansard* will be available the following day. Members may raise questions about matters relating to the operations and budget of the off-budget authority. Off-budget authority officers are recognised as ministerial advisers. It is the intention of the Chair to ensure that as many questions as possible are asked and answered and that both questions and answers are short and to the point. The minister may agree to provide supplementary information to the committee, rather than asking that the question be put on notice for the next sitting week. I ask the minister to clearly indicate what supplementary information he agrees to provide and I will then allocate a reference number. If supplementary information is to be provided, I seek the minister's cooperation in ensuring that it is delivered to the principal clerk by Friday, 1 June 2018. I caution members that if a minister asks that a matter be put on notice, it is up to the member to lodge the question on notice through the online questions system.

Member for Churchlands.

**Mr S.K. L'ESTRANGE:** I refer to the Western Australian Health Promotion Foundation's strategic plan. I am advised that the current plan covers the period 2012 to 2017. Given that the strategic plan provides an overview of Healthway's approach to achieving its vision of a healthy Western Australia and outlines the key strategic directions the organisation will pursue over a five-year period, can the minister please advise how the current policies undertaken by Healthway, based on peer review evidence and independent evaluation of programs, is being undertaken?

**Mr R.H. COOK:** As the member would be aware, we are currently undertaking a sustainable health review, with Robyn Kruk leading the panel. The sustainable health review takes a very broad perspective around what we need to do to help Western Australians lead happy, healthy lives. One of the important aspects of that is what approach to preventive health gives us the best bang for our buck and provides us with a good platform for preventive health strategies. Preventive health was a very important aspect of the interim report. We now need to wait for the final report to come down, and we expect it later this year. I think November is the nominated date but I suspect that it might be completed slightly earlier than that. From that point of view, the member would understand that the Health Promotion Foundation has a very important role to play in preventive health.

The member would also be aware that, given the combination of roles, we currently enjoy the services of the CEO of Lotterywest and Healthway. That provides us with a unique opportunity to take a fresh view on the best way to carry out health promotion. For instance, the original scope of Healthway was to displace tobacco advertising. It was an exercise, ultimately struck down by the High Court, that would have provided a pool of cash to compensate sporting and other organisations that would otherwise benefit from tobacco advertising. The concept of advertising and promotion in sport has changed significantly over that period. It is no longer an exercise of simply hanging a banner on the boundary of the WACA for sport promotion. Nowadays it is a very complex beast involving social media, engagement in the community and so on. That has made the role of Healthway much more complex and it is certainly due for a refresh. I will ask Ms Hunt to make some supplementary comments.

**Ms S. Hunt:** The one aspect that resulted in bringing Healthway and Lotterywest together was looking at their body of work around grant giving and the most effective way that we can build a better Western Australia. The Healthway mandate is to build a healthier WA and Lotterywest's mandate is to build a better WA, so there are a lot of synergies. In terms of the priorities that emerge for health promotion and health generally, as the minister has said, the sustainable health review has been a really important driver for us to ensure that we reflect those priorities. There are also a lot of other reviews in health promotion. For example, the health department released a strategic plan for health prevention, which links very, very well. The existing priorities listed in the 2017 plan and the substantial consultation that occurred last year on the priorities for health promotion for Healthway are still sitting there and informing the work. I think it is really important that we reflect, firstly, on the best way to look at grant giving to create the best impact for Western Australia and also, as the minister has outlined, the external environment in the tobacco, alcohol and healthy eating areas. Given that things are moving pretty fast, we need to make sure that we do the best we possibly can. The work that was undertaken in 2017 will be integrated into the work we are doing in looking at the bigger social impact of the grants, which are decreasing in the external environment with the budget situation so it is a very important priority for us.

[10.10 am]

**Mr S.K. L'ESTRANGE:** The minister mentioned Healthway and Lotterywest coming together. Does the minister have an idea of the projected total cost of this merge?

**Mr R.H. COOK:** I can confirm for the member that it is coming together, I guess, in an administrative sense but not in a legislative or statutory sense. From that point of view, Healthway and its Western Australian Health Promotion Foundation still has its own legislation and is its own beast. There are some administrative savings to be made in consolidating some of Healthway's activities. That does not relate immediately to the current buildings. That is a sub-cost because that is subject to an existing lease arrangement. Ultimately, those savings will come back into the system as well. What Healthway is allowed and not allowed to do with its money is fairly complex under the legislation. Chair, I will ask Ms Hunt to provide further information.

**Ms S. Hunt:** We are seeing some savings as a result of bringing together Lotterywest and Healthway. Already, of course, there is a saving from the senior executive who was previously managing Healthway—so the salary and on-costs of the previous CEO—and some staff have departed for other jobs; not because we wanted them to go. We now have a corporate services director that we no longer require. We can also integrate an executive officer to the board into Lotterywest's existing staff. We have also decreased vehicles because all the staff are now located within the Lotterywest building. In the longer term, once we can lease that building that Healthway was previously in, it looks like a saving of about \$500 000. We are looking at substantial savings without compromising the grants program that will go to Healthway and without compromising the intent of the Western Australian Health Promotion Foundation Act.

**Mr S.K. L'ESTRANGE:** The minister mentioned the purpose and role of Healthway and the transition away from just focusing on tobacco advertising to other aspects of health promotion. Has the minister made any directions to Healthway in accordance with section 39 of the Western Australian Health Promotion Foundation Act 2016; and, if so, what directions have been made?

**Mr R.H. COOK:** I will refresh my memory about section 39. Under section 39(1), no; and under section 39(2), no. Under section 39(3), I am sure I would have if there were some statutory requirement to lay before each house the text of any direction—so, no, I have not done that either because I have not provided a direction. And no to section 39(4), which is notice under the Financial Management Act.

**Mr S.K. L'ESTRANGE:** Without the minister providing any directions, it means Healthway is in a position, through its board, to make its own decisions about how it spends its money and how it promotes health in Western Australia. I am looking forward to seeing the new strategic plan because there are many aspects to how we can promote healthy lifestyles and whatever.

I note that earlier this year the minister announced \$140 100 in grants to the lesbian, gay, bisexual, transgender, intersex, queer community. Is that forming part of the overarching direction from Healthway to the minister as to what it wants this money spent on?

**Mr R.H. COOK:** That is correct. I have not made any directions to the board about its strategic approach as yet. As the member knows, the board is operating under new legislation and there has been a certain amount of bedding down of the board's membership. Ms Hunt is also doing some work in developing clinical input, for want of a better description, for advice to the board. The board deliberates on funding applications and ultimately comes to me with a recommendation. At this stage I have not differed from any of those recommendations. There is scope for me to not agree to particular recommendations, but I have accepted them all at this point in time. As I signalled before, there is a certain amount of rethinking going on around the role of Healthway and how it best should apply its money and where it should apply its money to get the best bang for its buck. Ms Hunt and the board are doing a lot of this work at the moment. I am eagerly awaiting advice from them about that strategic direction. It is actually exciting times for the life of Healthway because we are at this juncture now where it can take a fresh approach. By virtue of the administrative amalgamation, it has cooperative oversight over the work it can do with Lotterywest. I am really interested to see how they can combine their efforts around the crossover in the cooperate intent of both entities. From that point of view, I am really looking forward to hearing their thoughts about the long-term strategic direction. As the member observed, originally its focus was tobacco; now it is tobacco, alcohol, and junk food. The Act-Belong-Commit campaign has also received funding from time to time for sporting, community or arts events that Healthway has backed. With that rethink, I am really looking forward to seeing what the future might hold. As I said, these are interesting times. A really good example, for instance, is cricket sponsorship, which I know Ms Hunt has had a lot of discussions with the Western Australian Cricket Association about. The member will be aware that we have a substantial agreement with the WACA around sponsorship of Alcohol Think Again, but at the end of the day, when you see the Scorchers the first thing you think of is KFC because the level of promotion and social media leverage that these big corporate entities have in high-level sport is fundamentally overwhelming. We have to be cleverer and a bit more nimble about the way we do these things.

[10.20 am]

**Mr W.R. MARMION:** Back in 1993 when Addy Carroll ran Healthway, I had a meeting with her and she took great pride in the fact that she had an internal key performance indicator for the percentage of administration costs against the total pool of money that was funded. I cannot remember the exact figure, but it was around four per cent, and she said it was one of the lowest in the world. My question is simply: Does Healthway still have that KPI? If so, what is it now and how has it been running over the last decade or two, knowing that Healthway has provided assistance to some very small sporting groups that never got grants because they did not know how to put them in like the really big ones did? I understand that admin costs could have gone up.

**Mr R.H. COOK:** I might ask Ms Hunt to respond to that question.

**Ms S. Hunt:** Thank you very much. I think the member's question is a really important one and one that is of concern, as the chief executive officer for both entities and previously for an entity that worked a bit more like Healthway used to, in terms of the smell of an oily rag. The amount in grants that went out of Healthway over the last financial year was around \$18 million and the administrative costs for last year were \$23.6 million, so from what I can understand that KPI is not occurring because that is quite a high proportion. Part of what we would like is to see it a bit leaner; certainly, we would be looking at that sort of KPI again in terms of administrative costs.

**Mr S.K. L'ESTRANGE:** To clarify, did the CEO just say through the minister that the grants that went out were \$18 million, but that the cost of administering Healthway was \$23.6 million?

**Mr R.H. COOK:** Grants are a subset of that \$23 million.

**Ms S. Hunt:** Sorry; I was not clear.

**Mr R.H. COOK:** I heard that too; I am used to being confounded by numbers, so I was happy to just accept that I did not hear it properly!

**Mr W.R. MARMION:** Just to follow up, is it possible to get that figure over the last eight years or so—the admin costs over the total pool of money, just as a KPI, through supplementary information?

**Mr R.H. COOK:** It is certainly in the annual report; I think the member will find it there.

**Ms A. SANDERSON:** My question relates to the Perth Children's Hospital, budget paper No 2, page 247.

**Mr R.H. COOK:** Sorry, member, we are just on Healthway.

**Mr M. HUGHES:** I refer to page 248 and the heading "Significant Issues Impacting the Agency".

**Mr R.H. COOK:** No, we are just dealing with Healthway at the moment, member.

**The CHAIR:** If there are no further questions.

**Mr R.H. COOK:** I am sure there are no further questions, Chair.

**The CHAIR:** That completes the examination of Healthway authority and we will now transition back to division 21 for WA Health.