

Annual Report

2011

REPORT OF THE ALCOHOL ADVISORY COUNCIL OF NEW ZEALAND
FOR THE YEAR ENDED 30 JUNE 2011



Alcohol Advisory Council of New Zealand
Kaunihera Whakatupato Waipiro o Aotearoa

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31 October 2011

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PRESENTATION OF 2011 ANNUAL REPORT

The Alcohol Advisory Council of New Zealand is pleased to present its 2011 Annual Report for the period 1 July 2010 to 30 June 2011. This report has been prepared in accordance with section 150(1) of the Crown Entities Act 2004.



Rea Wikaira

Chair

Alcohol Advisory Council of New Zealand



Trevor Shailer

Deputy Chair

Alcohol Advisory Council of New Zealand

CHAIR'S AND CHIEF EXECUTIVE OFFICER'S FOREWORD

The past year has been an extremely busy one for the Alcohol Advisory Council of New Zealand (ALAC), as alcohol issues featured strongly on both the public and political agenda. We face a drinking culture where harmful drinking patterns and intoxication are accepted, indeed in some cases even encouraged.

However, there are positive signs. New Zealanders' awareness is higher than ever of the harm alcohol can cause to our whānau, our communities and the country as a whole. People in New Zealand are now more concerned and a lot better informed about the issues. There is a mindset and a readiness for change at all levels - from the individual, the community and the Government.

This heightened awareness has seen ALAC responding to daily requests for help, research, information, advice and support. We are well placed to grow the knowledge base round alcohol and provide expert advice on solutions and interventions.

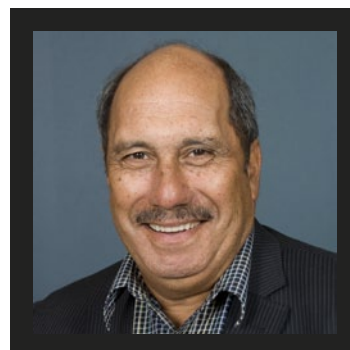
Also, as alcohol impacts on society in a number of ways, many agencies have an interest and a role to play in reducing harm. Cross-sector collaboration is essential and a key feature of the way we work.

For this reason, we work in partnership with government departments and agencies, non-government organisations (NGOs), local government, community organisations, enforcement agencies, public health agencies, and alcohol and hospitality groups.

In our advisory role this past year, we have made submissions to parliamentary select committees and other organisations on alcohol-related legislation, codes and reviews to ensure that alcohol policies, laws and programmes are evidence-based.

We have collected information on attitudes and behaviour related to alcohol as part of our annual monitoring

programme to measure change and progress, and have worked collaboratively with other organisations to improve the national and local authority level collection of alcohol-related data. Our commissioned research has included research to better understand women's drinking patterns and research to



Rea Wikaira
Chair



Gerard Vaughan
Chief Executive Officer

investigate young people's motivations to moderate and reduce their consumption of alcohol. We also commissioned a report analysing the data about young peoples' alcohol use and their attitudes and concerns about drinking from *Youth '07*, a survey of students at secondary schools throughout New Zealand.

Within the health sector, we have worked to encourage the increased use of alcohol screening and brief interventions in a range of healthcare settings, in particular in primary healthcare services and district health boards' emergency departments. ALAC has supported and partnered with health sector organisations on projects to pilot, demonstrate and evaluate the effectiveness of alcohol screening and brief intervention.

We have continued to work to ensure that hosts and providers in a wide range of settings adopt practices that

CHAIR'S AND CHIEF EXECUTIVE OFFICER'S FOREWORD CONT'D

result in responsible drinking. ALAC has continued to update, as necessary, resources to help the hospitality industry meet their requirements, including signage and information and advice specifically aimed at preventing intoxication.

ALAC has also continued to support opportunities for the agencies involved in enforcing liquor legislation to upskill and network, including supporting the National Public Health Alcohol Working Group, the New Zealand Institute of Liquor Licensing Inspectors and New Zealand Police's alcohol harm reduction network.

We have led a number of initiatives to support training and upskilling in the alcohol sector involved in regulating, selling and supplying alcohol. In partnership with the New Zealand Police, we have developed the resource *Guidelines for Managing Alcohol at Large Events* to support this work. These guidelines have been popular with enforcement agencies, event managers and caterers alike and have received positive feedback. They have been useful in informing planning for regional Rugby World Cup festivities and in ALAC's national level work with a range of associations and organisations to develop policies and plans to manage alcohol at large events.

Through our Community Action on Alcohol Fund (CAAF) we have supported a range of community groups and organisations to implement initiatives that influence positive alcohol-related social change. The majority are focused on improving outcomes for Māori, Pacific peoples and young people and also contribute to the implementation of ALAC's population-focused action plans. These community initiatives also support ALAC's national policies and messages, including local activities to support our national marketing campaign messages.

A major challenge in achieving changes to New Zealand's

drinking culture, alongside making needed changes to our laws, is that the harmful aspects of alcohol are deeply embedded in our collective norms, habits and values. We use mass communications and national marketing to hold a mirror to the existing social norms and show people how they can change. In the past year we embarked on a new phase of our national marketing.

Our current phase of national marketing activity builds on the positive results of our previous work and aims to support and encourage people to take action on the issue of drinking too much – for themselves or for the people they care about. The focus of the campaign is on giving people the tools and confidence to do things to prevent themselves and the people they care about drinking to excess and experiencing harm – from the way they set up and host drinking occasions to talking to someone they care about if they're worried about their drinking.

We thank Council members and the ALAC secretariat for the skills, energy and dedication they have shown over the past year and we look forward to the year ahead.



Rea Wikaira
Chair
Alcohol Advisory Council of New Zealand



Gerard Vaughan
Chief Executive Officer
Alcohol Advisory Council of New Zealand

31 October 2011

ALCOHOL ADVISORY COUNCIL OF NEW ZEALAND

The Alcohol Advisory Council of New Zealand, *Kaunihera Whakatupato Waipiro o Aotearoa*, was established by the Alcohol Advisory Council Act 1976. It is an autonomous Crown entity, under the Crown Entities Act 2004, with a specific focus on alcohol.

ALAC is funded from a levy on alcohol produced, or imported for sale, in New Zealand. ALAC meets with and reports regularly to the Hon Peter Dunne, Associate Minister of Health (its delegated Responsible Minister).

ALAC is governed by an eight member Council appointed by the Minister of Health. Council members are:

Rea Wikaira (Chair)

Trevor Shailer (Deputy Chair)

Barbara Docherty

Anne Hobby

Kim Ma'ia'i

Ian Miller

Helen Moriarty

Jamie Simpson

PURPOSE AND FUNCTIONS

The Alcohol Advisory Council Act 1976 defines ALAC's primary objective as:

The encouragement and promotion of moderation in the use of liquor, the discouragement and reduction of the misuse of liquor, and the minimisation of the personal, social, and economic harm resulting from the misuse of liquor.

The major statutory functions under the Act specify that ALAC is responsible for:

- ∴ supporting and conducting research into the use of alcohol in New Zealand, public attitudes and behaviours associated with the use and misuse of alcohol, and ways of reducing alcohol harm

- ∴ providing general information on the problems associated with alcohol misuse
- ∴ supporting and conducting educational programmes designed to discourage alcohol misuse and encourage moderate and responsible drinking
- ∴ supporting innovative treatment and rehabilitation programmes for those adversely affected by alcohol use
- ∴ making recommendations (on the above) to the Government and its agencies, authorities in the health, education, social welfare and industry sectors and any other public or private bodies, associations or persons
- ∴ making recommendations on alcohol advertising and its regulation
- ∴ providing advice on alcohol matters referred to ALAC by its Responsible Ministers
- ∴ carrying out other activities to achieve ALAC's primary objective.

VISION AND MISSION

ALAC's vision is:

A moderate drinking culture which supports choices that will reduce alcohol harm.

ALAC's mission is:

To lead a change in New Zealand's drinking culture.

ALCOHOL ADVISORY COUNCIL OF NEW ZEALAND CONT'D

STAFFING

ALAC employs 32 staff, located in Wellington (27 staff), Auckland (3 staff) and Christchurch (2 staff), and is led by an executive team of:

Gerard Vaughan *Chief Executive Officer*

Andrew Hearn *General Manager Strategy*

Tuari Potiki *General Manager Strategic Operations*

Chris Allen *General Manager Corporate Services*

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(This office is in the red zone of the Christchurch CBD and has not been able to be occupied since the 22 February 2011 Canterbury earthquake. Christchurch-based staff are working remotely from their homes.)

ACTIVITIES REPORT

ALAC OUTCOMES FRAMEWORK

The outcomes, impacts, and outputs and activities outlined in ALAC's Statement of Intent 2010-2013 have been used to inform ALAC's direction during 2010/11.

The outcomes were:

- :: alcohol harm is reduced
- :: New Zealanders drink more responsibly and safe environments support this
- :: positive changes are made to the determinants of alcohol-related harm.

The impacts were that:

- :: alcohol policies, laws and programmes are evidence-informed
- :: New Zealanders are informed about alcohol and strategies to change behaviours and seek help
- :: support is provided for the implementation of regulations and host responsibility in a range of settings
- :: Māori, Pacific peoples and young people are supported to take action to reduce alcohol-related harm for themselves and others
- :: the health, justice and wider social sectors are supported to provide an increased number and range of alcohol interventions
- :: communities and local government are supported to take action on local alcohol issues.

The integrated set of outputs and activities were:

- :: policy, research and other expert advice
- :: research and evaluation
- :: national marketing and communications

- :: training and upskilling in the alcohol sector
- :: forums and workshops
- :: implementation of the priority population action plans
- :: Alcohol Drug Helpline
- :: Community Action on Alcohol Fund and other support for community-led initiatives.

The following pages outline ALAC's achievements.

POLICY ADVICE AND RESEARCH

During 2011, a policy project was undertaken to more clearly define the intervention logic for ALAC's work. This intervention logic then formed the basis for the outcomes framework in ALAC's Statement of Intent 2011-2014, with corresponding performance measures developed to measure progress. The updated ALAC intervention logic is outlined in figure 1 over the page.

ALAC has continued to provide evidence-based, quality information and advice about alcohol, its effects and its implications into central and local government decision-making processes. This is in line with ALAC's statutory function to provide recommendations and advice on alcohol issues to a wide range of authorities and public bodies.

A major focus for ALAC's policy advice work has been on the development and presentation of written and oral submissions to parliamentary select committees and organisations in response to alcohol-related legislation and reviews. These included written and oral submissions to the:

- :: Government Administration Committee on proposed liquor licences outlined in the Rugby World Cup Empowering Bill

ACTIVITIES REPORT CONT'D

- :: Justice and Electoral Committee on the Alcohol Reform Bill
- :: Advertising Standards Authority in response to its Review of the Code for Advertising Liquor.

A presentation was also made to the Māori Affairs Select Committee, at their request, on the use by and impacts of alcohol on Māori, and possible measures to alleviate harm. ALAC has also provided expert advice to Liquor Licensing Authority hearings to inform its licensing and enforcement decisions and contributed advice to the development and revision of local authorities' alcohol-focused policies, bylaws, strategies and plans.

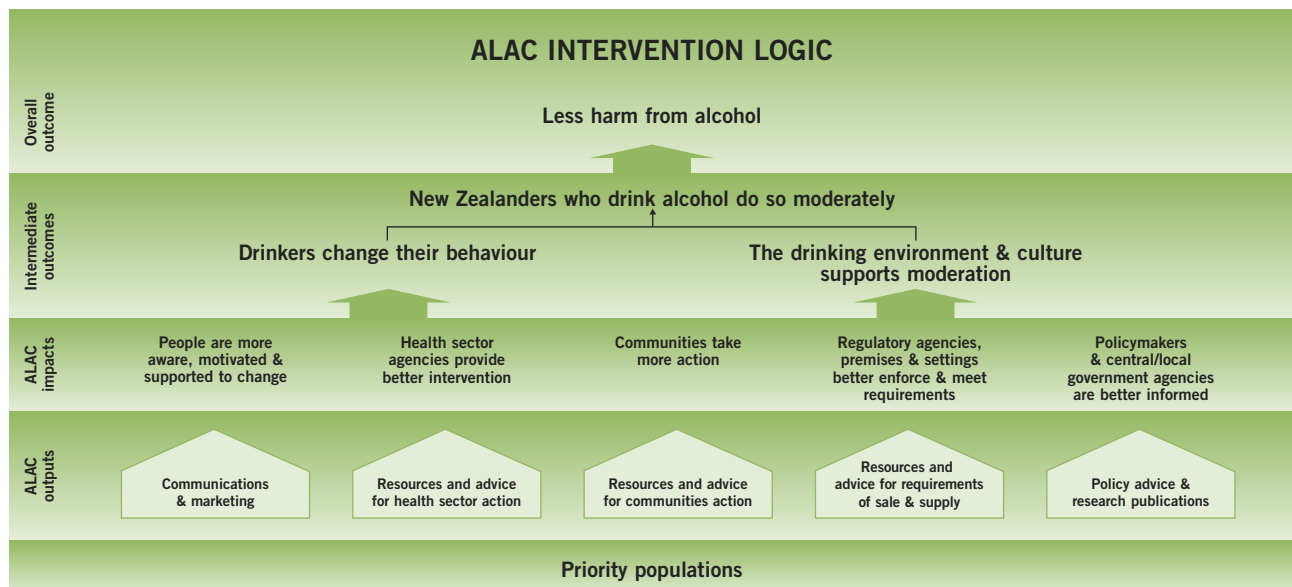
ALAC's other policy work in 2010/11 included contributing advice to interagency work on the Government's Drivers of Crime initiative, in particular on the impact of an increased use of alcohol screening and brief interventions in a range of settings to reduce alcohol-related harm and on indicators to measure progress on reducing these harms. Work was also undertaken, in conjunction with Local Government New Zealand, to coordinate

input from an Alcohol Reference Group into submission development and Ministry of Justice-led policy work on the Alcohol Reform Bill.

Alcohol-related research and evaluation are used to support ALAC's policy, service development and monitoring work. Work has included collecting information on attitudes and behaviour related to alcohol as part of its annual monitoring programme and working collaboratively with other organisations to improve the national and local authority level collection of alcohol-related data. Commissioned research has included research to better understand women's drinking patterns and research to investigate young people's motivations to moderate and reduce their consumption of alcohol. An analysis report was also commissioned of the alcohol-related data from *Youth '07*, a survey of students at secondary schools throughout New Zealand.

ALAC has also supported and collaborated with other organisations on alcohol-related research. This has included research to better understand the role of

Figure 1: ALAC intervention logic



alcohol in home safety in New Zealand, international collaborative research on gender, alcohol and culture, and an international alcohol control study examining the impact of alcohol policy initiatives.

Evaluations have been undertaken of the alcohol screening and brief intervention pilot initiatives that ALAC has supported and a formative evaluation is being carried out of the community-based projects that are funded through ALAC's Community Action on Alcohol Fund.

COMMUNICATIONS AND MARKETING

The latest phase of ALAC's national marketing campaign, with the new tag line 'Ease up on the drink', has been in the market since April 2010. It continues to show very encouraging and positive results. Following the launch of the advertising, approximately 40 percent of people calling the Alcohol Drug Helpline (0800 787 797) about alcohol issues have acknowledged or mentioned the commercials.

An omnibus survey of 735 people living in New Zealand aged 18 or more was carried out in June 2011 to measure the impact of the campaign. Survey results found that 95 percent of respondents were aware of ALAC's communications. Of those people, 64 percent reported that the advertising helped or encouraged them to take some form of action, either for themselves or for someone they care about, and of these people 24 percent reported they were starting to drink less. Thirty-three percent of people who were aware of the advertising also reported they had discussed the advertising with their friends or family members.

Importantly, the campaign has provided a national leverage point and support for other activity 'on the ground'. This has included the 'Ease up on the drink' message being used in a wide range of contexts -

from medical and treatment settings, such as doctors' surgeries and hospital emergency departments, to the New Zealand Police using the message as part of their annual Operation Unite initiative, to community groups using the message and advertising in their local initiatives. The 'Ease up on the drink' message is also being used in material and messaging to support the Rugby World Cup 2011.

ALAC has also continued to provide expert advice on alcohol-related issues through a range of free media, including working with Māori, Pacific and youth media to deliver targeted messages. Other means of communication with the public have included ALAC's website, online tools, and electronic and print resources. ALAC's website has been upgraded and the content revised, including new tools and content on the health effects of alcohol on the body. The first volume of a new evidence-based magazine, *AlcoholNZ*, and a new monthly electronic newsletter, *Ease Up*, have been produced and are distributed widely to stakeholders.

SUPPORT FOR HEALTH SECTOR ACTION

The major focus of ALAC's work with the health sector has been to support and encourage greater use of alcohol screening and brief interventions in a range of healthcare settings, in particular in primary healthcare services and district health boards' emergency departments (EDs). ALAC has supported and partnered with health sector organisations on projects to pilot, demonstrate and evaluate the effectiveness of alcohol screening and brief intervention. This includes the Whanganui Regional Primary Health Organisation's ABC Alcohol initiative, a pilot through Family Planning clinics in the Wellington region and a national trial of electronic screening and

brief interventions to first-year students across seven universities.

Work has also been undertaken to support and work with EDs to provide brief advice on alcohol to people with alcohol-related ED presentations. ALAC's support has included a training workshop, resources to promote the 'Ease up on the drink' message in the ED setting, and resources to improve the process of referring people with alcohol-related EDs presentations for follow-up intervention. Other resources developed to assist health sector action on alcohol include a series of six *Alcohol and your health* booklets, information and interactive tools on ALAC's website on the health effects of alcohol, and a factsheet for primary healthcare professionals on the effects of alcohol on the body. Other training initiatives have included a workshop for youth health professionals and two regional forums for the addictions workforce. ALAC was also the principal sponsor of the 2010 Cutting Edge conference for the addictions workforce.

ALAC has continued, in partnership with the Ministry of Health, to fund the national Alcohol Drug Helpline for people seeking help for their own or other people's alcohol and drug problems. The Helpline is a national 0800 telephone service that operates 12 hours a day (10am to 10pm), seven days a week, and provides immediate access to professional help, support, information and brief intervention and, if appropriate, referral to treatment services for people who identify as having alcohol or drug problems.

The service is delivered by the Alcohol Drug Association of New Zealand (ADANZ). It is Christchurch-based and, due to the impact of the 2010 and 2011 Canterbury earthquakes, is now operating from temporary premises

but working towards a permanent base. ALAC has worked closely with ADANZ to provide support so that, despite these adverse events, the Helpline has had minimal service downtime and remained open to service users throughout this period of disruption.

The Helpline website continues to provide callers, significant others and professionals with access to a range of up-to-date alcohol and drug information, contact details for other support agencies and a menu of resources that are available to callers. Alternatively, service users can access the Helpline staff via their email facility or speak to a professional intervention counsellor online.

SUPPORT FOR THE REQUIREMENTS OF SALE AND SUPPLY

ALAC has continued to lead a number of initiatives to support training and upskilling in the alcohol sector involved in regulating, selling and supplying alcohol. In partnership with the New Zealand Police, ALAC developed the resource *Guidelines for Managing Alcohol at Large Events* to support this work. These guidelines have been popular with enforcement agencies, event managers and caterers alike and have received positive feedback. They have been useful in informing planning for regional Rugby World Cup festivities and in ALAC's national level work with a range of associations and organisations to develop policies and plans to manage alcohol at large events.

Another ALAC-led initiative has involved working with a reference group of people from regulatory agencies and industry to redevelop its *Guidelines for the Development of Alcohol Accords*. An Alcohol Accord is a partnership between key stakeholders or partners in a coverage

area to promote community safety through safe alcohol consumption. It complements existing Sale of Liquor Act 1989 regulatory mechanisms. Alcohol Accords have been implemented throughout New Zealand since 2001. ALAC's revised guidelines are based on practical experience of what works in New Zealand and give advice on how to set up Accords to achieve and maintain effective working partnerships. A *National Alcohol Accord Stocktake* report was prepared to inform the guideline development process. ALAC's website now also has an integrated online Shared Workspace for Alcohol Accords.

ALAC has continued to update a range of resources to assist the hospitality industry to meet their requirements, including signage and information and advice specifically aimed at preventing intoxication. ALAC has also continued to support opportunities for the agencies involved in enforcing liquor legislation to upskill and network, including supporting the National Public Health Alcohol Working Group, the New Zealand Institute of Liquor Licensing Inspectors and New Zealand Police's alcohol harm reduction network.

A specific focus this year has been to provide support and advice to Rugby World Cup tournament organisers (RNZ 2011 Ltd) on the development of thorough alcohol management plans for venues, hospitality, fan-zones and cruise ships. Alongside practical advice on developing plans, ALAC has supported Rugby World Cup to use the 'Ease up on the drink' message in its settings. ALAC has also provided new, non-branded point-of-sale signage for use at Rugby World Cup venues. Tournament organisers have welcomed and acknowledged ALAC's advice and support.

SUPPORT FOR COMMUNITY ACTION

ALAC works with and funds community groups and organisations to provide community action that influences positive alcohol-related social change through its Community Action on Alcohol Fund (CAAF) and other funding support. The majority of these initiatives are focused on improving outcomes for Māori, Pacific peoples and young people and also contribute to the implementation of ALAC's priority population action plans. These community initiatives also support ALAC's national policies and messages, including local activities to support ALAC's national marketing campaign messages.

ALAC takes an active community development approach which involves upskilling and empowering groups to take effective community action. This has included supporting CAAF-funded groups to attend a national training hui, with a separate day for young leaders of CAAF projects, to gain a greater understanding of alcohol issues and to identify the changes that need to occur in their communities. A formative evaluation is being undertaken of CAAF projects. The evaluators have conducted six two-day workshops around the country for CAAF-funded groups to increase their capacity and skills to undertake their own evaluation of the projects they run. This training has also assisted the formal evaluation of ALAC's CAAF projects.

ALAC has continued to work as a partner and broker for change through initiating community or regional level projects and then supporting others to continue the work to ensure sustainable change. Examples of this work include the Auckland Restoring the Balance project and a range of projects that focus on empowering and improving alcohol-related outcomes for Māori, Pacific peoples and young people.

MEDIUM-TERM MEASUREMENT OF PROGRESS

ALAC currently undertakes the following surveys to measure its progress:

- :: the ALAC Annual Attitudes and Behaviour Alcohol Survey – an annual survey of the attitudes and behaviour related to the drinking of a nationally representative sample of people aged 12 years and over.
- :: ALAC Omnibus Monitor Surveys – which include questions on measures related to ALAC's national marketing campaign, as part of larger omnibus surveys of a nationally representative sample of people aged 18 years and older, with oversampling of Māori and Pacific peoples.
- :: the ALAC Stakeholder Survey and Key Informant Interviews – an online survey and in-depth interviews of key stakeholders that gather feedback on ALAC's strategic direction, activities and relationships with stakeholders.

The ALAC Stakeholder Survey is used to measure progress at the impact and output level. Progress at the output level is outlined in the Statement of Service Performance section of this report.

In addition to its own surveys, ALAC relies on other agencies' alcohol-related data collection to measure its progress at the outcomes level. Issues with the periodic nature, robustness and reliability of this data as well as changes in methodology between different survey periods impact on ALAC's ability to report changes and long-term trends. Key information comes from the Ministry of Health, New Zealand Police and the Ministry

of Transport. ALAC actively works with these agencies to encourage an increasingly rich collection of alcohol-related data and trend information.

The outcomes and impacts measures in ALAC's Statement of Intent 2010-2013 were not linked to specific outcomes and impacts. Considerable work was undertaken in 2011 to develop more robust performance measures, based on the new ALAC intervention logic, and this has been included in ALAC's Statement of Intent 2011-2014. Table 1 below provides a brief summary of the available information to report on progress in achieving outcomes against the appropriate measures outlined in ALAC's Statement of Intent 2010-2013. As most of the impact measures were the same as the output measures, Table 2 cross refers to Table 3 in the Statement of Service Performance section of this report for the measurement of progress towards achieving impacts.

Table 1: Progress towards medium-term (three to five years) outcomes

Outcomes	Measures	Measurement of progress
<p>Alcohol harm is reduced</p>	<p>Decrease in alcohol-related harm.</p>	<p>There is no single information source that enables ALAC to report on changes in alcohol-related harm, as harm from alcohol is broad and includes personal, social and economic harm. The following points summarise current baseline information and, where available, trend information:</p> <ul style="list-style-type: none"> • Overall, 12.2 percent of adults aged 16 to 64 reported in the Ministry of Health's 2007/08 New Zealand Alcohol and Drug Use Survey (NZADUS) experiencing harmful effects from alcohol in the past year as a result of their own drinking. The harmful effects include impacts on friendships or social life, home life, work or study, and financial position, as well as legal problems and difficulty in learning. (Source: NZADUS, Ministry of Health) • Overall, 18.1 percent of adults aged 16 to 64 reported in the 2007/08 NZADUS survey experiencing harmful effects from alcohol in the past year as a result of someone else's alcohol use. The harmful effects include impacts on friendships or social life, home life, and financial position, and motor vehicle accidents. (Source: NZADUS, Ministry of Health) • In 2000, the total number of alcohol-related deaths from directly alcohol-related disease and poisoning was 158. In 2007, the total was slightly lower at 147, and lower than the 2006 total of 165. However, over this period, year-to-year fluctuation has ranged from 138 (in 2001) to 165 (in 2006). (Source: Mortality Collection, Ministry of Health) • In 1999/2000, the number of publicly-funded hospital discharges due to directly alcohol-related conditions was 2,871. While there are year-to-year fluctuations, the number of discharges has decreased over time. In 2009/10, there were 2,488 discharges due to alcohol-related conditions, up from 2,207 in 2008/09. (Source: National Minimum Dataset (Hospital Events), Ministry of Health) • In 2000, 22 percent of deaths (103 people) and 20 percent of serious injuries (467 people) in road crashes involved drivers where alcohol was a contributing factor. While there are year-to-year fluctuations, there has been an increase over time. In 2010, driver alcohol consumption was a contributing factor in 32 percent of deaths (120 people) and 23 percent of serious injuries (518 people). While the percentage of alcohol involvement has remained at the same level for 2010 as for 2009, there are slightly fewer deaths (123 in 2009) and serious injuries (567 in 2009). (Source: CAS Data, Ministry of Transport) • Provisional information shows that for 25.4 percent of apprehensions in 2006 an offender had been identified as having consumed alcohol prior to offending. In 2010, the proportion is slightly higher at 30.4 percent of apprehensions, which is similar to the level recorded in 2009. However, during this period the number of apprehensions where the alcohol consumed status was not known has also increased from 23.6 percent in 2006 to 30.4 percent in 2010. (Source: Alco-link Data, New Zealand Police)

ACTIVITIES REPORT CONT'D

Outcomes	Measures	Measurement of progress
<p>New Zealanders drink more responsibly and safe environments support this</p>	<p>Decrease in hazardous or harmful drinking in conjunction with reduced per capita consumption</p>	<p>Due to differences in data collection times, it is not possible to link hazardous or harmful drinking trends with per capita consumption. However, the following is known:</p> <ul style="list-style-type: none"> • In 2000 the volume of pure alcohol available for consumption per person aged 15 years and over was 8.9 litres. While there have been year-to-year fluctuations, overall since 2000 the per capita volume of alcohol available for consumption has been increasing. In 2010, the per capita available for consumption was 9.6 litres, an increase of 3.7 percent in comparison with the previous year 2009. (Source: Statistics New Zealand) • The Ministry of Health's 2007/2008 NZADUS survey shows that 25.6 percent of adult (aged 16-64) past year drinkers reported that they had consumed a large amount of alcohol on a drinking occasion at least monthly in the past year, and 12.6 percent of adults did so at least weekly. The survey also shows that 14.9 percent of adults did not consume alcohol within the last 12 months. Comparisons with previous surveys are not available. (Source: NZADUS, Ministry of Health) • In 2006/2007, 23.5 percent of past year adult drinkers had a potentially hazardous drinking pattern (assessed by AUDIT (Alcohol Use Disorders Identification Test)). There have been no significant changes in the prevalence of hazardous drinking patterns between the 1996/97 and 2006/07 survey. (Source: NZ Health Survey, Ministry of Health) • Fewer secondary school students are drinking alcohol, with 61 percent of students in 2007 reporting they currently drank alcohol, down from 70 percent in 2001. However, current drinkers are drinking more in a session, with 57 percent of students reporting drinking five or more drinks in a session at least once in the last four weeks in 2007, compared to 48.8 percent in 2001. (Source: <i>Youth '07</i>, University of Auckland)
<p>Positive changes are made to the determinants of alcohol-related harm</p>	<p>No specific measures</p>	<p>The proportion of adults who reported taking some form of action (such as deciding or starting to drink less or avoid getting drunk) after getting drunk on their last drinking occasion increased from 49 percent in 2009 to 63 percent in 2010. (Source: ALAC 2010 Annual Attitudes and Behaviour Alcohol Survey)</p> <p>The proportion of adults reporting that they offered some form of assistance to others who they were drinking with who got drunk increased from 67 percent in 2009 to 76 percent in 2010. (Source: ALAC 2010 Annual Attitudes and Behaviour Alcohol Survey)</p> <p>In 2010, 28 percent of adults (18 years or older) believe it is okay to get drunk as long as it is not every day. There were no significant changes between 2009 and 2010. (Source: ALAC 2010 Annual Attitudes and Behaviour Alcohol Survey)</p>

Table 2: Progress towards medium-term (three to five years) impacts

Impacts	Measures	Measurement of progress
<p>Alcohol policies, laws and programmes are evidence-informed</p>	<p>Stakeholder feedback and documentation show ALAC's policy, research and other expert advice is requested, used or disseminated further</p> <p>Documented evidence shows an increase in the quantity and/or quality of alcohol data collected by relevant agencies</p> <p>An outcomes framework to monitor progress toward reducing alcohol harm is established and agreed to by the key agencies that collect alcohol-related data</p> <p>Independent media analysis shows ALAC's key messages feature prominently in the alcohol debate</p>	<p>Refer to 1.1, 1.6, 2.3 and 3.3 in Table 3 in the Statement of Service Performance section of this report for the measurement of progress for this impact.</p>
<p>New Zealander are informed about alcohol and strategies to change behaviours and seek help</p>	<p>Independent survey-based monitoring of the national marketing campaign shows the following results that:</p> <ul style="list-style-type: none"> • at least 90 percent of people are aware of ALAC's marketing communications activities • at least 30 percent have thought about their own drinking • at least 50 percent report taking some action to address their own drinking or the drinking of someone they care about <p>Demand for ALAC's magazines, newsletters, web-based and published resources is maintained or increased as measured by subscriptions, website hits and orders for resources</p>	<p>Refer to 3.1 and 3.2 in Table 3 in the Statement of Service Performance section of this report for the measurement of progress for this impact. The information below also supports the measurement of this impact.</p> <p>The ALAC 2010 Annual Attitudes and Behaviour Alcohol Survey (n=3,006) showed that of those adult drinkers (18+ years) who got drunk on their last drinking occasion:</p> <ul style="list-style-type: none"> • 63 percent were offered some form of assistance in 2010, slightly up from 55 percent in 2009 • 63 percent reported they had made some decisions or took some form of action in 2010, up from 49 percent in 2009.

ACTIVITIES REPORT CONT'D

Impacts	Measures	Measurement of progress
<p>Support is provided for the implementation of regulations and host responsibility in a range of settings</p>	<p>Stakeholder surveys show an increased awareness, by licensed premises staff and the public alike, of the legal requirements that prevent intoxication</p>	<p>ALAC has actively worked to improve awareness of the legal requirements to prevent intoxication. A key awareness raising resource has been <i>Where's the line?</i> – an online tool and booklet with guidelines on the stages of intoxication. ALAC has also developed, in partnership with the New Zealand Police, <i>Guidelines for Managing Alcohol at Large Events</i> to further the development of policies and plans to manage alcohol at large events.</p> <p>Refer to the 4.3 in Table 3 in the Statement of Service Performance section of this report for the measurement of progress for this impact.</p>
<p>Māori, Pacific peoples and young people are supported to take action to reduce alcohol-related harm for themselves and others</p>	<p>Surveys and monitors show improvements in priority population group indicators</p>	<p>The June 2011 Omnibus Monitor Survey (n=735) to gauge the impact of ALAC's national marketing campaign (launched in April 2010), including awareness of ALAC's advertising, the messages people took from it and the actions they had undertaken as a result showed that:</p> <ul style="list-style-type: none"> • 99 percent of Māori and 91 percent of Pacific people were aware of ALAC's marketing communications • 49 percent of Māori and 43 percent of Pacific people who were aware of drinking habits communications had thought about their own drinking • 86 percent of Māori and Pacific people who were aware of the advertising reported it had helped or encouraged them to take some form of action. <p>The ALAC 2010 Annual Attitudes and Behaviour Alcohol Survey (n=3,006) showed that of:</p> <ul style="list-style-type: none"> • young drinkers (12-24 years) who got drunk on their last drinking occasion: <ul style="list-style-type: none"> - 75 percent were offered some form of assistance in 2010, slightly up from 69 percent in 2009 - 55 percent reported they had made some decisions or took some form of action (no difference between 2009 and 2010) • Māori drinkers (25+ years) who got drunk on their last drinking occasion: <ul style="list-style-type: none"> - 59 percent were offered some form of assistance in 2010, down slightly from 64 percent in 2009 - 66 percent reported they had made some decisions or took some form of action in 2010, a similar level 64 percent in 2009 • Pacific drinkers (25+ years) who got drunk on their last drinking occasion: <ul style="list-style-type: none"> - 70 percent were offered some form of assistance in 2010, up slightly from 67 percent in 2009 - 66 percent reported they had made some decisions or took some form of action in 2010, slightly up from 62 percent in 2009.

Impacts	Measures	Measurement of progress
		<p>ALAC's 2011 Stakeholder Survey feedback showed that of respondents who primary work with :</p> <ul style="list-style-type: none"> • Māori (n=22), 72 percent agree or strongly agree that ALAC's activities help them or their organisation to reduce the harms and impacts from alcohol for Māori, and 63 percent agree or strongly agree that ALAC's activities help communities to take action for Māori • Pacific people (n=14), 78 percent agree or strongly agree that ALAC's activities help them or their organisation to reduce the harms and impacts from alcohol for Pacific people, and 71 percent agree or strongly agree that ALAC's activities help communities to take action for Pacific people • youth (n=22), 68 percent agree or strongly agree that ALAC's activities help them or their organisation to reduce the harms and impacts from alcohol for youth, and 59 percent agree or strongly agree that ALAC's activities help communities to take action for youth.
<p>The health, justice and wider social sectors are supported to provide and range of alcohol interventions</p>	<p>Stakeholder feedback and documentation shows an increased engagement and interest in alcohol-related matters by the wider health sector, and social services and justice sectors</p> <p>Documented evidence shows an actual or planned increase in alcohol interventions and good models of practice in a range of settings</p> <p>Evaluations of projects show satisfactory results</p>	<p>ALAC has actively worked to encourage alcohol interventions and good models of practice in an increasing range of non-specialist health care settings including within general practices, university student health services and Family Planning clinics.</p> <p>Refer to 1.3, 1.4 and 2.4 in Table 3 in the Statement of Service Performance section of this report for the measurement of progress for this impact.</p>
<p>Communities and local government are supported to take action on local alcohol issues</p>	<p>Regional or community-based groups (e.g. accords, alcohol action groups/clusters, and local alcohol management forums) continue to be active in addressing alcohol harm</p> <p>A stocktake of local alcohol policies and councils with Safe Communities accreditation shows an increase in the number of local authorities</p> <ul style="list-style-type: none"> • with current local alcohol policies (from about 40 in 2010 to 60 by 2013) • with Safe Communities accreditation (from 9 in 2010 to 20 by 2013) 	<p>ALAC has actively worked to encourage and support local government and a wide range of communities and community-based organisations to take action on local alcohol issues. There has been a particular focus on action for Māori, Pacific people and young people.</p> <p>Refer to 9.2 and 9.3 in Table 3 in the Statement of Service Performance section of this report for the measurement of progress for this impact.</p> <p>ALAC has been working with the Safe Communities Foundation of New Zealand to assist local authorities to work with government agencies and communities to address alcohol-related harm locally through Safe Communities accreditation. By 2010/11, 20 local authorities were designated international Safe Communities (Source: http://www.safecommunities.org.nz).</p>

ALAC is committed to fulfilling its obligations to be a good employer and implementing equal opportunity for all. Competent and high-performing employees are essential to ensuring it maintains excellence and performs at a high level. ALAC strives to make the maximum use of the skills and strengths of all staff.

Thirty-two staff are employed, with 23 percent Māori, three percent Pacific, three percent Asian, 13 percent European and 58 percent New Zealand European/Pākehā. The majority of ALAC's workforce (63 percent) is women, with 37 percent men.

Internal policies and procedures are regularly reviewed, with opportunities for staff feedback, and cover all of the Human Rights Commission's recommended seven good employer elements. ALAC's activities are summarised below against the seven key elements of being a good employer:

Leadership, accountability and culture

- :: The management group, comprising all managers, meets weekly.
- :: Regular employee reporting mechanisms are in place to ensure good accountability and open communications between management and staff.
- :: An environment is provided where employees feel valued and respected, where difference is celebrated and diversity encouraged, and where there is active staff engagement.

Recruitment, selection and induction

- :: Robust and transparent employment processes ensure the best person is employed for the job.
- :: A wide range of media are used to advertise vacancies to attract diverse applicants.
- :: All new staff receive a formal induction process.

Employee development, promotion and exit

- :: A positive and equitable approach is taken to professional development including formal performance reviews and professional development planning with all staff.
- :: Exit interviews are conducted with departing staff.

Flexibility and work design

- :: Work-life-family balance is encouraged including through flexible working conditions for specific circumstances.

Remuneration, recognition and conditions

- :: Remuneration is reviewed annually in conjunction with a performance review.
- :: Equal access is provided to job opportunities and conditions.
- :: Employees receive regular recognition for their contributions.

Harassment and bullying prevention

- :: There is zero tolerance of harassment and bullying.
- :: Employees have an accessible employee code of conduct and relevant policies.

Safe and healthy environment

- :: There is a strong focus on employee health, safety and wellbeing through provision of a range of initiatives and processes.
- :: Employees participate in a health and safety committee and a health and wellbeing steering group that are able to make recommendations to management.

STATEMENT OF RESPONSIBILITY

for the year ended 30 June 2011

In terms of the Crown Entities Act 2004, the Council of the Alcohol Advisory Council of New Zealand is responsible for:

- ∴ preparing the annual financial statements and the statement of service performance and the judgements made in them
- ∴ establishing and maintaining a system of internal control designed to provide reasonable assurance as to the integrity and reliability of financial and non-financial reporting.

In the Council's opinion, the annual financial statements and statement of service performance fairly reflect the financial position and operations of the Alcohol Advisory Council of New Zealand for the year ended 30 June 2011.



Rea Wikaira

Chair

Alcohol Advisory Council of New Zealand



Trevor Shailer

Deputy Chair

Alcohol Advisory Council of New Zealand

31 October 2011

INDEPENDENT AUDITOR'S REPORT

for the year ended 30 June 2011

TO THE READERS OF ALCOHOL ADVISORY COUNCIL OF NEW ZEALAND'S FINANCIAL STATEMENTS AND STATEMENT OF SERVICE PERFORMANCE FOR THE YEAR ENDED 30 JUNE 2011

The Auditor-General is the auditor of Alcohol Advisory Council of New Zealand. The Auditor-General has appointed me, Michael Rania, using the staff and resources of BDO Wellington, to carry out the audit of the financial statements and statement of service performance of the Alcohol Advisory Council of New Zealand on her behalf.

We have audited:

- :: the financial statements of the Alcohol Advisory Council of New Zealand on pages 32 to 44, that comprise the statement of financial position as at 30 June 2011, the statement of comprehensive income, statement of changes in public equity and statement of cash flows for the year ended on that date and notes to the financial statements that include accounting policies and other explanatory information; and
- :: the statement of service performance of the Alcohol Advisory Council of New Zealand on pages 22 to 31.

Opinion

In our opinion:

- :: the financial statements of the Alcohol Advisory Council of New Zealand on pages 32 to 44:
 - comply with generally accepted accounting practice in New Zealand; and
 - fairly reflect the Alcohol Advisory Council of New Zealand's:
 - financial position as at 30 June 2011; and
 - financial performance and cash flows for the year ended on that date.
- :: the statement of service performance of the Alcohol Advisory Council of New Zealand on pages 22 to 31:
 - complies with generally accepted accounting practice in New Zealand; and
 - fairly reflects, for each class of outputs for the year ended 30 June 2011, the Alcohol Advisory Council of New Zealand's

- service performance compared with the forecasts in the statement of forecast service performance for the financial year; and
- actual revenue and output expenses compared with the forecasts in the statement of forecast service performance at the start of the financial year.

Our audit was completed on 31 October 2011. This is the date at which our opinion is expressed.

The basis of our opinion is explained below. In addition, we outline the responsibilities of the Council and our responsibilities, and we explain our independence.

Basis of opinion

We carried out our audit in accordance with the Auditor-General's Auditing Standards, which incorporate the International Standards on Auditing (New Zealand). Those standards require that we comply with ethical requirements and plan and carry out our audit to obtain reasonable assurance about whether the financial statements and statement of service performance are free from material misstatement.

Material misstatements are differences or omissions of amounts and disclosures that would affect a reader's overall understanding of the financial statements and statement of service performance. If we had found material misstatements that were not corrected, we would have referred to them in our opinion.

An audit involves carrying out procedures to obtain audit evidence about the amounts and disclosures in the financial statements and statement of service performance. The procedures selected depend on our judgement, including our assessment of risks of material misstatement of the financial statements and statement of service performance, whether due to fraud or error. In making those risk assessments, we consider internal control relevant to the Alcohol Advisory Council of New Zealand's preparation of the financial statements and statement of service performance that fairly reflect the matters to which they relate. We consider internal control in order to design audit procedures that are appropriate in the circumstances but not for the purpose of expressing an opinion on the effectiveness of the Alcohol Advisory Council of New Zealand's internal control.

An audit also involves evaluating:

- :: the appropriateness of accounting policies used and whether they have been consistently applied;
- :: the reasonableness of the significant accounting estimates and judgements made by the Council;

INDEPENDENT AUDITOR'S REPORT CONT'D

for the year ended 30 June 2011

- :: the adequacy of all disclosures in the financial statements and statement of service performance; and
- :: the overall presentation of the financial statements and statement of service performance.

We did not examine every transaction, nor do we guarantee complete accuracy of the financial statements and statement of service performance. We have obtained all the information and explanations we have required and we believe we have obtained sufficient and appropriate audit evidence to provide a basis for our audit opinion.

Pending disestablishment of the Alcohol Advisory Council of New Zealand to form a new Crown Entity

In forming our opinion, we considered the accounting policy on page 32 about the financial statements being prepared on a dissolution basis due to a Government decision to merge crown entities. While legislation to implement these changes has not yet been enacted, the Alcohol Advisory Council of New Zealand will be disestablished and become part of a new Crown Entity (combining the relevant functions from the Alcohol Advisory Council of New Zealand, the Health Sponsorship Council and the Ministry of Health).

There has been no change to the measurement basis used for assets and liabilities or to their classification between current and non-current. This is because all assets and liabilities of the Alcohol Advisory Council of New Zealand will be transferred to, and be relevant to, the new Crown Entity. For that reason, no adjustments have been made to the financial statements because of the dissolution basis of preparation. We consider the basis of the preparation of the financial statements and the related disclosures to be appropriate to the Alcohol Advisory Council of New Zealand circumstances.

Responsibilities of the Council

The Council is responsible for preparing financial statements and a statement of service performance that:

- :: comply with generally accepted accounting practice in New Zealand;
- :: fairly reflect the Alcohol Advisory Council of New Zealand's financial position, financial performance and cash flows; and
- :: fairly reflect its service performance.

The Council is also responsible for such internal control as is determined necessary to enable the preparation of financial statements and a statement of service performance that are free from material misstatement, whether due to fraud or error.

The Council's responsibilities arise from the Crown Entities Act 2004 and the Alcohol Advisory Council Act 1976.

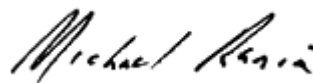
Responsibilities of the Auditor

We are responsible for expressing an independent opinion on the financial statements and statement of service performance and reporting that opinion to you based on our audit. Our responsibility arises from section 15 of the Public Audit Act 2001 and the Crown Entities Act 2004.

Independence

When carrying out the audit, we followed the independence requirements of the Auditor-General, which incorporate the independence requirements of the New Zealand Institute of Chartered Accountants.

In addition to the audit we have carried out assignments in the areas of consultancy on the annual report and legislative compliance, which are compatible with those independence requirements. Other than the audit and these assignments, we have no relationship with or interests in the Alcohol Advisory Council of New Zealand.



Michael Rania

BDO Wellington

On behalf of the Auditor-General
Wellington, New Zealand

Matters relating to the electronic presentation of the audited financial statements and statement of service performance

This audit report relates to the financial statements and statement of service performance of Alcohol Advisory Council of New Zealand for the year ended 30 June 2011 included on the Alcohol Advisory Council of New Zealand's website. The Alcohol Advisory Council of New Zealand's Council is responsible for the maintenance and integrity of the Alcohol Advisory Council of New Zealand's website. We have not been engaged to report on the integrity of the Alcohol Advisory Council of New Zealand's website. We accept no responsibility for any changes that may have occurred to the financial statements and statement of service performance since they were initially presented on the website.

The audit report refers only to the financial statements and statement of service performance named above. It does not provide an opinion on any other information which may have been hyperlinked to or from the financial statements and statement of service performance. If readers of this report are concerned with the inherent risks arising from electronic data communication they should refer to the published hard copy of the audited financial statements and statement of service performance and related audit report dated 31 October 2011 to confirm the information included in the audited financial statements and statement of service performance presented on this website.

Legislation in New Zealand governing the preparation and dissemination of financial information may differ from legislation in other jurisdictions.

STATEMENTS OF SERVICE PERFORMANCE

for the year ended 30 June 2011

The table below outlines the outputs and corresponding activities that ALAC delivered for the year ending 30 June 2011 under a single output class. It also provides performance measures and standards and associated progress in achieving these measures. The budget and actual income and expenditure for the output class are presented in the Statement of Comprehensive Income section of this Annual Report.

Table 3: Statement of service performance 2010/11

1. Policy, research and other expert advice		
Outputs and activities	Performance measures	Progress (A) Achieved, (PA) Partially Achieved, (NA) Not Achieved
<p>Production of policy positions and submissions on alcohol-related matters</p> <p>Support for the passage and implementation of the Government's new liquor legislation</p> <p>Contribution to interagency policy work programmes such as:</p> <ul style="list-style-type: none"> • Drivers of Crime • the National Alcohol Action Plan • Fetal Alcohol Spectrum Disorder <p>Responses to public enquiries and requests for policy advice</p> <p>Collaborative work with other agencies to improve the validity and reliability of alcohol data</p> <p>Development of a business case for more alcohol interventions across the sector, and in particular primary care and emergency departments</p> <p>Development of sector leadership strategies</p>	<p>1.1 Stakeholder feedback and documentation show ALAC's policy, research and other expert advice is requested, used or disseminated further.</p> <p>1.2 Responses to requests for policy advice and submissions on alcohol-related matters are provided within the specified timeframe.</p> <p>1.3 Stakeholder feedback and documentation shows an increased engagement and interest in alcohol-related matters by the wider health sector, and social services and justice sectors.</p>	<p>1.1 (A) ALAC's 2011 stakeholder survey feedback showed that within the last 12 months respondents (n=47) contacted ALAC for, or obtained, read or used, the following:</p> <ul style="list-style-type: none"> • publications and resources – 85 percent of respondents • published research – 72 percent of respondents • submissions or policies – 68 percent of respondents • advice or comment – 87 percent of respondents • guidelines on alcohol – 68 percent of respondents. <p>These respondents agreed or strongly agreed that the following resources, research and advice were useful to them:</p> <ul style="list-style-type: none"> • publications and resources – 100 percent of respondents (n=33) • published research – 94 percent of respondents (n=34) • submissions or policies – 88 percent of respondents (n=32) • advice or comment – 91 percent of respondents (n=41) • guidelines on alcohol – 84 percent of respondents (n=32). <p>1.2 (A) Requests for policy advice and submissions were provided on or before the required date. Written submissions on legislative change and reviews of codes were published on ALAC's website.</p> <p>1.3 (A) ALAC's 2011 stakeholder survey feedback showed that respondents (n=47) agreed or strongly agreed that ALAC's activities contribute to increased engagement and interest in alcohol-related issues by the: health sector, 76 percent of respondents (n=45); justice sector, 66 percent of respondents (n=44); and social services sector, 71 percent of respondents (n=41).</p>

STATEMENTS OF SERVICE PERFORMANCE CONT'D

for the year ended 30 June 2011

Outputs and activities	Performance measures	Progress (A) Achieved, (PA) Partially Achieved, (NA) Not Achieved
	<p>1.4 Documented evidence shows an actual or planned increase in alcohol interventions and good models of practice in a range of settings.</p> <p>1.5 Ninety-five percent of emailed public enquiries are responded to within two weeks.</p> <p>1.6 Documented evidence shows an increase in the quantity and/or quality of alcohol data collected by relevant agencies.</p>	<p>1.4 (A) ALAC supported a trial of brief intervention on alcohol that is primarily targeting at-risk young people through Family Planning clinics in the Wellington region. As a result of the success of the trial, this initiative will be rolled out nationally within all Family Planning clinics in the next financial year.</p> <p>Seven New Zealand universities have participated in a trial of electronic screening and brief intervention with first-year students – with good results. Preliminary findings indicate that electronic screening and brief intervention is an effective method of reaching and positively influencing the drinking behaviour of large numbers of students.</p> <p>1.5 (A) Ninety-nine percent of emailed public enquiries were responded to within two weeks. ALAC received 507 public enquiries in the 2010/11 year, of which 501 were responded to within two weeks.</p> <p>1.6 (A) ALAC supported a project run by Griffith University to introduce and evaluate the effectiveness of interventions aimed at reducing alcohol-related harm in licensed environments. Wellington City is one of the locations included in this project and it involves key stakeholders such as Wellington City Council, ACC, Wellington Free Ambulance, Wellington Police and the Emergency Department at Wellington Hospital. These stakeholders contribute to the project and some provide data for use in the evaluation. Some of these organisations have improved their collection processes for alcohol as part of their involvement in the project. ALAC has worked with the Ministry of Health to improve reporting on alcohol-related harm from DHBs. As part of that work, ALAC is providing access to the updated alcohol-attributable fractions research it funds.</p>

STATEMENTS OF SERVICE PERFORMANCE CONT'D

for the year ended 30 June 2011

2. Research and evaluation		
Outputs and activities	Performance measures	Progress (A) Achieved, (PA) Partially Achieved, (NA) Not Achieved
<p>Production and dissemination of alcohol factsheets</p> <p>Completion of the alcohol-attributable fractions research</p> <p>Development and operation of an outcomes framework to monitor progress toward reducing alcohol harm</p> <p>Completion and evaluation of the Whanganui PHO integrated model pilot</p> <p>Implementation and evaluation of electronic screening and brief interventions in a number of university campuses</p>	<p>2.1 Stakeholder feedback and documentation show ALAC's research and evaluation findings are requested, used or disseminated further.</p> <p>2.2 Alcohol-attributable fractions research project is completed to a high standard.</p> <p>2.3 An outcomes framework to monitor progress toward reducing alcohol harm is established and agreed to by the key agencies that collect alcohol-related data.</p> <p>2.4 Evaluations of projects show satisfactory results.</p>	<p>2.1 (A) ALAC's 2011 stakeholder survey feedback from all respondents (n=47) showed that 72 percent read or used research published by ALAC within the last 12 months. Of those stakeholders (n=34), 94 percent agreed or strongly agreed that the research was useful to them, and 94 percent agreed or strongly agreed that the research added value to their knowledge about alcohol.</p> <p>2.2 (PA) The alcohol-attributable fractions research project has not yet been completed because of delays outside the control of the contractor. However, the delays have resulted in improvements to the modelling. The revised timeline for the completion of this project is the end of 2011.</p> <p>2.3 (A) An alcohol monitoring framework has been developed as part of the interagency Drivers of Crime alcohol work stream and has been reviewed by an external party.</p> <p>ALAC's new outcomes framework, developed as part of ALAC's Statement of Intent 2011-2014, has been completed along with medium-term outcome and impact measures to assess progress on achieving outcomes and impacts. Many of these measures are similar to the sector-wide measures in the Drivers of Crime alcohol monitoring framework.</p> <p>2.4 (A) The Whanganui Regional PHO (WRPHO) completed its alcohol screening and brief interventions pilot, ABC alcohol, which trials the ABC (Ask about it, Brief advice, refer to Counselling) smoking cessation approach for alcohol, using existing IT frameworks. ALAC received the final process evaluation, which shows very good uptake of ABC alcohol and that this approach could be implemented elsewhere fairly easily.</p> <p>A report on follow-up of patients, received from WRPHO, shows very good effects on reduction in patients' drinking.</p> <p>National implementation of an electronic screening and brief interventions project has been rolled out to seven universities across New Zealand. A presentation of the preliminary findings of the evaluation has been received and shows satisfactory results. The final evaluation report is due for completion next financial year.</p>

STATEMENTS OF SERVICE PERFORMANCE CONT'D

for the year ended 30 June 2011

3. National Marketing and communications		
Outputs and activities	Performance measures	Progress (A) Achieved, (PA) Partially Achieved, (NA) Not Achieved
<p>Implementation and evaluation of a national marketing campaign to encourage behaviour change</p> <p>Distribution of general information through a range of communication channels:</p> <ul style="list-style-type: none"> • Alcohol.org.nz magazine distributed twice-yearly • monthly online newsletters • email list-serve groups hosted • existing published resources (e.g. pamphlets and posters) re-stocked' <p>Regular engagement with the news media</p>	<p>3.1 Independent survey-based monitoring of the national marketing campaign shows the following results:</p> <ul style="list-style-type: none"> • At least 90 percent of people are aware of ALAC's marketing communications activities. • At least 30 percent have thought about their own drinking. • At least 50 percent report taking some action to address their own drinking or the drinking of someone they care about. <p>3.2 Demand for ALAC's magazines, newsletters, web-based and published resources is maintained or increased as measured by subscriptions, website hits and orders for resources.</p> <p>3.3 Independent media analysis shows ALAC's key messages feature prominently in the alcohol debate.</p>	<p>3.1 (A) An omnibus telephone survey of 728 adult New Zealanders (aged 18+) was conducted between 3 and 28 February 2011 to measure the impact of the 'Ease up on the drink' national marketing campaign. The survey found that:</p> <ul style="list-style-type: none"> • 95 percent of people are aware of the 'Ease up on the drink' advertising. Of those: <ul style="list-style-type: none"> - 72 percent recalled the 'Ease up on the drink' message - 33 percent reported discussing it with friends and family - 58 percent reported the advertising had supported or encouraged them to take action either for their own, or for friends' or family members', drinking. <ul style="list-style-type: none"> • of those who reported taking action, 22 percent reported that the ads helped or encouraged them to start drinking less. <p>3.2 (A) ALAC continues to receive requests for its magazines, newsletters, web-based and published resources for which baseline figures have been provided where available.</p> <p>This year, ALAC received 140,297 visits to its www.alac.org.nz website and 8,289 visits to its www.hadenough.org.nz website.</p> <p>ALAC currently has 1,243 subscribers to a new format magazine, <i>Alcohol NZ</i> (replacing <i>alcohol.org.nz</i>), which was distributed in April 2011 (n=2,075). The next issue of <i>Alcohol NZ</i> is due to be published in October 2011.</p> <p>ALAC's <i>Ease Up</i> e-newsletter has been distributed monthly since April 2011. Subscriptions have increased from 956 (in April 2011) to 1,194 (in June 2011).</p> <p>546,327 resources were distributed this year.</p> <p>3.3 (A) Media analysis shows ALAC's key messages continue to feature prominently in the alcohol debate.</p>

STATEMENTS OF SERVICE PERFORMANCE CONT'D

for the year ended 30 June 2011

4. Tools and resources		
Outputs and activities	Performance measures	Progress (A) Achieved, (PA) Partially Achieved, (NA) Not Achieved
<p>Development and release of revised drinking guidelines to provide advice to health professionals and the general public</p> <p>Development and implementation of guidelines for the management of alcohol at large events</p> <p>Production of resources for private settings and/or workplaces</p>	<p>4.1 Tools and resources are completed to a quality standard.</p> <p>4.2 Evaluation of drinking guidelines shows that the guidelines are generally accepted by experts, understood by the public, and adopted in practice and in other guidelines.</p> <p>4.3 Stakeholder surveys show an increased awareness, by licensed premises staff and the public alike, of the legal requirements that prevent intoxication.</p>	<p>4.1 (A) New drinking advice has been developed and included in an <i>Alcohol and Your Health</i> series of booklets. ALAC's website has also been updated to reflect the changes. Initial work has been completed on the development of parental drinking advice for the ALAC website.</p> <p><i>Guidelines for Managing Alcohol at Large Events</i> has been widely distributed and promoted in a number of sector publications and in <i>Alcohol/NZ</i> magazine.</p> <p>A base reference document on alcohol, the body and health effects has been prepared by a medical expert. This information has been used to inform and update the ALAC website health effects content, primary healthcare factsheet (published in seven languages) and <i>Drinking and Your Baby pamphlets</i> (published in eight languages).</p> <p>4.2 (A) Feedback received by ALAC on its <i>Guidelines for Managing Alcohol at Large Events</i> has been positive and shows the guidelines have proved useful as regions plan for Rugby World Cup festivities and are popular among enforcement agencies, event managers and caterers.</p> <p>4.3 (A) ALAC's 2011 stakeholder survey feedback from respondents (n=47) showed that ALAC's activities contribute to increased awareness of the legal requirements that prevent intoxication. The respondents agreed or strongly agreed (n=43) that there was increased awareness by: licensed premises staff – 61 percent of respondents; and the public – 63 percent of respondents.</p>

STATEMENTS OF SERVICE PERFORMANCE CONT'D

for the year ended 30 June 2011

5. Training and up skilling		
Outputs and activities	Performance measures	Progress (A) Achieved, (PA) Partially Achieved, (NA) Not Achieved
<p>Support for training and upskilling in the alcohol sector, particularly:</p> <ul style="list-style-type: none"> to upskill local government and agencies in the new licensing regime to provide general support for agencies with responsibilities to enforce liquor legislation 	<p>5.1 Stakeholder feedback and evaluation of training show satisfactory results.</p>	<p>5.1 (A) ALAC's 2011 stakeholder survey feedback from respondents (n=47) showed that of those who received training or support involving ALAC on licensing or alcohol regulation (n=11), 73 percent agreed or strongly agreed that the training was supportive and useful to them.</p> <p>ALAC provided advice to local authorities and relevant agencies around changes to the licensing laws. In May 2011, ALAC delivered two workshops at the Community Boards' Conference, which participants found to be informative and useful.</p> <p>Feedback from the training delivered by ALAC for new and current Police Harm Reduction Officers showed that participants found the training informative and useful to them.</p>

6. Forums and workshops		
Outputs and activities	Performance measures	Progress (A) Achieved, (PA) Partially Achieved, (NA) Not Achieved
<p>Arrange an ALAC conference to bring together a range of agencies with responsibilities around alcohol to share learnings and best practice</p> <p>Support for the Cutting Edge conference and other treatment forums</p> <p>Hold workshops:</p> <ul style="list-style-type: none"> for local government to implement expected new licensing legislation with emergency departments and ACC to improve emergency department alcohol data collection 	<p>6.1 Evaluation of conferences, forums and workshops shows satisfactory results.</p>	<p>6.1 (A) ALAC's 2011 stakeholder survey feedback from respondents (n=47) showed that of those who attended seminars or forums organised by ALAC (n=27), 85 percent agreed or strongly agreed that the seminars/ forums were supportive and useful to them, and of those who attended conferences organised or supported by ALAC (n=23), 87 percent agreed or strongly agreed that they were supportive and useful to them.</p> <p>Initial arrangements commenced for an alcohol conference to be held in mid-2012.</p> <p>The Cutting Edge conference is the national alcohol, drug and addiction treatment conference for the addiction field. The 2010 conference was held in Auckland in September 2010 and was attended by over 380 delegates. The evaluation report shows that 79 percent of delegates rated the relevance of the conference as either moderate or very relevant.</p>

STATEMENTS OF SERVICE PERFORMANCE CONT'D

for the year ended 30 June 2011

Outputs and activities	Performance measures	Progress (A) Achieved, (PA) Partially Achieved, (NA) Not Achieved
		<p>ALAC delivered two workshops at the New Zealand Community Boards' Conference in May 2011. One workshop focused on the proposed legislation changes while the second workshop drew on good practice from around the country. Participants found the workshops to be both informative and useful.</p> <p>Survey feedback from respondents (n=10) on ALAC's workshop for emergency department clinicians, held in November 2010, showed that all respondents agreed or strongly agreed that the objectives of the workshop were met.</p>

7. Implementation of the Priority Population Action Plans		
Outputs and activities	Performance measures	Progress (A) Achieved, (PA) Partially Achieved, (NA) Not Achieved
<p>Collaborative work with other organisations on reducing alcohol harm for priority populations</p> <p>Prioritisation of funding to communities for initiatives to prevent and reduce harmful drinking among priority populations</p> <p>Development of indicators to measure the success of the action plans and progress in reducing alcohol harms for priority populations over time</p> <p>Young leaders, whānau/hapū/iwi Māori and Pacific champions/agents for change are identified and supported to take action on alcohol issues in their communities</p> <p>Support for priority populations to have their say on alcohol issues</p> <p>Development of resources for facilitating kōrero and creating behaviour change within whānau/hapū/iwi</p>	<p>7.1 Priority population projects are completed to a high-quality standard.</p> <p>7.2 Stakeholder feedback and documented evidence show that stakeholders are involved in delivering projects in line with the priority population action plans.</p> <p>7.3 Feedback and documented evidence show an increase in priority populations leading community alcohol action projects.</p>	<p>7.1 (A) The delivery of the priority population projects was successful and met the performance measures.</p> <p>7.2 (A) ALAC's 2011 stakeholder survey feedback from respondents (n=47) showed that: of those who primarily work with Māori (n=22), 72 percent agreed or strongly agreed that ALAC's activities help them or their organisation to reduce the harms and impacts from alcohol for Māori; of those who primarily work with Pacific peoples (n=14), 78 percent agreed or strongly agreed that ALAC's activities help them or their organisation to reduce the harms and impacts from alcohol for Pacific peoples; and of those who primarily work with youth (n=22), 68 percent agreed or strongly agreed that ALAC's activities help them or their organisation to reduce the harms and impacts from alcohol for youth.</p> <p>7.3 (A) ALAC's 2011 stakeholder survey feedback from respondents (n=47) showed that: of those who primarily work with Māori (n=22), 63 percent agreed or strongly agreed that ALAC's activities help communities to take action for Māori; of those who primarily work with Pacific peoples (n=14), 71 percent agreed or strongly agreed that ALAC's activities help communities to take action for Pacific peoples; and of those who primarily work with young people (n=22), 59 percent agreed or strongly agreed that ALAC's activities help communities to take action for young people.</p>

STATEMENTS OF SERVICE PERFORMANCE CONT'D

for the year ended 30 June 2011

Outputs and activities	Performance measures	Progress (A) Achieved, (PA) Partially Achieved, (NA) Not Achieved
		ALAC engaged a contractor to undertake a review of the community action projects funded by the first round of ALAC's Community Action on Alcohol Fund (CAAF). Preliminary analysis of this review and final reports from community action projects demonstrate a growing range of successful priority population projects in the community.

8. Alcohol Drug Helpline		
Outputs and activities	Performance measures	Progress (A) Achieved, (PA) Partially Achieved, (NA) Not Achieved
Support for the continuation of the Alcohol Drug Helpline	<p>8.1 Evaluation of the Alcohol Drug Helpline shows the following results:</p> <ul style="list-style-type: none"> • 100 percent of all calls received are answered by trained brief intervention counsellors • at least 20 percent of all alcohol-relevant and valid calls answered receive brief interventions or are referred to call-backs, follow-up interventions or treatment. 	<p>8.1 (A) The Alcohol Drug Helpline processed 16,207 calls this year, 100 percent of calls answered were by trained brief intervention counsellors. At least 30 percent of all alcohol-relevant and valid calls answered received brief interventions or were referred to call-backs, follow-up interventions or treatment.</p> <p>In the months following the Christchurch earthquake in February 2011, calls to the Alcohol Drug Helpline were diverted to the Gambling Helpline (based in Auckland). The trained brief intervention counsellors at the Gambling Helpline then referred any call-backs, follow-up interventions or treatment that were required back to the Alcohol Drug Helpline counsellors. In early May, the Alcohol Drug Helpline became fully operational again from temporary premises in Christchurch.</p>

STATEMENTS OF SERVICE PERFORMANCE CONT'D

for the year ended 30 June 2011

9. Community Alcohol Action Fund and other support for community-led initiatives		
Outputs and activities	Performance measures	Progress (A) Achieved, (PA) Partially Achieved, (NA) Not Achieved
<p>Two funding rounds for the Community Alcohol Action Fund (CAAF) are completed and the results evaluated</p> <p>Provision of expert advice, resources and leadership on alcohol matters at a local and regional level including:</p> <ul style="list-style-type: none"> • input into local planning and policy forums • input into community events • advice on local alcohol policies and regulatory responsibilities • input into local government submissions to select committee on the impacts of the new liquor legislation on local government 	<p>9.1 Community action projects funded by CAAF show satisfactory results in line with agreed objectives.</p> <p>9.2 A stocktake of local alcohol policies shows an increase in the number of local authorities with current local alcohol policies (from about 40 in 2010 to 60 by 2013).</p>	<p>9.1 (A) Community action projects funded by CAAF are showing satisfactory results in line with agreed objectives.</p> <p>Six two-day workshops, attended by 48 people representing 25 funded organisations, have been held to build evaluation capability and capacity within the funded projects. Feedback from participants indicated the training was helpful in enabling them to articulate key activities and outcomes.</p> <p>The evaluators' preliminary analysis of funded groups from the first round of the CAAF showed that most groups involved grass roots community members and were engaged in collaboration with key decision makers. The preliminary analysis also showed that most projects were focused on raising awareness of alcohol-related harm or on prevention and were building community capacity to address the issues. A significant weakness identified was in the area of evaluation. It is expected that the evaluation capability and capacity building efforts being undertaken will address this concern.</p> <p>A two-day hui was held in Wellington in March 2011 for recent recipients of CAAF funding. Over 50 people attended the hui from throughout New Zealand, representing 26 community organisations, ALAC and the formative evaluation provider. Feedback from the hui was very positive.</p> <p>To respond more adequately to community needs, ALAC completed only one funding round in the year but extended the two stages of the funding round.</p> <p>9.2 (A) ALAC worked with local authorities and Local Government New Zealand (LGNZ) on alcohol-related policies, strategies and bylaws, and the upcoming licensing law changes. A stocktake of local authority policies showed that 49 local authorities have a current alcohol policy.</p>

STATEMENTS OF SERVICE PERFORMANCE CONT'D

for the year ended 30 June 2011

Outputs and activities	Performance measures	Progress (A) Achieved, (PA) Partially Achieved, (NA) Not Achieved
	<p>9.3 Regional or community-based groups (e.g. accords, alcohol action groups/ clusters, and local alcohol management forums) continue to be active in addressing alcohol harm.</p>	<p>9.3 (A) ALAC assisted regional and community-based groups to continue to be active in addressing alcohol harm, particularly through the National Alcohol Accords Working Group.</p> <p>The report on the <i>National Alcohol Accords Stocktake</i> of known accords across New Zealand identifies interventions and initiatives that are being delivered and/or completed and makes recommendations for the future planning and implementation of projects by accords.</p> <p>ALAC developed a resource, <i>Guidelines for the Development of Alcohol Accords</i>, highlighting how accords can help reduce alcohol-related harm.</p> <p>An online Shared Workspace for Alcohol Accords has been developed as an integrated part of the ALAC website. This enables members and other interested parties to stay connected and up to date across all accords in New Zealand.</p>

STATEMENT OF ACCOUNTING POLICIES

for the year ended 30 June 2011

REPORTING ENTITY

The Alcohol Advisory Council of New Zealand (ALAC) is a Crown entity as defined by the Crown Entities Act 2004 and is domiciled in Wellington, New Zealand with branches in Auckland and Christchurch. As such, ALAC's ultimate parent is the New Zealand Crown.

ALAC is funded from a levy on alcohol produced for sale within New Zealand.

The primary objective of ALAC is the encouragement and promotion of moderation in the use of liquor, the discouragement and reduction of the misuse of liquor, and the minimisation of the personal, social and economic harm resulting from the misuse of liquor.

ALAC has designated itself as a public benefit entity.

BASIS OF PREPARATION

Statement of compliance

The financial statements of ALAC have been prepared in accordance with the requirements of the Crown Entities Act 2004, which includes the requirement to comply with New Zealand Generally Accepted Accounting Practices (NZ GAAP).

The financial statements comply with New Zealand equivalents to International Financial Reporting Standards (NZ IFRS), and other applicable Financial Reporting Standards, as appropriate for public benefit entities.

The accounting policies set out below have been applied consistently to all periods presented in these financial statements.

Measurement base

The financial statements have been prepared on a historical cost basis.

Pending disestablishment of ALAC – going concern

In August 2011, Cabinet agreed to disestablish ALAC and to transfer its functions to a new Crown entity (combining the relevant functions from ALAC, the Health Sponsorship Council and the Ministry of Health). The subsequent Crown Entities Reform Bill disestablishes ALAC, establishes an arm's length Health Promotion Agency (HPA) with alcohol-specific functions, provides for the transfer of ALAC's property and liabilities to HPA, and provides for the continuation of the levy provisions on alcohol to be used by HPA for alcohol-related purposes.

ALAC has made the following critical accounting estimates and judgements when preparing these financial statements as a result of the pending disestablishment of ALAC:

- Decisions are yet to be made on the new Crown entity's structure and operations, including how the Crown entity will be vested and integrated.
- While the legislation to implement these changes has not yet been enacted, the Crown Entities Reform Bill proposes that provisions will come into force on 1 July 2012 to disestablish ALAC and establish the HPA.
- All of ALAC's assets, rights, liabilities, contracts, entitlements and engagements will be transferred to the new Crown entity.
- The pending disestablishment of ALAC requires the financial statements to be prepared on a dissolution basis, not on the normal going-concern basis. ALAC expects its current outputs to continue being delivered by the new Crown entity's organisational structure and the assets and liabilities to be transferred to the new Crown entity. For that reason, while the financial statements have been prepared on a dissolution basis, no adjustments have been made to the financial statements because of the dissolution basis of preparation.
- Accordingly upon dissolution, any assets and liabilities held by ALAC will be transferred at their carrying value. Any write-down of assets or onerous lease provisions will be recognised in the accounts of the new Crown entity.

Functional and presentation currency

Functional and presentation currency in the financial statements is New Zealand dollars and all values are rounded to the nearest thousand dollars (\$000).

STANDARDS AND INTERPRETATIONS ISSUED BUT NOT YET EFFECTIVE

The following new standards, amendments to standards or interpretations have been issued but not yet effective for the year ended 30 June 2011, and have not been applied in preparing these financial statements.

NZ IFRS 9 *Financial Instruments*: effective for annual periods beginning on or after 1 January 2013. This standard will initially be applied in the financial statements for the year ending 30 June 2014. This standard reduces the number of categories of financial assets from four down to two categories. All financial assets will now be measured either at amortised cost or at fair value. The classification is based on the entity's business model for managing the financial asset and contractual cash flow characteristics.

NZ IAS 24 *Related Party Disclosures* (revised 2009): effective for annual periods beginning on or after 1 January 2011. This amendment will initially be applied

STATEMENT OF ACCOUNTING POLICIES CONT'D

for the year ended 30 June 2011

in the financial statements for the year ending 30 June 2012. The amendments simplify the definition of a related party, clarifying its intended meaning and eliminating inconsistencies from the definition, and provide a partial exemption from the disclosure requirements for government-related entities.

FRS 44 *New Zealand Additional Disclosures*: effective for annual periods beginning on or after 1 July 2011. This standard prescribes the New Zealand-specific disclosures which are required in addition to those required under NZ IFRS. This standard contains the new specific disclosures requirements which have been relocated from existing NZ IFRS and have been retained because they are considered important in the New Zealand environment.

The adoption of the above standard and amendments in future periods is not expected to have a material impact on recognition, measurement and disclosures. The actual impact has not yet been determined.

SIGNIFICANT ACCOUNTING POLICIES

REVENUE

Revenue is measured at the fair value of consideration received or receivable.

Levy income

Levy income from locally produced beer, spirits, grape wine, fruit wine and imported liquor is recognised as income in the accounting period when earned and is then reported in the financial period to which it relates. Levy income is collected by New Zealand Customs on behalf of ALAC.

Interest

Interest income is recognised using the effective interest method.

LEASES

Operating leases

Leases that do not transfer substantially all the risks and rewards incidental to ownership of an asset to ALAC are classified as operating leases. Lease payments under an operating lease are recognised as an expense on a straight-line basis over the term of the lease in the Statement of Comprehensive Income.

ALAC leases office equipment and premises.

CASH AND CASH EQUIVALENTS

Cash and cash equivalents include cash on hand and deposits on call.

TRADE AND OTHER RECEIVABLES

Debtors and other receivables are initially measured at fair value and subsequently measured at amortised cost using the effective interest rate, less any provision for impairment.

INVESTMENTS

Investments in bank deposits are initially measured at fair value plus transaction costs.

After initial recognition, investments in bank deposits are measured at amortised cost using the effective interest method.

For bank deposits, impairment is established when there is objective evidence that ALAC will not be able to collect amounts due according to the original terms of the deposit.

Significant financial difficulties of the bank, probability that the bank will enter into bankruptcy, and default in payments are considered indicators that the deposit is impaired.

PROPERTY, PLANT AND EQUIPMENT

Property, plant and equipment consists of artwork, leasehold improvements, furniture and office equipment, and motor vehicles.

Property, plant and equipment are shown at cost or valuation, less accumulated depreciation and impairment losses.

Additions

The cost of an item of property, plant and equipment is recognised as an asset only when it is probable that future economic benefits or service potential associated with the item will flow to ALAC and the cost of the item can be measured reliably.

Where an asset is acquired at no cost, or for a nominal cost, it is recognised at fair value when control over the asset is obtained.

Disposals

Gains and losses on disposals are determined by comparing the proceeds with the carrying amount of the asset. Gains and losses on disposals are included in the Statement of Comprehensive Income.

Subsequent costs

Costs incurred subsequent to initial acquisition are capitalised only when it is probable that future economic benefits or service potential associated with the item will flow to ALAC and the cost of the item can be measured reliably.

STATEMENT OF ACCOUNTING POLICIES CONT'D

for the year ended 30 June 2011

The costs of day-to-day servicing of property, plant and equipment are recognised in the Statement of Comprehensive Income as they are incurred.

Depreciation

Depreciation is provided on a straight-line basis on all property, plant and equipment at rates that will write off the cost (or valuation) of the assets to their estimated residual values over their useful lives. The useful lives and associated depreciation rates of major classes of assets have been estimated as follows:

Furniture and fittings	10 years	10%
General office equipment	5 years	20%
Computer equipment	3 years	33.3%
Leasehold improvements*	3 years	33.3%
Motor vehicles	5 years	20%
Library books	10 years	10%

*Leasehold improvements are depreciated over the unexpired period of the lease or the estimated remaining useful lives of the improvements, whichever is the shorter.

The residual value and useful life of an asset are reviewed, and adjusted if applicable, at each financial year-end.

INTANGIBLE ASSETS**Software acquisition and development**

Acquired computer software licenses are capitalised on the basis of the costs incurred to acquire and bring to use the specific software.

Costs that are directly associated with the development of software for internal use by ALAC are recognised as an intangible asset. Direct costs include the software development, employee costs and an appropriate portion of relevant overheads. Staff training costs are recognised as an expense when incurred.

Costs associated with maintaining computer software are recognised as an expense when incurred.

Costs associated with the development and maintenance of ALAC's website are recognised as an expense when incurred.

Amortisation

The carrying value of an intangible asset with a finite life is amortised on a straight-line basis over its useful life. Amortisation begins when the asset is available for use and ceases at the date that the asset is derecognised. The amortisation charge for each period is recognised in the Statement of Comprehensive Income.

The useful lives and associated amortisation rates of

major classes of intangible assets have been estimated as follows:

Acquired computer software	3 years	33%
Developed computer software	4 years	25%

Impairment of non-financial assets

Property, plant and equipment and intangible assets that have a finite useful life are reviewed for impairment whenever events or changes in circumstances indicate that the carrying amount may not be recoverable.

An impairment loss is recognised for the amount by which the asset's carrying amount exceeds its recoverable amount. The recoverable amount is the higher of an asset's fair value less costs to sell and value in use.

Value in use is depreciated replacement cost for an asset where the future economic benefits or service potential of the asset are not primarily dependent on the asset's ability to generate net cash inflows and where ALAC would, if deprived of the asset, replace its remaining future economic benefits or service potential.

If an asset's carrying amount exceeds its recoverable amount, the asset is impaired and the carrying amount is written down to the recoverable amount. For revalued assets the impairment loss is recognised against the revaluation reserve for that class of asset. Where that results in a debit balance in the revaluation reserve, the balance is recognised in the statement of comprehensive income.

For assets not carried at a revalued amount, the total impairment loss is recognised in the Statement of Comprehensive Income.

TRADE AND OTHER PAYABLES

Trade and other payables are initially measured at fair value and subsequently measured at amortised cost using the effective interest method.

EMPLOYEE ENTITLEMENTS

Employee entitlements that ALAC expects to be settled within 12 months of balance date are measured at nominal values based on accrued entitlements at current rates of pay.

These include salaries and wages accrued up to balance date and annual leave earned but not yet taken at balance date. Where material, retiring and long service leave entitlements expected to be settled within 12 months, and unused sick leave, have been included.

ALAC recognises a liability and an expense for bonuses where it is contractually obliged to pay them, or where there is a past practice that has created a constructive obligation.

STATEMENT OF ACCOUNTING POLICIES CONT'D

for the year ended 30 June 2011

Long-term employee entitlements

Entitlements that are payable beyond 12 months, such as long service leave and retiring leave, have been calculated on an actuarial basis. The calculations are based on:

- likely future entitlements accruing to staff, based on years of service, years to entitlement, the likelihood that staff will reach the point of entitlement and contractual entitlements information; and
- the present value of the estimated future cash flows.

The discount rate is based on the weighted average of government bonds with terms to maturity similar to those of the relevant liabilities. The inflation factor is based on the expected long-term increase in remuneration for employees.

As at balance date, the amount was not considered material and, as such, no provision has been provided for.

Defined contribution schemes

Obligations for contributions to KiwiSaver and ASB Group Master Trust are accounted for as defined contribution schemes and are recognised as an expense in the Statement of Comprehensive Income as incurred.

GOODS AND SERVICE TAX (GST)

All items in the financial statements are presented exclusive of GST, except for receivables and payables, which are presented on a GST inclusive basis. Where GST is not recoverable as input tax then it is recognised as part of the related asset or expense.

The net amount of GST recoverable from, or payable to, the Inland Revenue Department (IRD) is included as part of receivables or payables in the Statement of Financial Position.

The net GST paid to, or received from the IRD, including the GST relating to investing and financing activities, is classified as an operating cash flow in the Statement of Cash Flows.

Commitments and contingencies are disclosed exclusive of GST.

INCOME TAX

ALAC is a public authority and consequently is exempt from the payment of income tax. Accordingly, no charge for income tax has been provided for.

BUDGET FIGURES

The budget figures are derived from the Statement of Intent as approved by the Board. The budget figures have been prepared in accordance with NZ IFRS, using accounting policies that are consistent with those adopted by ALAC for the preparation of the financial statements. The budget figures have not been audited.

There are differences in the expense classification as a result of the reclassification of the budget figures from the Statement of Intent and those in the Statement of Comprehensive Income. The expenses agree in total but there are differences in certain categories. These are:

	Statement of Intent Budget	Statement of Comprehensive Income Budget	Difference
	\$000	\$000	\$000
Occupancy	440	-	440
Lease payments	-	395	(395)
Other occupancy costs	-	45	(45)
	440	440	-
Research/policy/information & communications	4,734	-	4,734
Operational programmes & community initiatives	3,555	-	3,555
Grants and programme costs	-	8,289	(8,289)
	8,289	8,289	-
Equipment supplies and maintenance	156	-	156
Other operating cost	350	506	(156)
	506	506	-

STATEMENT OF ACCOUNTING POLICIES CONT'D

for the year ended 30 June 2011

COMPARATIVES

To align with the current period's presentation, the following have been restated:

- In the 2010 Statement of Comprehensive Income, Grants and Programme Costs, and Other Operating Costs have been restated to better reflect the nature of the expenses.
- In the Notes to the Financial Statements, in note 2, Trade and other receivables and note 4, Trade and other payables, Personnel accruals are now classified in a new category of Employment accruals.

CRITICAL ACCOUNTING ESTIMATES AND ASSUMPTIONS

In preparing these financial statements, ALAC has made estimates and assumptions concerning the future. These estimates and assumptions may differ from the subsequent actual results. Estimates and assumptions are continually evaluated and are based on historical experience and other factors, including expectations of future events that are believed to be reasonable under the circumstances. The estimates and assumptions that have a significant risk of causing a material adjustment to the carrying amounts of assets and liabilities within the next financial year are discussed below:

Property, plant and equipment useful lives and residual value

At each balance date, ALAC reviews the useful lives and residual values of its property, plant and equipment. Assessing the appropriateness of useful life and residual value estimates of property, plant and equipment requires ALAC to consider a number of factors such as the physical condition of the asset, expected period of use of the asset by ALAC, and expected disposal proceeds from the future sale of the asset.

An incorrect estimate of the useful life or residual value will impact the depreciation expense recognised in the Statement of Comprehensive Income, and carrying amount of the asset in the Statement of Financial Position.

ALAC minimises the risk of this estimation uncertainty by:

- physical inspection of assets
- asset replacement programmes
- review of second-hand market prices for similar assets
- analysis of prior asset sales.

ALAC has not made significant changes to past assumptions concerning useful lives and residual values.

Retirement and long service leave

ALAC has minimal exposure in relation to estimates and uncertainties surrounding retirement and long service leave liabilities.

CRITICAL JUDGEMENTS IN APPLYING ALAC'S ACCOUNTING POLICIES

Management has exercised the following critical judgements in applying ALAC's accounting policies for the period ended 30 June 2011:

Leases classification

Determining whether a lease agreement is a finance or an operating lease requires judgement as to whether the agreement transfers substantially all the risks and rewards of ownership to ALAC.

Judgement is required on various aspects that include, but are not limited to, the fair value of the leased asset, the economic life of the leased asset, whether or not to include renewal options in the lease term and determining an appropriate discount rate to calculate the present value of the minimum lease payments. Classification as a finance lease means the asset is recognised in the Statement of Financial Position as property, plant and equipment, whereas for an operating lease no such asset is recognised.

ALAC has exercised its judgement on the appropriate classification of equipment leases and has determined a number of lease arrangements are operating leases.

CHANGES IN ACCOUNTING POLICIES

There have been no significant changes in accounting policies since the date of the last audited financial statements. All policies have been applied on bases consistent with last year.

FINANCIAL STATEMENTS

for the year ended 30 June 2011

STATEMENT OF COMPREHENSIVE INCOME

for the year ended 30 June 2011

	Notes	Actual 2011 \$000	Budget 2011 \$000	Actual 2010 \$000
Income				
Levies	12	12,367	12,700	12,488
Interest income		109	50	129
Other revenue		-	100	66
Total Income		12,476	12,850	12,683
Expenditure				
Grants and programme costs		8,633	8,289	8,641
Lease payments		395	395	392
Other occupancy costs		48	45	44
Personnel costs		3,052	3,269	3,050
Audit fee		35	30	31
Depreciation and amortisation expense		126	180	138
Council costs		142	136	127
Other operating costs	14	388	506	404
Total Expenditure		12,819	12,850	12,827
Net Deficit		(343)	-	(144)
Total Comprehensive Income for the Year		(343)	-	(144)

STATEMENT OF CHANGES IN PUBLIC EQUITY

for the year ended 30 June 2011

	Actual 2011 \$000	Budget 2011 \$000	Actual 2010 \$000
Opening public equity	1,467	1,697	1,611
Total comprehensive income for the year	(343)	-	(144)
Closing Public Equity	1,124	1,697	1,467

The accompanying accounting policies and notes form an integral part of these financial statements.

FINANCIAL STATEMENTS CONT'D

for the year ended 30 June 2011

STATEMENT OF FINANCIAL POSITION

as at 30 June 2011

	Notes	Actual 2011 \$000	Budget 2011 \$000	Actual 2010 \$000
Assets				
Current Assets				
Cash and cash equivalents		1,050	55	508
Investments	1	850	965	2,000
Trade and other receivables	2	1,503	1,477	1,299
Total Current Assets		3,403	2,497	3,807
Non-Current Assets				
Property, plant and equipment	3	105	219	188
Intangible assets	3	33	103	41
Total Non-Current Assets		138	322	229
TOTAL ASSETS		3,541	2,819	4,036
Liabilities				
Current Liabilities				
Trade and other payables	4	2,290	1,012	2,393
Employee Entitlements	5	127	110	176
Total Current Liabilities		2,417	1,122	2,569
TOTAL LIABILITIES		2,417	1,122	2,569
NET ASSETS		1,124	1,697	1,467
Accumulated funds		1,124	1,697	1,467
TOTAL EQUITY	11	1,124	1,697	1,467



Mr Rea Wikaira
Chair
31 October 2011



Mr Gerard Vaughan
Chief Executive Officer
31 October 2011



Mr Trevor Shailer
Deputy Chair
31 October 2011

The accompanying accounting policies and notes form an integral part of these financial statements.

FINANCIAL STATEMENTS CONT'D

for the year ended 30 June 2011

STATEMENT OF CASH FLOWS

for the year ended 30 June 2011

	Notes	Actual 2011 \$000	Budget 2011 \$000	Actual 2010 \$000
Cash Flows from Operating Activities				
Receipts from levies and other income		12,114	12,827	12,499
Interest received		103	50	127
Payments to suppliers		(9,695)	(9,433)	(8,764)
Payments to employees		(3,184)	(3,269)	(3,050)
Goods and services tax (net)		89	-	(248)
Net cash from operating activities	6	(573)	175	564
Cash Flows from Investing Activities				
Purchase of property, plant and equipment		(35)	(175)	(93)
Net cash from investing activities		(35)	(175)	(93)
Cash Flows from Financing Activities				
Net increase (decrease) in cash		(608)	-	471
Add opening cash brought forward		2,508	1,020	2,037
Closing Cash Balance		1,900	1,020	2,508
Actual Cash Balance				
Represented by:				
Cash and cash equivalents - BNZ, ASB and NBNZ		1,050	55	508
Investments	1	850	965	2,000
Closing Cash Balance		1,900	1,020	2,508

The accompanying accounting policies and notes form an integral part of these financial statements.

NOTES TO THE FINANCIAL STATEMENTS

for the year ended 30 June 2011

	Actual 2011 \$000	Actual 2010 \$000
Note 1: Investments		
All Investments are "held-to-maturity"		
Term deposit - 91 days at 3.79% per annum (2010 @ 3.64%)	350	1,000
Term deposit - 182 days at 5.00% per annum (2010 @ 4.50%)	500	1,000
Total	850	2,000

Note 2: Trade and Other Receivables

Employment accruals	8	6
Levies receivable	42	40
Levies receivable from NZ Customs	1,258	1,005
GST receivable	195	248
Total	1,503	1,299

	Current Year Depreciation/ Amortisation \$000	Cost \$000	Additions \$000	Accumulated Depreciation/ Amortisation \$000	Net Book Value \$000
Note 3: Property, Plant and Equipment, Intangible Assets					
2011					
Artwork	-	17	-	-	17
Motor vehicles	5	45	-	28	17
Library books and films	-	96	-	96	-
General office equipment	5	98	-	91	7
Computer hardware	44	361	11	337	24
Computer software	32	338	24	305	33
Leasehold improvements	26	305	-	305	-
Fixtures, furniture and equipment	14	209	-	169	40
Total	126	1,469	35	1,331	138

2010

Artwork	-	17	-	-	17
Motor vehicles	3	45	23	24	21
Library books and films	-	96	-	96	-
General office equipment	5	101	-	89	12
Computer hardware	49	353	11	296	57
Computer software	39	314	8	273	41
Leasehold improvements	26	305	51	279	26
Fixtures, furniture and equipment	16	210	3	155	55
Total	138	1,441	96	1,212	229

	Actual 2011 \$000	Actual 2010 \$000
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Note 4: Trade and Other Payables

Sundry creditors	2,050	2,127
Employment accruals	156	135
Salary accrual	84	131
Total	2,290	2,393

NOTES TO THE FINANCIAL STATEMENTS CONT'D

for the year ended 30 June 2011

	Actual 2011 \$000	Actual 2010 \$000
Note 5: Employee Entitlements		
Annual leave	127	176
Total	127	176
Note 6: Reconciliation of Net Deficit with Net Cash Flows from Operating Activities		
Net Deficit from Operations	(343)	(144)
Add Non-Cash Items		
Depreciation and amortisation expense	126	138
Total Non-Cash Items	126	138
Add/(Less) Movements in Working Capital Items		
Decrease/(Increase) in receivables and prepayments	(204)	(169)
(Decrease)/Increase in accounts payable	(103)	713
(Decrease)/Increase in employee entitlements	(49)	29
Net Working Capital Movements	(356)	573
Less Items Classified as Investing Activities		
Net gain on sale of fixed assets	-	(3)
Total of Investing Activities	-	(3)
Net Cash Flow from Operating Activities	(573)	564

Note 7: Financial Instruments

ALAC has a series of policies providing risk management for interest rates and operating expenditures, and the concentration of credit. ALAC is risk averse and seeks to minimise exposure from its treasury activities. Its policies do not allow any transactions which are speculative in nature to be entered into. ALAC has classified these instruments as follows:

	Actual 2011 \$000	Actual 2010 \$000
Loans & receivables		
Cash & cash equivalents	1,050	508
Trade & other receivables	1,300	1,045
Held to maturity		
Investments	850	2,000
Financial liabilities at amortised cost		
Trade and other payables	2,134	2,258

Credit Risk

Credit risk is the risk that a third party will default on its obligation to ALAC, causing it to incur a loss.

ALAC places its investments with institutions with a minimum AA credit rating. It also reduces its exposure to risk by limiting the amount that can be invested in any one institution. ALAC believes that these policies reduce the risk of any loss that could arise from its investment activities. ALAC does not require any collateral or security to support financial instruments.

Liquidity Risk

Liquidity risk is the risk that ALAC will encounter difficulty in meeting their obligations associated with financial liabilities as they fall due.

NOTES TO THE FINANCIAL STATEMENTS CONT'D*for the year ended 30 June 2011***Note 7: Financial Instruments (continued)**

ALAC manages liquidity risk by continuously monitoring forecast and actual cash flow requirements.

The contractual cash flows of financial liabilities is the same as the carrying amount disclosed above. These are all payable within six months of balance date.

Fair Values

The fair value is equivalent to the carrying amounts of financial instruments disclosed in the Statement of Financial Position.

Credit Facilities

ALAC did not have bank overdraft facilities as at 30 June 2011 (2010: Nil).

Currency and Interest Rate Risk

There is no significant exposure to interest rate risk on ALAC's financial instruments as a result of movements in market interest rates. In addition, ALAC has no exposure to currency risk.

Note 8: Related Party Transactions

ALAC is a wholly owned entity of the Crown.

ALAC has entered into some transactions with government departments, Crown agencies and State-Owned Enterprises on an arm's length basis. Where those parties are acting in the course of their normal dealings with ALAC, related party disclosures have not been made for transactions of this nature.

No severance payments were made to Council members during 2010/11. Remuneration through fees is all inclusive.

	<i>Number of Employees</i>	
	2011	2010
Note 9: Employee Remuneration		
Total remuneration		
\$000		
\$100-110	2	1
\$110-120	1	1
\$130-140	1	1
\$140-150	-	-
\$160-170	2	2
\$180-190	-	1
\$210-220	1	-
Termination Benefits		
\$000		
\$16.6	-	1

Contribution to defined contribution schemes for 2011 was \$97,000 (2010: \$89,000).

NOTES TO THE FINANCIAL STATEMENTS CONT'D

for the year ended 30 June 2011

		2011 \$000	2010 \$000
Note 10: Key Management and Council Remuneration			
<i>Council members earned the following fees during the year:</i>			
Rea Wikaira (Chair)	Appointed Jan 10	23.1	11.5
Trevor Shailer (Deputy Chair)		14.4	14.4
Anne Hobby	Reappointed Dec 10	11.5	11.5
Dr Helen Moriarty		11.5	11.5
Kim Ma'ia'i		11.5	11.5
Barbara Docherty	Appointed Jan 10	11.5	5.8
Dr Ian Miller	Appointed Jan 10	11.5	5.8
Peter Glensor (former Chair)	Term ended Dec 09	-	11.5
Alick Shaw	Term ended Dec 09	-	5.8
Robyn Northey	Term ended Dec 09	-	5.8
Jamie Simpson	Appointed Jan 11	5.8	-
Total Council Fees		100.8	95.1

Key management remuneration paid during the year:

Short term employee benefits	316	300
Post employment benefits	4	4
Other long term benefits	-	-
Termination benefits	-	-

ALAC has not provided any indemnity during 2010/11 to any member, office holder or employee. Insurance cover was not taken by ALAC during 2010/11 in respect of the liability or costs of any member, office holder or employee.

Note 11: Capital Management

ALAC's capital is its equity, which is made up of accumulated funds. ALAC is subject to the financial management and accountability provisions of the Crown Entities Act 2004, which imposes restrictions in relation to borrowings, acquisition of securities, issuing guarantees and indemnities, and the use of derivatives.

ALAC manages its equity by restricting the expenses to the income received.

Note 12: Explanations for major variances against budget**Income**

The levies budget is set to recover the planned expenditure for the year. ALAC has no control over the actual levies received, as this is dependent on the levies collected by New Zealand Customs on behalf of ALAC, the \$333,000 shortfall between actual and budget is a reflection of this.

Expenses

As mentioned in the budget note within the Accounting Policies, there are differences in expense classification between actual and budget in the Statement of Intent and the Statement of Comprehensive Income. The \$344,000 difference in Grants and programme cost is largely offset by the lower than budget spend in Personnel cost and Other operating cost.

Assets and Liabilities

Cash and cash equivalents are greater than budget by \$995,000; however this is consistent with trade and other payables being greater than budget as it was expected for more expenses to be paid before year end.

Cash Flows

The variances between actual and budget in operating activities are consistent with the explanation provided above for income and expenses. The capital underspend resulted from savings in the Christchurch office upgrade and the prudent management of existing IT infrastructure.

NOTES TO THE FINANCIAL STATEMENTS CONT'D*for the year ended 30 June 2011*

	2011 \$000	2010 \$000
Note 13 : Commitments and Contingencies		
Grants and Funding		
At 30 June 2011, ALAC had approved funds for disbursements to individuals and organisations.		
Not later than one year	1,752	748
Later than one year and not later than two years	917	354
Later than two years and not later than five years	-	40
Later than five years	-	-
	2,669	1,142
Rental Expenses Committed		
Leases on ALAC's premises in Wellington, Christchurch and Auckland:		
Not later than one year	380	297
Later than one year and not later than two years	345	32
Later than two years and not later than five years	316	-
Later than five years	13	-
	1,054	329
Operating Lease Commitments		
Non-cancellable lease payments for office equipment:		
Not later than one year	15	15
Later than one year and not later than two years	8	15
Later than two years and not later than five years	3	8
Later than five years	-	-
	26	38
Total Commitments	3,749	1,509

Capital Commitments

As at 30 June 2011 no capital expenditure had been committed under contractual arrangements (2010: Nil).

There were no contingent liabilities outstanding as at 30 June 2011 (2010: Nil).

Note 14: Other Operating Costs

Other operating costs include \$3,000 of fees paid to the auditors for consultancy on the Annual Report and legislative compliance.

