

Alcohol Advisory Council of New Zealand

Statement of Intent

For the year ending

30 June 2006

Prepared in accordance with sections 179, 181 and 182 of the Public Finance State Sector Management

Act:

31 MARCH 2005

CONTENTS

	Page
Opening Statement from the Chairman and Chief Executive Officer	3
Members of Council and Kaumātua Advisory Group	5
Organisation Chart	6
Alcohol Advisory Council of New Zealand	7
Statutory Body.....	7
Purpose	7
Mission	7
Vision.....	7
Relationships and Collaborative Work.....	8
Key Issues Facing ALAC in the Future	14
Outcome Statement.....	16
Business Plan Outline.....	17
Supply Control.....	17
Demand Reduction.....	18
Problem Limitation.....	19
Key Performance Indicators	21
Overarching ALAC Goal	21
ALAC KPIs for 2005/06.....	22
Output Class Structure	31
Managing Risks	32
Mission	32
Benefits to ALAC of Systematic Risk Management.....	32
Risk Management Focus	33
ALAC Finance, Audit & Risk Committee.....	33
Statement of Responsibility	34
Financial Statements.....	35
Statement of Accounting Policies, Audited Financial Statements 2004	35
Forecast Statement of Financial Performance.....	49
Forecast Statement of Financial Position.....	50
Forecast Capital Expenditure.....	51

OPENING STATEMENT FROM THE CHAIRMAN AND CHIEF EXECUTIVE OFFICER

We are pleased to present this Statement of Intent for the Alcohol Advisory Council of New Zealand.

This document describes a clear pathway, which the Council will follow over the next year. It is one which we are confident will lead New Zealand towards achieving long-term sustainable change that will reduce the harm from alcohol that continues to affect hundreds of thousands of New Zealanders, their families, whānau and communities, either directly or indirectly.

It builds on the previous year of activity during which our strategy has been broadly aired to a wide range of stakeholders and to the public. Parts of it have been debated, at times challenged, but overwhelmingly, it has been championed, complimented and strongly supported.

In many respects our pathway is defined by the line “it’s not the drinking, it’s how we’re drinking”. This line articulates our goal succinctly and acknowledges alcohol’s role in society. It has been readily embraced in dialogue and conversation across New Zealand.

The pathway we have set will lead people along a process of social change that will achieve not just an attitudinal shift, but a behavioural one, which must ultimately be our mark of success. That cultural shift will be achieved through our commitment to the broad range of strategies that must be, and are, an integral part of the process.

Strengthening our work in “supply control” strategies will remain critical, so that the policies, regulation and legislation around access to alcohol are understood, respected and implemented. “Problem limitation” strategies, where developing and delivering interventions for those most at risk of harm is so crucial will also continue, as will advocacy for sufficient and best practice treatment, where dependent patterns of drinking occur. In the “demand reduction” strand of the strategy, our work to persuade individuals and communities to *choose* better ways of drinking has only just been released externally. It is complex work where appropriate targeting to specific demographics and cultures across Aotearoa is necessary.

Achieving such significant change requires real and long-term focus, not only on the end goal, but on the agreed pathway. ALAC is committed to working to the model or strategy, but we will continue to facilitate and welcome informed debate and ideas on the *way* we go about things.

We not only value, but need, the partnerships and associations we have made with numerous government and non-government organizations and will continue to build on those. Their endorsement of and commitment to supporting our plan was critical to the levy increase Government agreed to last year that will enable this programme to achieve broader reach. We will also seek out, and welcome new relationships in the future.

This statement of intent outlines ALAC's response to a drinking culture with harms and costs that are increasingly unacceptable to New Zealand. It also represents the determination of Council and the Secretariat to challenge and change this culture.



Prof Andrew Hornblow CNZM
Chairman
31 March 2005



Dr Mike MacAvoy
Chief Executive Officer
31 March 2005

MEMBERS OF COUNCIL AND KAUMATUA ADVISORY GROUP

COUNCIL

Professor Andrew Hornblow CNZM

Chairman

Dr Ian Scott

Deputy Chairman

Dr Robert Brown

Mr Gavin McFadyen

Fuimaono Karl Pulotu-Endemann MNZM JP

Mr Trevor Shailer

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FINANCE, AUDIT & RISK COMMITTEE

Dr Ian Scott

Chairman

Professor Andrew Hornblow CNZM

Dr Gillian Tasker

Mr Neil Stiles

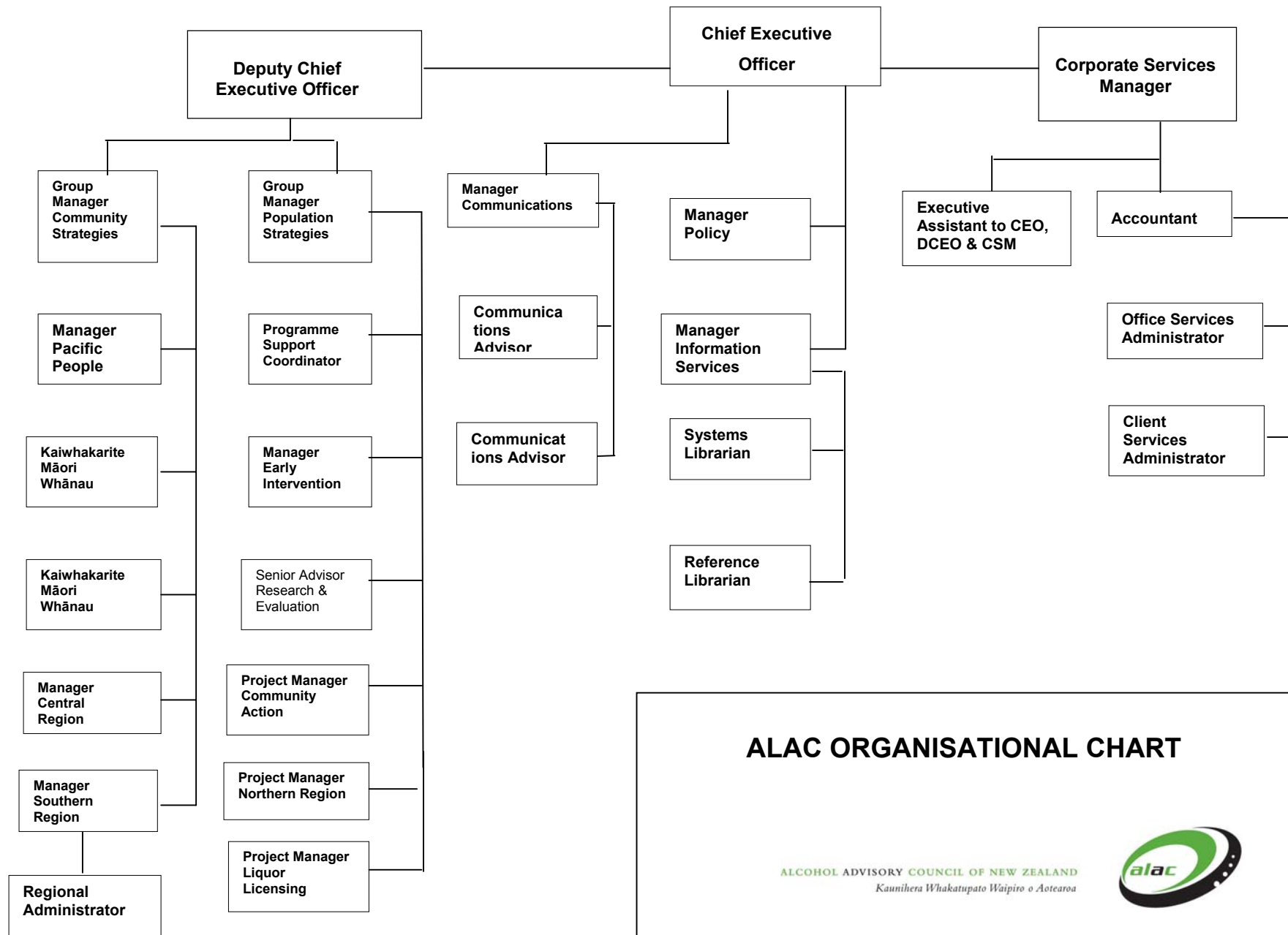
Financial Adviser

KAUMĀTUA ADVISORY GROUP

Mr Pihopa Kingi MNZM

Ms Te Whē Phillips

Mrs Nellie Rata



THE ALCOHOL ADVISORY COUNCIL OF NEW ZEALAND

STATUTORY BODY

The Alcohol Advisory Council (ALAC) is a Crown-owned entity and was established in 1976 under legislation by its original name, the Alcohol Liquor Advisory Council, following a report by the Royal Commission of Inquiry into the Sale of Liquor. The Commission recommended establishing a permanent council whose aim was to encourage responsible alcohol use and minimise misuse.

The name was formally changed when the Alcohol Advisory Council of New Zealand Amendment Act came into force in August 2000.

PURPOSE

The Alcohol Advisory Council Amendment Act 2000 states that the purpose of this Act is to:

- (a) provide for the establishment of an Alcohol Advisory Council of New Zealand having as its primary objective 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;
- (b) define the Council's functions and powers; and
- (c) make provision for the funding of the Council's activities by means of a levy on liquor imported into, or manufactured in' New Zealand.

MISSION

ALAC's mission is *More moderation less harm*, with the delivery of its programme of work intended to support the achievement of an overarching outcome whereby New Zealanders experience less harm from alcohol use, their own and others.

VISION

ALAC's vision for the future, is of a nation that experiences no alcohol-related harm; where whānau and families manage the use of alcohol in a way that ensures everyone, particularly children and young people are kept safe. A nation where people who drink do so within safe limits; where bingeing and drunken behaviour are seen as unacceptable; and where people with alcohol problems have access to the appropriate support and treatment for themselves, their families and communities. This is part of a wider view of society where community capacity is enhanced and health and wellbeing is not measured by the absence of harm but by the presence of quality of life for families and communities.

ALAC's work will be monitored to ensure our programmes make a measurable difference to New Zealanders' well being. While ALAC's focus will be on drinkers and drinking behaviour it will continue to recognise the value of abstinence as a way of reducing harm for some communities and individuals. This reflects the priorities of supply control, demand reduction and problem limitation outlined in the '*National Alcohol Strategy 2000-2003*'.

RELATIONSHIPS AND COLLABORATIVE WORK

ALAC works closely with organisations from the public health sector to non-government organisations, to government departments, Pacific health providers, Māori providers, the alcohol industry - both producers and sellers. Effective relationships, good communication and in some cases mutually beneficial partnerships are vital in achieving its goals.

Maori and Pacific Partnerships

ALAC works with a Pacific Advisory Group to ensure the Council receives appropriate advice in its dealings with the Pacific community. Council also works with a Kaumātua Advisory Group to provide cultural advice to Council and the Secretariat. The Group of three represent the areas Northland, the Central North Island and the South Island. One member of this group attends each Council meeting. Where programmes for Maori have been implemented, extensive networks have been established with Iwi and Maori providers.

Intersectoral Work

ALAC retains its strong relationships with other government agencies including the Ministry of Health, Ministry of Youth Affairs, Ministry of Justice, Land Transport New Zealand, Ministry of Education, Crime Prevention Unit and Te Puni Kōkiri. ALAC is also a member of the Inter Agency Committee on Alcohol and Drug Policy (IACDP) to which it provides advice on alcohol specific issues which subsequently are reported to the oversight Ministerial Committee.

Further, the Council manages on behalf of other government departments and many non-government organisations the use of free television and radio time and the inter-agency Urge/Whakamanawa Youth website and the Alcohol and Drug Helpline.

ALAC staff have established a network of communities who have expressed a desire to implement the Youth Access to Alcohol (YATA) project and maintains this contact through meetings, Internet communication and direct staff support. Support is also given to strategically placed Maori providers to support their work with Maori whānau to reduce alcohol-related harm.

ALAC retains a focus on improving enforcement of the provisions of the Sale of Liquor Act, which has meant close cooperation with those responsible for enforcement and with those within the alcohol and hospitality industries.

At a practical level, ALAC has begun work with the Accident Compensation Corporation to implement a successful sports club based programme from Australia to incentivise clubs to practice host responsibility. Work will continue with the Police Enhanced Intelligence project (called Alcolink by the Police) as this is implemented nationally.

Cooperative Work on the Programme To Change New Zealand's Drinking Culture

ALAC has implemented the programme to change New Zealanders' attitudes to alcohol and drinking behaviours. To ensure the programme is successful, ALAC is focused on strategies across supply control, demand control and problem limitation.

Diagram 1 following is a model of the full social marketing programme showing that by working collaboratively across the government and non-government sector, ALAC believes it will reduce alcohol-related harm. Diagram 2 outlines where ALAC is making specific contributions to the programme that will change the New Zealand drinking culture. The detail of the work programme is described in the following sections of this Statement of Intent.

Diagram 1

Social Marketing Programme To Change The Drinking Culture A Collaborative Programme Of Work

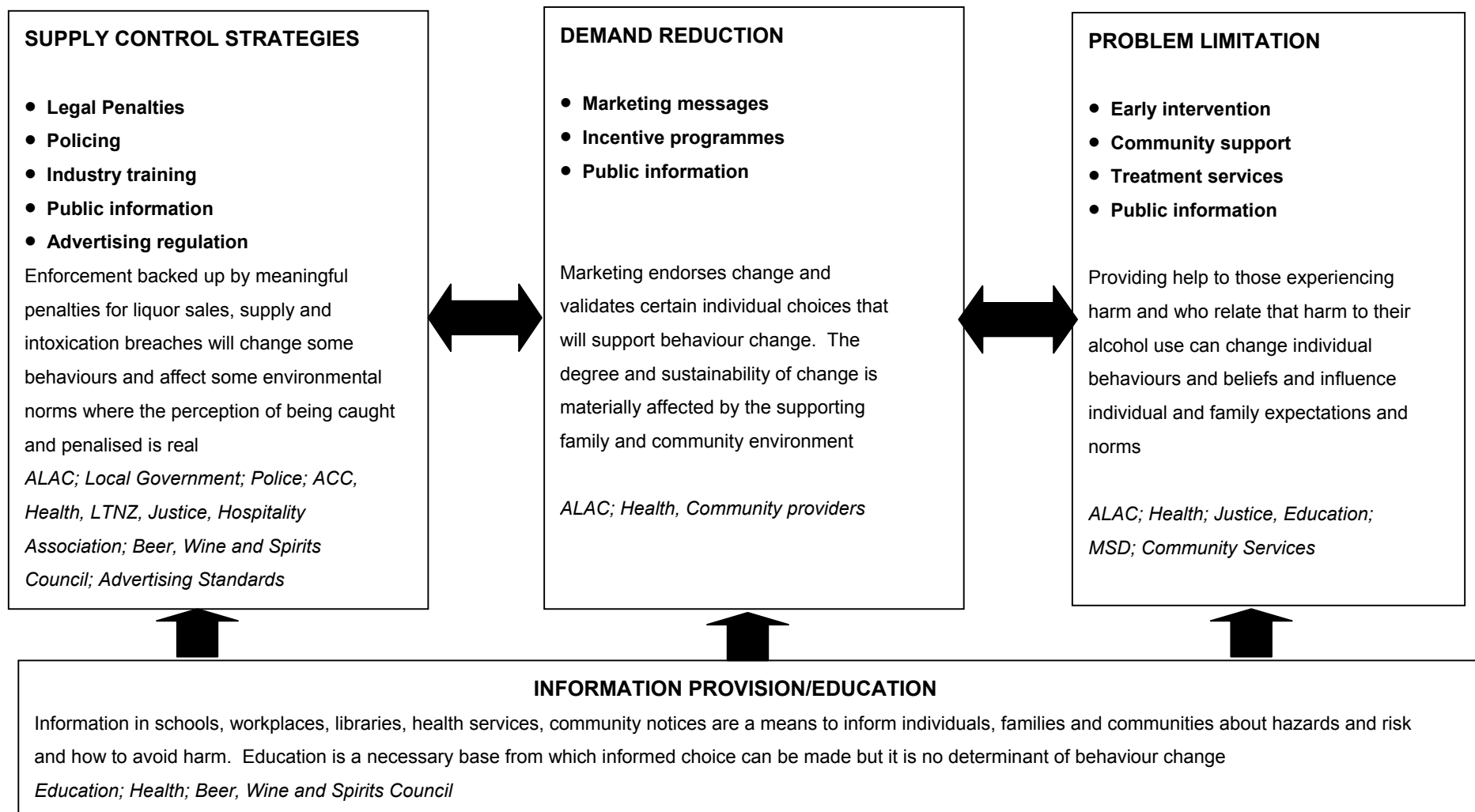
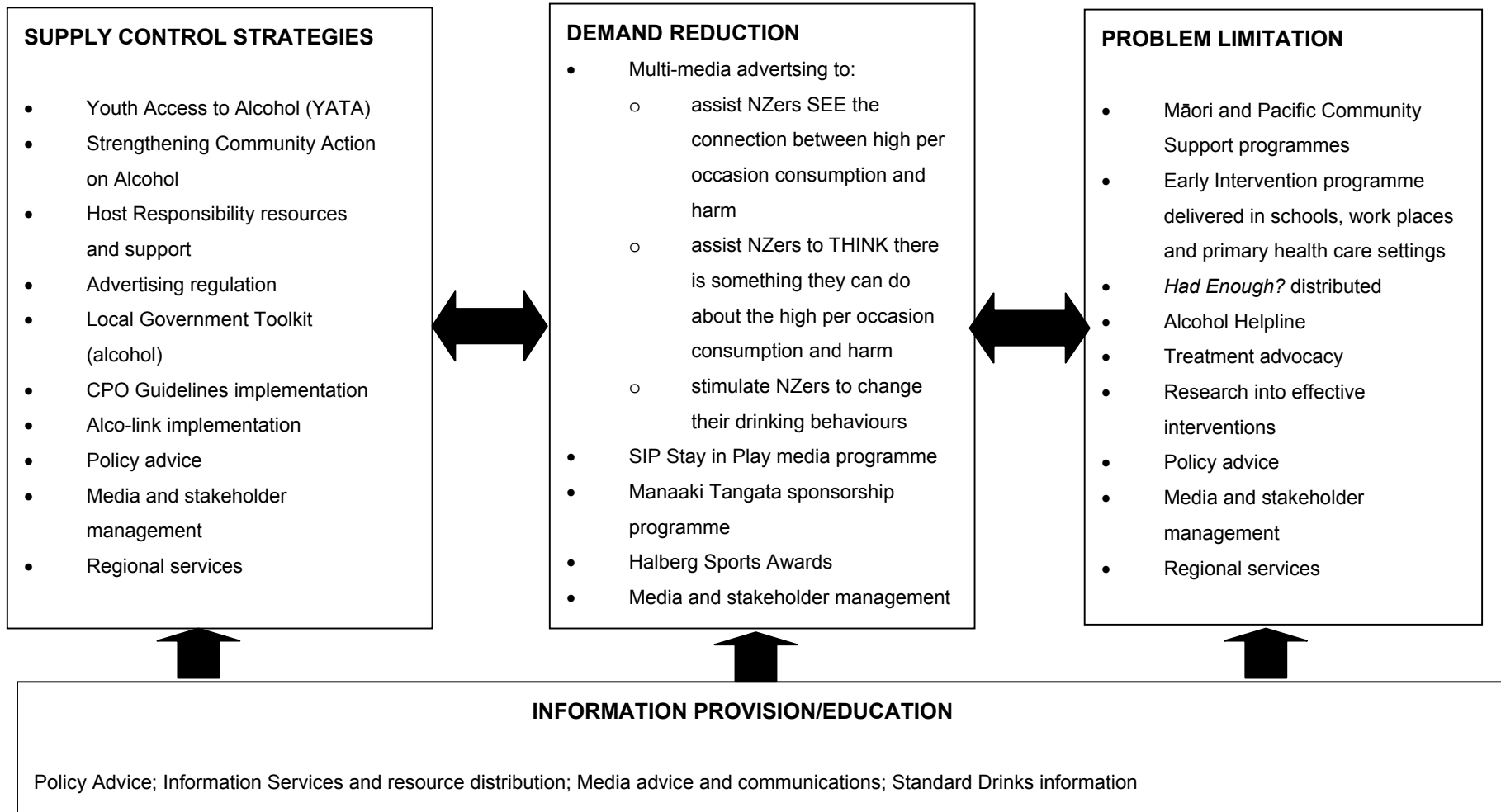


Diagram 2

ALAC Work Programme for 2005-2006



A Three Pronged Strategy

Diagram 1 previously outlines the strategy ALAC has deployed to change New Zealand's drinking culture. This is a three pronged strategy that relies heavily on the contribution of other agencies to achieve the goal of a drinking culture without harm.

Supply Control

The supply control strategies focus on achieving enforcement and compliance within the Sale of Liquor Act and play a key role in driving social change in the New Zealand drinking culture. Police, Territorial Local Authorities and Public Health Units are critical to this area of work, supported by other agencies. While enforcement alone cannot change New Zealanders' risky drinking behaviours it can reduce harm through effective enforcement and prosecutions in respect of sale and supply to minors and in the serving of intoxicated persons.

Problem Limitation

Problem limitation strategies reduce alcohol-related harm by providing support and assistance programmes to help dependent and hazardous drinkers reduce or stop their drinking. These strategies, led primarily through the Ministry of Health, also play a key role in driving social change in the New Zealand drinking culture, by addressing the potential for chronic harm.

Demand Reduction

ALAC believes that a strategic gap has existed around demand reduction in that New Zealanders accept risky drinking as normal behaviour and do not associate this behaviour with the resulting acute harms suffered by themselves and others.

ALAC research confirms that the New Zealand population sees itself as part of a culture that tolerates intoxication therefore they accept risky per occasion drinking as a social norm for New Zealand. Marketing plays a key role in challenging existing attitudes, beliefs and behaviours and when complemented by appropriate programmes and interventions in the community, will lead to sustained behaviour change and long-term harm reduction. It has the ability to achieve a broad reach particularly to those whose behaviour will not be altered by supply control strategies, or whose behaviour does not warrant problem limitation interventions. Marketing by itself will not create the changed behaviour but can add value to the range of other strategies by creating the environment from which leverage can be gained for supporting strategies. There is currently no specific strategy targeting risky per occasion drinking.

Therefore, ALAC has started a marketing programme, the goal of which is to decrease the number of standard drinks consumed per occasion.

The first stage of this long-term programme is to enable New Zealanders to see that risky per occasion consumption causes harm.

The marketing programme to change culture, as outlined, is designed in a step-wise framework initially focusing on the spread of information by means of mass media channels, as a way of introducing

change to the community and to specific groups where appropriate. The first strategy will address the national attitude; the second strategy will address the drinking behaviours. Both can be measured to demonstrate progress towards the goal of reducing alcohol-related harm.

Although every drinking occasion that leads to intoxication does not result in harm, the probability of harm rises with each risky drinking occasion and the number of drinks consumed on those occasions.

KEY ISSUES FACING ALAC IN THE FUTURE

There are a number of emerging issues that ALAC needs to focus on. These include:

1. A positive economic environment where people have more disposable income will impact on drinking choices, especially quantity.
2. The growing population of young Maori and Pacific people, especially in urban centres, will require targeted interventions that the current levy may be insufficient to address adequately.
3. The de-regulated environment where local councils and territorial authorities largely control the allocation and management of liquor licenses in their areas and operate independently of central government restrict the ability of ALAC to influence matters of outlet density and opening hours.
4. Whether government institute a regulated advertising management regime or continues with the current self-regulatory system, improvements need to be instituted to ensure either approach is an effective contributor to a moderate drinking culture.
5. The growing Asian youth population will require targeted interventions in the near future, especially in Auckland.

The above issues are outside ALAC direct control, but will continue to be monitored and included in long-term planning.

The following issues form part of ALAC's risk strategy, which are being addressed as part of our core business.

1. The marketing programme is to be delivered in three stages, but stage one "SEE" must be maintained as the subsequent "THINK" and "ACT" stages are implemented. The levy may not be sufficient to sustain this investment.
2. Police currently have alcohol as a key priority area and this will increase the focus they put on Sale of Liquor Act enforcement matters. Should that priority change, this will impact significantly on progress on changing the drinking culture. The continued support from ACC, Ministries of Justice, Health and Education is also important to achieving the long-term objectives of ALAC's work programme.
3. Some stakeholders and public will continue to perceive that ALAC's work comprises primarily the marketing activity and believe that this is a costly and possibly ineffective use of funds. This misconception will need to be constantly mitigated through continued emphasis on all the ALAC programmes.

4. The marketing part of the whole work programme needs to allow for the potential of “message clutter” with some target audiences being bombarded with a number of health issues at one time.

OUTCOME STATEMENT

An outcome statement has been developed to describe what the sum total of ALAC's work over four to five years is designed to achieve, recognising that achievement of the outcome will be the result of more than ALAC's work. This statement builds on the mission statement expressed in the strategic plan – *More moderation, less harm*. The statement describes the situation ALAC wishes to see as a result of not only its work programme but also the collaborative and supportive efforts of other organisations. The desired outcome is:

**New Zealanders¹ experience less harm from alcohol use,
their own and others**

It is measurable and over time, achievable and fits well with the statutory mandate and the Council set strategic plan to 2007.

ALAC has structured its business plan around a well established health model, focusing its efforts on:

- Supply Control
- Demand Reduction
- Problem Limitation

Each of these strategic areas have projects that contribute to the achievement of a range of outcomes that in turn contribute to achieving the overall outcome whereby *New Zealanders experience less harm from alcohol use their own and others*.

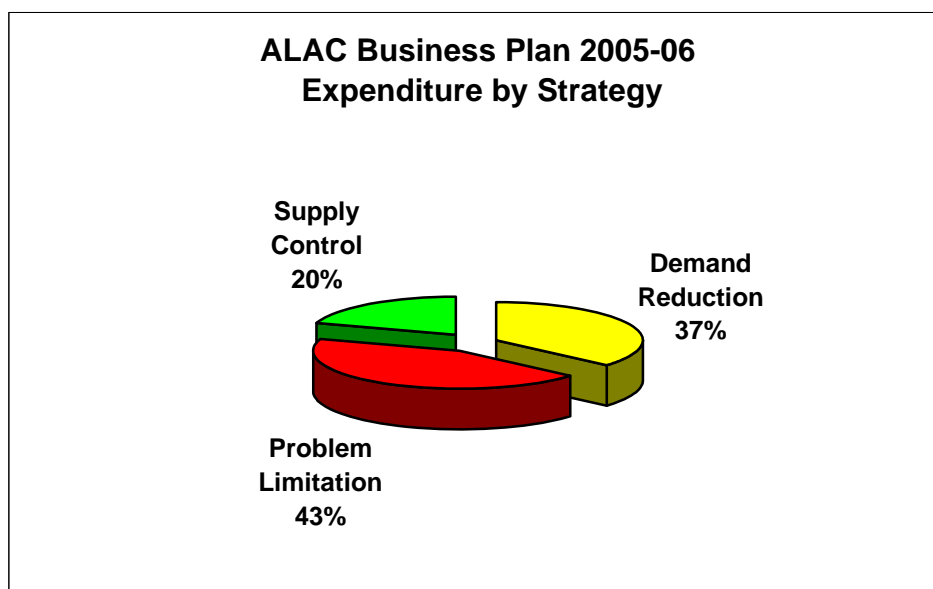
¹ New Zealanders is inclusive of tangata whenua, citizens and non-citizen residents.

BUSINESS PLAN OUTLINE

ALAC's levy expenditure is divided into six outputs and each of these outputs fund projects across the supply control, demand reduction and problem limitation strategies

The Business Plan provides for expenditure in these strategies as follows:

	2005/06	2004/05
	\$	\$
Supply Control	2,415,859	2,008,947
Problem Limitation	5,152,820	5,210,554
Demand Reduction	4,422,173	4,529,048
Total Investment	11,990,853	11,748,549



SUPPLY CONTROL

The supply control range of strategies focus on achieving enforcement and compliance with the Sale of Liquor Act outcomes. While enforcement alone cannot change New Zealanders' risky drinking behaviours, it can reduce harm through effective enforcement and prosecutions in respect of sale and supply to minors and in the serving of intoxicated persons. The strategy also reduces harm through assisting licence holders and their staff to be aware of the provisions of the Sale of Liquor Act and supporting them with the information and training needed to assist them comply with the relevant provisions of that Act, particularly sale to minors and sale to intoxicated persons. Additionally, if licence holders comply with the law then they will, to a degree, influence the environment of drinking and supply of alcohol in New Zealand.

Supply control strategies play a key role in driving social change in the New Zealand drinking culture. Police, Territorial Local Authorities and Public Health Units lead this area of work supported by other agencies.

The table below lists the projects that support the supply control area of work.

Project	Description	Key Elements	05/06 \$
301	Community Action Initiatives	YATA Communities supported. Strengthening Community Action on Alcohol Workshops.	774,233
401	Improve Sale of Liquor Act	SoL Policy and Practice. Working Together Conference. IPRU Research Project.	537,412
403	Host Responsibility	Resources and support for DLAs.	203,417
601	Policy Advice	Local Government and RMA issues.	78,575
602	Information Services	Website management, IT support and information sourcing and provision, internal and external.	340,557
603	Communications	Media and stakeholder management	183,552
604/5/6	Regional Services	Community liaison. Local Government and Police local liaison.	298,113
	Investment		2,415,859

DEMAND REDUCTION

The demand reduction strategies focus on changing the choices people make when they drink or the way they drink. Supply control strategies can influence culture and, when effectively delivered, contribute to reducing alcohol-related harm. However, they do not address the tolerance of and in some cases the desire for intoxication that New Zealanders demonstrate in their drinking patterns². Intoxication leads to acute harms including, but not limited to, road crash injuries, falls, drowning, poisoning, assault, self-inflicted injury and fetal alcohol syndrome³ and New Zealanders overall are not associating their drinking patterns with the harms that accrue to themselves, their families and their communities.

Marketing plays a key role in supporting and developing attitudes, beliefs and behaviours that if supported by appropriate programmes and interventions in the community, will lead to sustained behaviour change and long-term harm reduction. It has the ability to achieve a broad reach particularly to those whose behaviour will not be altered by supply control strategies, or whose behaviour does not warrant problem limitation interventions. Marketing by itself will not change behaviour, but when added to the supply control and problem limitation strategies provide the leverage that secure behaviour changes.

ALAC acknowledges that some demand reduction strategies are currently undertaken through Ministry of Education and at a local level through Public Health Units.

² McMillen P, Kalafatelis E & de Bonnaire C (2004), *The Way We Drink* BRC Marketing & Social Research

³ Rhem J, Room R, Monteiro M, Gmef G, Graham K, Rehn N, Sempos C & Jerginan D (2003) Alcohol as a Risk Factor for the Global Burden of Disease *European Addiction Research* 2003 (9) 157-164

The table below lists the projects that support the demand reduction area of work.

Project	Description	Key Elements	05/06 \$
108	Manaaki Tangata	Community sponsorship programme to support safe use of alcohol at events	203,775
109	SIP Mahia te Mahi	Radio based programme to change drinking behaviours	394,320
209	SIP Pacific People	Radio based programme to change drinking behaviours	185,967
304	Urge/Whakamanawa Web site	Web-site joint venture with the Ministry of Health	69,544
402	Marketing	Campaign design and resources production	3,122,548
404	Standard Drinks Labelling	Resources and advertising	183,893
601	Policy Advice	IACDP/MCDP policy advice Alcohol Advertising	78,575
603	Communications	Media and stakeholder management	183,552
	Investment		4,422,173

PROBLEM LIMITATION

The problem limitation strategies focus on support and assistance programmes to help dependent and hazardous drinkers reduce or stop their drinking and therefore reduce harm. These strategies also play a key role in driving social change in the New Zealand drinking culture by addressing the potential for chronic harm. As peoples' attention is drawn to the harms accruing from the misuse of alcohol they will seek assistance. Programmes and providers must be able to respond to that need in a timely way for sustained change by the individual to be achieved. As individuals change for the better, they influence their communities' attitudes and behaviours.

ALAC recognises the need for continued work in problem limitation strategies. This work is led primarily through Ministry of Health and District Health Boards. ALAC's contribution includes:

Project	Description	Key Elements	05/06 \$
102	Taumata Kaumātua Wānanga	Leadership development to address alcohol harm.	296,614
103	Ngā Manga Puriri contract	Provider contract to train community workers and support those working to Maori whānau (Tai Tokerau).	101,640
104	Ngā Tahi Ra contract	Provider contract to work with young people to reduce alcohol harm (Auckland).	89,320
105	He Oranga Pounamu contract	Provider contract to train community workers and support those working with Maori whānau (South Island).	116,960
107	Community Workforce Training Grants	Fees support for accredited courses.	80,440

Project	Description	Key Elements	05/06 \$
113	Cultural Competencies	Identify good practice for alcohol and drug services for Maori by Maori practitioners.	131,919
114	Kaumātua Secretariat	Kaupapa Maori advice to the field and to ALAC.	71,960
201	Pacific Spirit	The fifth biennial Pacific Spirit Conference.	134,961
202	Pacific Resource Development	Resources produced and training provided.	216,896
203	Pacific Workforce Development	Provider contract to support health workforce identify and address alcohol harm among Pacific fanau.	155,351
204	Pacific Community Profile	Harm minimisation practices.	105,187
205	HRC Joint Venture Evaluation	Develop implement and evaluate an alcohol intervention programme among Pacific People.	171,095
206	Identifying Treatment Interventions	Identify appropriate treatment interventions for Pacific People.	122,190
208	Pacific Training Grants	Fees support for accredited courses.	15,548
210	Pacific Reference Group	An advisory body to ALAC.	62,643
305	Monitor and Identify Effective Interventions for Young People	Research into improving treatment outcomes for young people.	231,656
501	Early Intervention Resources	DrinkCheck resources and training. Workplace Guidelines.	561,193
502	Had Enough? Campaign	Maintain current programme.	483,665
503	Alcohol Helpline	Contract is continued.	377,622
506	Advocate for Services for Young People	EI and Treatment resource developed.	85,080
601	Policy Advice	Advice on treatment access and options.	78,575
602	Information Services	Web-site management, IT support and information sourcing and provision, internal and external.	340,557
603	Communications	Media and stakeholder management.	183,552
604/5/6	Regional Services	Treatment services and alcohol and drug worker liaison.	298,113
607	Conferences and Travel Grants	Grants to support overseas conference attendance for alcohol workers.	54,086
608	Treatment Advocacy Services	Cutting Edge, treatment focused conference, Treatment Forum, Advocacy group for better treatment options. Workshops and regional initiatives.	202,615
609	FAS Intervention	Raise awareness of the potential harms incurred by drinking alcohol during pregnancy.	173,605
612	Research	Mental Health Epidemiology Study. Burden and Cost of Alcohol studies.	209,778
	Investment		5,152,820

KEY PERFORMANCE INDICATORS

The means by which ALAC will evaluate progress toward reducing alcohol-related harm across the three areas of operation is complex, measured in part by proxy indicator, by direct programme evaluation and by tracking population changes over time.

The measures identified in the table below are those that ALAC believes can best measure its harm reduction achievements across government. It should be noted that other agencies also make significant contributions, particularly in the policy area of supply control and by the Ministry of Health through the District Health Boards in the area of problem limitation. The strategies will contribute to the goals of the National Alcohol Strategy.

The link between risky drinking and intoxication and social and health harms is well established. ALAC will monitor New Zealanders' attitudes and beliefs about alcohol along with New Zealanders' drinking behaviours and measure harm reduction by those proxy indicators. The business plan programme also has a number of project specific measures and those materials in terms of size of investment are detailed below. ALAC will use these as evidence of its contribution to the over-arching goal of reduced harm from alcohol misuse.

OVERARCHING ALAC GOAL

ALAC's goal is:

New Zealanders experience less harm from alcohol use, their own and others

ALAC has identified that the greatest harm occurs from those drinking patterns where people are intoxicated or drunk and that New Zealand has a culture that accepts this behaviour as a social norm. It has therefore established that the most effective strategy to achieve the stated goal is to change that social norm or drinking culture. The overall goal of the programme to change the drinking culture is:

To enable New Zealanders to drink in a way that shows it is never ok to get drunk.

ALAC KPIS FOR 2005/06

ALAC Outcome Sought	KPI	Output	Measure	NAS Strategy	Timeframe
Ministers are supported with evidence based information and advice and the public are informed on alcohol and harm reduction issues for New Zealand	1	<ol style="list-style-type: none"> 1. Providing Minister with evidence informed advice as required. 2. Providing evidence informed advice proactively and as required to international, intersectoral and non-government fora. 3. Oversight of international development in alcohol related policy, practice and research. 4. Provision of up to date information for public on alcohol related policy, practice and research. 	<ol style="list-style-type: none"> a) The Minister's satisfaction with ALAC's policy advice is rated very good or above in twice yearly survey b) Survey demonstrates that when prompted, 65% of New Zealanders recall receipt of information on alcohol from ALAC c) 90% of the membership of the IACD when surveyed rate ALAC advice as good or excellent d) ALAC's website maintains a minimum 650,000 visits per year e) At least 250 reference and resource requests per month are completed f) At least two submissions or briefings have been made to central or local government g) Quarterly reports to Council 	Supply Control Problem Limitation Demand Reduction	Dec 2005 Jun 2006 Jun 2006 Jun 2006 Jun 2006 Jun 2006

ALAC Outcome Sought	KPI	Output	Measure	NAS Strategy	Timeframe
Communities are supported to reduce alcohol-related harm	2	<ol style="list-style-type: none"> 1. Regional managers identify suitable communities for support. 2. Advice and programme developed in consultation with selected communities 3. Appropriate funding and advice given 	<ol style="list-style-type: none"> a) ALAC has provided local level funding and advice to at least 3 community initiated projects designed to reduce alcohol related harm b) Report to Council from each ALAC region outlining support given and evaluating impact in the community. 	Supply Control Problem Limitation Demand Reduction	Mar 2006
	3	<ol style="list-style-type: none"> 1. Communities are identified and supported to implement strategies to reduce alcohol supply to minors 2. Evaluation material collected to monitor effect of local YATA programme 3. Database containing information from monitoring of YATA communities available for use by communities 4. External monitoring report completed and feedback given to Council 	<ol style="list-style-type: none"> a) Continued support is provided for both existing YATA communities and new ones. b) At least 70% of YATA communities are collecting 3 out of 4 evaluation measures to monitor the effect of YATA programmes within their own community c) An external evaluation of the YATA programme has been undertaken and the results reported to Council 	Supply Control	Dec 2005 Mar 2006 Jun 2006

ALAC Outcome Sought	KPI	Output	Measure	NAS Strategy	Timeframe
	6	1. Regional workshops supported.	Two regional workshops have been held for representatives of Hospitality Industry, District Licensing Agencies, Public Health and Police at the Conference on Sale of Liquor Act compliance issues.	Supply Control	Apr 2006
The drinking culture of New Zealand changes so that moderation is the accepted norm	7	<ol style="list-style-type: none"> 1. Monitoring and evaluation of the “see” stage of the marketing strategy completed. 2. Provide quarterly reports to the Minister and IACD. 	<ol style="list-style-type: none"> a) The marketing strategy to raise awareness of the risks in New Zealand’s drinking culture achieves not less than 70% prompted awareness (ALAC) Survey b) Reports provided to Minister, MoH and IACD on: <ul style="list-style-type: none"> • The progress on the degree to which target audiences see the relationship between high per occasion consumption and acute alcohol harms. 	Demand Reduction	<p>Jun 2006</p> <p>Oct 2005</p> <p>Jan 2006</p>

ALAC Outcome Sought	KPI	Output	Measure	NAS Strategy	Timeframe
	7 cont'd		<ul style="list-style-type: none"> • Progress on the degree to which target audiences believe the relationship between high per occasion consumption and acute alcohol harm requires some action from them. • Development of the media plan for continuation of SEE stage messages through appropriate media channels based on the evaluation of previous year. • Impact of marketing programme including specific analysis of the impact of the SEE stage for Maori and Pacific audiences. 	Demand Reduction	<p>Apr 2006 Jun 2006</p> <p>Sep 2005</p> <p>Oct 2005 Jun 2006</p>

ALAC Outcome Sought	KPI	Output	Measure	NAS Strategy	Timeframe
	7 cont'd		<ul style="list-style-type: none"> • Development of the THINK stage advertising to be initiated when monitoring indicates that 75% of the target audiences, including Maori and Pacific audiences, are aware of the link between intoxication and harm. <p>c) Reports provided quarterly and as requested.</p>	Demand Reduction	Feb 2006
Young people change positively their drinking behaviours	8	1. Evaluation of the SIP Stay in Play programme.	<p>a) Evaluations of the SIP Stay in Play programme show:</p> <ul style="list-style-type: none"> • Survey shows that changed drinking behaviours in at least 20% of MaiFM listeners are maintained or increased. • At least 60% of MaiFM listeners can identify 3 positive effects of moderation and 5 negative consequences of binge drinking. 	Demand Reduction	Jun 2006

ALAC Outcome Sought	KPI	Output	Measure	NAS Strategy	Timeframe
Licensees comply with the Sale of Liquor Act	9	<ol style="list-style-type: none"> 1. A new host responsibility resource is developed, produced and delivered. 2. The new host responsibility framework is included in training materials for licensees and hospitality industry workers. 	<ol style="list-style-type: none"> a) At least one new Host Responsibility resource has been developed and delivered through monitoring agencies. b) The new Host Responsibility resource is incorporated in training resources available for licensees and hospitality industry workers. 	Supply Control	<p>Jun 2006</p> <p>May 2006</p>
Young people access information on alcohol	10	<ol style="list-style-type: none"> 1. A new resource on alcohol for young people is developed, produced and delivered. 	At least 1 new resource for young people has been developed and delivered.	Demand Reduction	Mar 2006
Communities work to support a change in drinking behaviours at events at the local and national level	11	<ol style="list-style-type: none"> 1. Maori community organisations are supported with Manaaki Tangata sponsorship. 	Of 35 community organisations, 90% report safe use practices were in place at the event.	Demand Reduction	Quarterly

ALAC Outcome Sought	KPI	Output	Measure	NAS Strategy	Timeframe
Individuals and families receive early intervention to reduce the incidence of problematic drinking	12	<ol style="list-style-type: none"> 1. Early intervention tools developed, produced and delivered. 2. Training courses held. 3. Early intervention tool specific to either Māori or Pacific developed, produced and delivered. 	<ol style="list-style-type: none"> a) Early intervention tools are being utilised by at least one more large workplace for example, Air NZ. b) Training in early intervention provided for 100 providers of services to young people, i.e., primary care or educational. c) At least one Māori or Pacific Early Intervention resource developed delivered through appropriate agencies. 	Problem Limitation	<p>Quarterly</p> <p>Jun 2006</p> <p>Jun 2006</p>
	13	<ol style="list-style-type: none"> 1. Self help resource developed, published and disseminated. 	A Had enough? self-help resource for parents of teenage hazardous drinkers/drug users is produced and 200 copies distributed through appropriate services.	Problem Limitation	Jun 2006
Individuals and families receive early intervention to reduce the incidence of problematic drinking	14	<ol style="list-style-type: none"> 1. Alcohol Helpline supported through specific funding. 	<ol style="list-style-type: none"> a) The Alcohol Helpline provides at least 800 brief interventions to callers through telephone counselling and/or distribution of Had Enough? resources. b) The Alcohol Helpline maintains or increases call numbers at 12,500 calls per annum. 	Problem Limitation	<p>Quarterly</p> <p>Quarterly</p>

ALAC Outcome Sought	KPI	Output	Measure	NAS Strategy	Timeframe
Maori and Pacific providers are supported to work with communities to reduce alcohol related harm	15	<ol style="list-style-type: none"> 1. Training providers are contracted to support and train their local Maori and Pacific community workforce. 2. Taumata (leadership groups) are established in at least 4 rohe to support Maori providers to reduce alcohol related harm for Maori whānau. 	<ol style="list-style-type: none"> a) 4 providers are contracted. b) 4 Taumata (leadership group) is established. 	Problem Limitation	Quarterly
People have access to appropriate treatments	16	<ol style="list-style-type: none"> 1. Treatment advice/advocacy is provided DHBs, Ministers and the Ministry of Health 2. Quarterly reports are prepared against agreed work plan. 3. Evaluation report on the “High on Life” programme for young people. 	<ol style="list-style-type: none"> a) At least three quarterly reports have been received from the Mental Health Commission on the outcomes of the joint alcohol and drug treatment advice/advocacy project. b) An evaluation report measuring the outcome of the “High on Life” programme for young people has been received. 	Problem Limitation	<p>Jul 2005 Feb 2006 Apr 2006</p> <p>Jun 2006</p>

OUTPUT CLASS STRUCTURE

ALAC's expenditure is divided into six Output Classes.

The Business Plan, 2005 – 2006, provides for expenditure in these Output Classes as follows:

Output Class Expenditure		2005-2006
		\$
1	Maori Whānau	1,486,948
2	Pacific People	1,169,839
3	Young People	1,075,432
4	Supply and Provision	4,047,270
5	Early Intervention	1,507,560
6	Advice Information and Advocacy	<u>2,703,804</u>
	Total Output Class Expenditure	<u>11,990,853</u>

Comparative annual expenditure figures are detailed below.

Output Class	Actual 2004	Forecast 2005	Budget 2006	Forecast 2007	Forecast 2008
	\$	\$	\$	\$	\$
1	1,608,231	1,498,718	1,486,948	1,485,000	1,574,000
2	650,313	902,466	1,169,839	1,165,000	1,200,000
3	1,362,742	1,381,129	1,075,432	1,075,000	1,185,000
4	640,805	3,494,511	4,047,270	4,050,000	4,205,000
5	1,396,601	1,576,981	1,507,560	1,507,000	1,600,000
6	2,819,045	2,758,249	2,703,804	2,700,000	2,545,000
Total Output Class Expenditure	8,477,737	11,612,054	11,990,853	11,982,000	12,309,000

MANAGING RISKS

MISSION

A proactive risk management culture that is not practiced in isolation, which focuses not only on threats but also opportunities.

To encourage all personnel to think risk, be aware of uncertainty and use techniques to assess and manage potential threats and opportunities.

To build risk thinking into the organisational culture by:

- Ensuring continued commitment of senior management.
- Use audit and review techniques to keep application of risk management techniques at the required quality and standards.
- Take full advantage of the competitive edge that results from proactive management of uncertainty, including both risks and opportunities.
- Extend risk management beyond the usual applications, pioneering its use in all areas of the business.
- Continually invest in improving the risk process, tools, techniques and personnel skills.
- Continue to involve stakeholders in the risk process.

The management of both risks and opportunities is critical to ALAC's core services and the achievement of key deliverables under the business plan.

ALAC staff will need to think beyond boundaries if they are to do their jobs with flair and innovation.

Innovation entails risk, but over-control constrains innovation. It is a fine balancing act for ALAC to take opportunities, while retaining credibility and the trust of both government and citizens.

BENEFITS TO ALAC OF SYSTEMATIC RISK MANAGEMENT

- Continual improvement in decision making
- Informed risk avoidance and risk acceptance
- Maximisation of opportunities
- Mitigation of threats
- Productivity and efficiency
- Profitability
- Sound corporate governance

The manner in which risks will be managed is inherent in the interventions related to the outcomes and investment within ALAC over the coming year.

- The interventions on values and standards are specifically intended to improve the integrity and effectiveness of public servants.
- The performance management approach that reinforces the link between Chief Executive and ALAC's performance is intended, over time, to lessen the risk of performance failure

- through leadership, management systems, information and early warning systems.
- Improved collaboration and collective responsibility to deal with complex and demanding issues to improve overall performance is a major aspect of ALAC's strategic plan.

RISK MANAGEMENT FOCUS

While implementing the strategic direction and outputs set out in the 2002-2005 Strategic Plan, ALAC identifies and analyses its business and operational risks and develops appropriate risk management strategies for managing these risks.

The risk management focus covers:

- Risk identification
- Qualitative risk analysis
- Quantitative risk analysis
- Risk response planning
- Risk monitoring and control
- Risk reaction

ALAC FINANCE, AUDIT AND RISK COMMITTEE

The Committee comprises three members of the ALAC Council, the Chief Executive Officer and the Manager Corporate Services and an independent financial advisor appointed by Council.

The Committee holds the view that to be most effective, risk management should become part of ALAC's culture. It should be integrated into ALAC's philosophy, practices and business plans rather than viewed as a separate programme. When this is achieved, risk management becomes the business of everyone in ALAC.

Additionally the Committee is of the view that risk management is a continual process that provides a disciplined environment for proactive decision making to:

- Continually assess what can go wrong, risk identification
- Determine which risks are important to address, risk analysis
- Define and implement strategies and plans to deal with those risks, risk response planning

To this end the Committee has developed a risk management framework, including the monitoring and reporting of risks.

The Committee's focus covers but is not limited to the following issues:

Environmental, Human Resources, Change, Ethics and Probity, Reputation, Business Interruption, Fraud, Investment, Contracts, Information Technology, Professional Advice, Communication and Publicity.

STATEMENT OF RESPONSIBILITY

In terms of section 42(2)(b) of the Public Finance Act 1989, for the year ended 30 June 2003 and the forecast financial statements for the years ended 30 June 2004, 2005 and 2006 the Council and Management of the Alcohol Advisory Council of New Zealand were responsible for:

- the preparation of the financial statements and the judgements used herein.
- 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.

The financial performance forecast to be achieved by the Council for the years ended 30 June 2004, 2005 and 2006, as specified in the business plan is agreed with the Minister of Health.

In the opinion of the Council and Management of the Alcohol Advisory Council of New Zealand, the financial information contained in the Statement of Intent is consistent with the Alcohol Advisory Council of New Zealand 2004 audited financial statements and the business plan for years ending 30 June 2005, 2006 and 2007.



Prof Andrew Hornblow CNZM

Chairman

31 March 2005



Dr Mike MacAvoy

Chief Executive Officer

31 March 2005

ALCOHOL ADVISORY COUNCIL OF NEW ZEALAND

STATEMENT OF ACCOUNTING POLICIES FOR THE YEAR ENDED 30 JUNE 2004

REPORTING ENTITY

The Alcohol Advisory Council of New Zealand (ALAC) was established by the Alcohol Advisory Council Act 1976 and reports to the Minister of Health. As from 1 July 1992 ALAC, was deemed to be a Crown Entity under the Public Finance Act 1989.

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.

To achieve this objective, ALAC provides funding and advice in the three areas of health promotion, treatment and research.

STATUTORY BASIS

These financial statements are prepared pursuant to Section 41 of the Public Finance Act 1989 and Section 38 of the Alcohol Advisory Council Act 1976.

MEASUREMENT SYSTEM

The general accounting principles recognised as appropriate for the measurement and reporting of income and expenditure and financial position on an historical basis are followed.

ACCOUNTING POLICIES

The following accounting policies, which materially affect the measurement of financial performance, financial position and cash flows, have been applied:

1. Budget Figures

The budget is that approved by the Council and the Minister at the beginning of the financial year.

The budget figures have been prepared in accordance with generally accepted accounting practice and are consistent with the accounting policies adopted by the Council for the preparation of the financial statements.

2. Revenue Recognition

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.

3. Property, Plant and Equipment

Property, Plant and Equipment are capitalised and recorded at cost less depreciation.

4. Depreciation

Property, Plant and Equipment, other than artwork, are depreciated on a straight line basis over their useful life. The useful lives and associated depreciation rates used in the preparation of these financial statements are 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%
Films and Videos	5 years	20%

The cost of leasehold improvements is capitalised and depreciated over the unexpired period of the lease or the estimated remaining useful life of the improvements, whichever is shorter.

5. Receivables

Accounts receivable are stated at their expected realisable value after providing for doubtful and uncollectable debts.

6. Investments

Investments are stated at the lower of cost and net realisable value.

7. Employee Entitlements

Provision is made in respect of ALAC's liability for annual leave and long service leave, which has been calculated at a nominal value on an actual entitlement basis at current rates of pay.

8. Taxation

a) Income Tax

ALAC is exempt from the payment of income tax in terms of the Alcohol Advisory Council Act 1976.

b) Fringe Benefit Tax

FBT is payable on all fringe benefits.

c) Goods and Services Tax

These financial statements are prepared on a GST exclusive basis except for accounts payable and accounts receivable, which are GST inclusive.

9. Operating Leases

Operating lease payments, where the lessor effectively retains substantially all the risks and benefits of ownership of the leased items, are recognised on a systematic basis over the period of the lease.

10. Financial Instruments

ALAC is party to financial instruments as part of its normal operations. These financial instruments include bank accounts, short-term deposits, debtors and creditors. All financial instruments are recognised in the Statement of Financial Position and all revenues and expenses in relation to financial instruments are recognised in the Statement of Financial Performance.

There are no financial instruments that expose ALAC to foreign exchange risk or off balance sheet risks.

All financial instruments, including bank accounts, short-term deposits, accounts receivable and accounts payable are disclosed at their estimated fair value.

11. Statement of Cash Flows

“Cash” means cash balances on hand, held in bank accounts, demand deposits and other highly liquid investments in which ALAC invests as part of its day-to-day cash management.

“Operating Activities” include all activities other than investing and financing activities. The cash inflows include all receipts from the sale of goods and services and other sources of revenue that support ALAC’s operating activities. Cash outflows include payments made to employees and suppliers and for taxes.

“Investing Activities” are those activities relating to the acquisition and disposal of Property, Plant and Equipment.

12. Grants and Funding

Contract commitments are recorded on a monthly basis.

Specific allocations against future years' revenue are recorded in the Statement of Commitments.

Funds are sometimes paid by instalments to meet the cash flow requirements of the programme as determined by the funding agreement.

13. Cost of Service Statements

The Cost of Service Statements, as reported in the Statement of Service Performance, report the net cost of services for the outputs of ALAC and are represented by the costs of providing the output.

Cost Allocation:

ALAC has derived the net cost of service for each output using the cost allocation system outlined below.

Cost Allocation Policy:

Direct costs are charged directly to outputs wherever possible. Overheads are allocated to outputs on the basis of budgeted time recording.

Criteria for Direct Costs and Overheads:

"Direct costs" are those costs directly attributable to an output.

"Overheads" are those costs that cannot be identified in an economically feasible manner with a specific output.

For the year ended 30 June 2004 overheads accounted for 30.5% of ALAC's total costs (2003 29.5%).

14. Comparatives

To ensure consistency with the current period, comparatives have been restated where appropriate, for presentation purposes.

Changes in Accounting Policies

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