Health Promotion Agency | Te Hiringa Hauora

# *Statement of Performance Expectations*

*2019/20*

health promotion agency
TE HIRINGA HAUORA

health promotion agency
TE HIRINGA HAUORA

PO Box 2142
Wellington 6140
New Zealand
**hpa.org.nz**

June 2019

NZBN 9429041905333

# Contents

# Foreword

I am pleased to present the Health Promotion Agency/ Te Hiringa Hauora's (HPA) Statement of Performance Expectations for 2019/20. HPA's strategic intentions and direction to 2021 are outlined in the Statement of Intent 2017–2021. In this, the annual document, the activities for the 2019/20 year are outlined and the measures by which performance will be measured.

This is my first SPE as chair of HPA and I would like to acknowledge not only the past Chair and the previous board but also the excellent work of the agency in inspiring all New Zealanders to lead healthier lives.

However, I am ambitious for how we can have a greater impact on the health and wellbeing of New Zealanders. I know this is a shared responsibility across the health and disability sector, and HPA occupies an important role as the Government's expert on health promotion, but I believe we can do more.

This means we need to challenge and stretch ourselves to ensure we are as effective as possible and are making the greatest contribution we can to achieve equity of health outcomes.

HPA recognises that some New Zealanders, especially Māori, Pacific peoples and people living in low socioeconomic areas, experience poorer health outcomes. Our work programme gives priority to achieving greater health equity for these people while ensuring that the rest of the population is also able to access the information and support they need to maintain and improve their health.

While HPA's work continues to span a range of major issues including reducing alcohol-related harm, tobacco control, mental health, minimising gambling harm and child and family health, HPA is often called on at short notice to provide tactical health promotion to support new government-led initiatives. We believe this ability to be agile and responsive as Government priorities change stands the organisation in good stead going forward, particularly as new public health issues emerge.

We are mindful that our work, as well as being effective, needs to achieve efficiencies. We aim to provide best value for money for the Government by seeking ongoing improvements, focusing our activities where we can make the most impact and working in partnership with government agencies, other organisations and communities. HPA will continue to look to leverage opportunities to make the most of our expertise and relationships as we work across the health and other sectors to maximise our contribution to the New Zealand health system. And we will keep building strong relationships with those who share our goals nationally, regionally and locally, particularly in the primary health care and community sectors.

We will continue improving our digital capability to deliver innovative and effective health and wellbeing initiatives, allowing more New Zealanders access to information and support where and when they need it.

As a Board we believe that undertaking the activities outlined in the following pages will ensure HPA continues to make a significant contribution to improving the wellbeing of New Zealanders, their families and their communities.

*Jenny Black*
**Chair**
Health Promotion Agency

*Dr Monique Faleafa*
**Deputy Chair**
Health Promotion Agency

# Board Statement

In signing this statement we acknowledge that we are responsible for the information contained in the Statement of Performance Expectations for the Health Promotion Agency. This information has been prepared in accordance with the Crown Entities Act 2004 and to give effect to the Minister of Health and the Associate Minister of Health's expectations of HPA.

*Jenny Black*
**Chair**
17 June 2019

*Dr Monique Faleafa*
**Deputy Chair**
17 June 2019

# HPA Board

HPA is governed by a Board appointed by the Associate Minister of Health.

Board members are:

- Jenny Black, Chair
- Dr Monique Faleafa, Deputy Chair
- Catherine Abel-Pattinson
- Dr Mataroria Lyndon (Ngāti Hine, Ngāti Whatua, Waikato)
- Dr Teuila Percival
- Mafi Funaki-Tahifote
- Professor Boyd Swinburn

The Chief Executive is Clive Nelson.

# About the Health Promotion Agency

## Our vision

New Zealanders realise their potential for good health and improved quality of life and New Zealand's economic and social development is enhanced by people leading healthier lives.

## Our mission

Inspiring all New Zealanders to lead healthier lives.

**Our overall function is to lead and support activities to:**

- promote health and wellbeing and encourage healthy lifestyles
- prevent disease, illness and injury
- enable environments that support health, wellbeing and healthy lifestyles
- reduce personal, social and economic harm.

**We have alcohol-specific functions to:**

- give advice and make recommendations to government, government agencies, industry, non-government bodies, communities, health professionals and others on the sale, supply, consumption, misuse and harm of alcohol as those matters relate to HPA's general functions
- undertake, or work with others, to research alcohol use and public attitudes to alcohol in New Zealand, and problems associated with, or consequent on, alcohol misuse.

HPA was established on 1 July 2012 by the New Zealand Public Health and Disability Act 2000. As a Crown agent under the Crown Entities Act 2004, HPA is required to give effect to government policy when directed by the responsible Minister. However, in delivering our alcohol specific functions, we must only have regard to Government policy if directed to do so by the Minister.

HPA acknowledges the special relationship between Māori and the Crown under the Treaty of Waitangi and is committed to supporting the Crown to meet its Treaty obligations.

HPA is funded from Vote Health (via the Ministry of Health) and from the levy on alcohol produced or imported for sale in New Zealand.

# Contributing to Government Priorities

## HPA's work programme is guided by the annual Letter of Expectations from the Associate Minister of Health. The Letter of Expectations for 2019/20 states that the Government is committed to improving the wellbeing of all New Zealanders and their families and ensuring the economy is growing and working for all.

To achieve these aims and ensure the lives of all New Zealanders are improved, the health system must be:

- strong and equitable
- performing well
- focused on the right things.

The Letter of Expectations emphasises that achieving equity within the health system underpins all the Government's priorities. Māori as a population group experience the poorest health outcomes. Therefore, HPA is expected to have an explicit focus on achieving equity for Māori across their life course and to meet Treaty of Waitangi obligations.

Strong fiscal management is essential to enable delivery of better outcomes for New Zealanders. Along with all Crown entities, HPA must have clear processes in place to ensure financial sustainability, including keeping within budget and managing cash positions and contribute to the Government's priority of environmental sustainability to address the impact of climate change on health.

The specific focus areas outlined for HPA for 2019/20 are to:

- work across the health and social sectors to maximise HPA's contribution to key initiatives including immunisation, screening programmes, child wellbeing, problem gambling, smoking cessation, health eating, and healthy weight
- identify and develop innovative and effective health and wellbeing initiatives with a sound evidence base
- work collaboratively across the health and social sectors to maximise HPA's contribution to the Government's priority areas, including a strong focus on equitable outcomes
- work with the Ministry of Health to ensure HPA continues to have the ability and agility to respond to emerging public health issues
- consult and engage with the Ministry of Health, particularly on the content of HPA's research and policy work, and when proposed changes may have an impact on programme management and sector engagements
- work closely with the Ministry of Health to respond to, and implement the recommendations from, the inquiry into Mental Health and Addiction
- actively engage with the Ministry of Health on the development of a new Cancer Action Plan. Once the Plan is released HPA is expected to work in partnership with key sector groups to support equitable outcomes for all New Zealanders, with an emphasis on solutions.

HPA is expected to play a key role in reducing alcohol-related harm. They key areas for the development of HPA's work programme are:

- preventing fetal alcohol spectrum disorder by promoting alcohol free pregnancies
- delaying the uptake, and preventing an increase, of drinking by under 18-year-olds
- changing the drinking culture towards more people drinking at low-risk levels or not drinking at all
- providing a range of activities to support people suffering from alcohol-related harm.

# Strategic Framework

## New Zealanders live well, stay well and get well

### New Zealanders lead healthier lives

### Strategic intentions

People are more aware, motivated and able to improve and protect their own and their family's health and wellbeing

Physical, social and policy environments and services better promote and protect health and wellbeing

People–powered | Closer to home | Value and high performance | One team | Smart system

### Health promotion


### Output classes

The figure above shows HPA's strategic framework including HPA's strategic intentions and output classes and provides a line of sight between these and wider health system outcomes.

## Strategic intentions

HPA has two strategic intentions, as outlined in our Statement of Intent 2017–2021:

- People are more aware, motivated and able to improve and protect their own and their family's health and wellbeing.
- Physical, social and policy environments and services better promote and protect health and wellbeing.

We work towards achieving our strategic intentions with annual activities divided into three output classes.

## Output class one: Promoting health and wellbeing

### Education, marketing and communications

HPA designs and delivers a range of evidence-based education, marketing and communications strategies, including national media campaigns that inform, motivate and enable New Zealanders to lead healthier lives. Our work is based on an in-depth understanding of our audiences, which helps ensure our messages and tools work for them.

## Output class two: Enabling health promoting initiatives and environments

### Advice, resources and tools

HPA provides advice, resources and tools to a wide range of individuals, groups and organisations interested in improving the health and wellbeing of New Zealanders. HPA works with communities to help them develop local solutions to local problems, offers specialist knowledge and undertakes work to improve how health promotion is incorporated into workplace, education, primary health care and sport settings.

## Output class three: Informing health promoting policy and practice

### Policy advice and research

HPA provides policy, advice and research to inform decision making on best practice and policy to promote health and wellbeing and reduce injury and other harm. This includes monitoring health indicators, behaviours and attitudes. HPA offers specialist knowledge and expertise in developing and delivering successful, nationally integrated health promotion and harm reduction strategies.

# HPA's Work

## HPA is proud to be part of the New Zealand health sector team working toward the Government's priority of improving the wellbeing of New Zealanders and their whānau.

HPA recognises that some population groups within New Zealand are disproportionately impacted by disease, illness or injury and have poorer health outcomes compared with other New Zealanders. In 2019/20 we will continue to drive our work to improve the lives of these groups, in particular for Māori as tangata whenua, and other communities such as Pacific peoples and those living in low socioeconomic status areas. In recognition that the early stages of our lives lays the foundation for our future health and wellbeing, children and young people are a key areas for us in 2019/20.

We will focus on the first 1,000 days of a child's life – from conception to two years. We will continue to work with others to ensure all children start well and develop well for a healthy future by empowering whānau to make healthy lifestyle decisions in relation to nutrition, physical activity and sleep and encouraging immunisation as the best protection against serious but preventable diseases. We will also work to support women and their whānau to have healthy pregnancies and to maintain their wellbeing after the baby has been born.

Young people already feature in a number of our programme areas and in 2019/20 we will use our existing involvement in successful initiatives like Smokefreerockquest and Smokefree Tangata Beats, as well as new investment in the rugby league community, to support young people's wellbeing.

We will continue to build our in-house digital capability to bring information, tools and resources to people wherever they are and in a way that is customisable and accessible. This includes supporting the wellbeing of Māori women by helping them quit smoking through our chatbot platform and expanding our zero rated data initiative (that enables New Zealanders to access HPA's key mental health and gambling websites without having data available on their mobile devices) to more sites.

The recent Inquiry in Mental Health and Addiction has set a challenge for us all to do better to support mental wellbeing and prevent mental health and addiction problems. HPA will continue to make sure the National Depression Initiative and the Like Minds Like Mine programmes are effective and can be adapted to the Government's response to the Inquiry. We will also look for ways we can support wider social wellbeing and its promotion.

HPA takes an evidence-based approach to tackling some of the greatest health challenges faced by our communities, which include the burden of tobacco, gambling and alcohol-related harm, and the challenges of mental health stigma and discrimination.

All our activities are underpinned by research and evaluation. Our research team monitors key health indicators, behaviours and attitudes, informs and evaluates our programmes and initiatives, and identifies emerging health trends. HPA makes decisions about initiatives and programmes based on the best evidence available and by early identification of future trends. This ensures that HPA remains ready to tackle new issues as they emerge.

# Our Programmes

## Alcohol

The harmful use of alcohol is one of the leading risk factors for premature death and disability in New Zealand and an important driver of inequities. An estimated 800 New Zealanders (aged 0 to 79) die each year as a result of alcohol, with the death rate for Māori, 2.5 times that of non-Māori.[1] Young people are at particular risk from the more immediate alcohol-related harms, such as injury, alcohol poisoning, suicide and fetal alcohol spectrum disorder (FASD). In older age groups, the longer-term impacts of alcohol use on chronic conditions, including cancers and cardiovascular disease, is becoming increasingly evident. Across all age groups, alcohol is known to affect mental health.[2]

The misuse of alcohol is also associated with wider societal harms including crime, poor educational attainment, unemployment, poor workplace productivity, family violence and relationship breakdown. However, alcohol use is normalised within New Zealand's culture and the majority of people do not fully understand the health and social impacts of alcohol.[3] This, combined with the affordability, easy access to and wide promotion of alcohol, makes it difficult to change alcohol-related behaviours and attitudes.

About one in five New Zealand adults drink alcohol in a way that could cause harm to themselves or others, with hazardous drinking rates higher in men, young people aged 18 to 24, Māori adults and adults living in the most deprived areas.[4] HPA's alcohol work focuses on those most at risk of, or experiencing, the greatest alcohol-related harm, including:

- young women who are drinking moderately to hazardously who are at risk of unplanned pregnancy, with a focus on Māori
- teenagers under 18 years
- young adults aged 18 to 24 years
- adults in mid-life (45 to 65 years) whose drinking is putting them at risk of experiencing alcohol-related health issues, with a focus on Māori.

HPA continues to raise awareness of fetal alcohol spectrum disorder, both with young women and health professionals. In 2019/20 this work will expand into the sexual health sector, with a focus on equitable access to effective contraception. Preventing FASD depends on both better access to contraception and better awareness of the harms of drinking alcohol while pregnant.

With under 18s, HPA's work aims to increase the number of teenagers who choose not to drink. In 2019/20 we will co-design an alcohol harm reduction initiative with young people. This work will include information for parents and influencers, and will be underpinned by wellbeing principles.

Young adults (18 to 24 years) continue to drink at the most hazardous levels. Our ongoing Say Yeah, Nah campaign targets this group with moderation messages. Our campaign monitor shows the campaign messages resonate well with Māori (75% found campaign messages relevant to someone they care about). In 2019/20 we will increase our investment in localised extensions of the campaign where alcohol harm is high.

Our research has shown that mid-life adults are less aware of their drinking levels, and the associated health risks, than was previously thought. In 2019/20 we will deliver a digital self-help tool for mid-life adults, with a focus on Māori, to support them through understanding risk and contemplating and making changes to their drinking.

Our alcohol work programme is underpinned by research, evaluation and ongoing policy work, in accordance with our statutory role. To make this work more accessible, in 2019/20 we will refresh our alcohol.org.nz website, and the suite of resources we make available in each programme. We will also continue to grow our strategic influence and to invest in community-based projects.

---

1 Connor, J., Kydd, R., & Rehm, J. (2013). *Alcohol-attributable burden of disease and injury in New Zealand: 2004 and 2007*. Wellington: HPA.

2 *Global status report on alcohol and health 2018*. Geneva. World Health Organization.

3 *Global Drug Survey 2018 Key Findings Report,* Downloaded from https://www.globaldrugsurvey.com/gds-2018

4 Ministry of Health (2017). *Annual update of key results 2016/17: New Zealand Health Survey*. Wellington: Ministry of Health.

## Mental health

Mental distress is common. About four in five adults (aged 15 years or more) have experience of mental distress personally or among people they know. Levels of mental distress are not evenly distributed in the population. In population surveys Māori score more highly on measures for depression, anxiety and psychological distress compared with non-Māori, and Pacific peoples score more highly on depression scales compared with non-Pacific peoples.[5] Young people have also been identified as a priority audience as 15 to 24-year-olds have the highest levels of isolation and mental distress.[6] Within this age group LGBTIQ+[7] will be a focus area.

HPA's mental health initiatives are part of the solution to the recommendations of *He Ara Oranga: Report of the Government Inquiry into Mental Health and Addiction* released in November 2018. Following the Government's response to the recommendations, HPA will adapt its initiatives to support the Government's future direction.

HPA plays a leading role in the delivery of two government mental health programmes – the National Depression Initiative and Like Minds, Like Mine. A joint agency governance group (Ministry of Health and HPA) provides strategic oversight of these programmes.

### National Depression Initiative

The National Depression Initiative (NDI) is part of the Government's ongoing commitment to promoting wellbeing, with a focus on reducing the impact of depression and anxiety for New Zealanders. For the past 12 years, the NDI has been improving the mental health and wellbeing of New Zealanders.

The NDI is made up of a number of components – the depression.org.nz website, which includes an online cognitive behavioural therapy self-help tool (The Journal), and a youth-focused website, thelowdown.co.nz. In recognition of the fact that poor nutrition is a significant and modifiable risk factor for the development of mental distress, The Journal includes modules on healthy eating and moderate alcohol consumption. In addition, a number of tools and resources are available to support the community, with a focus on Māori and Pacific communities, and healthcare professionals. In 2019/20, HPA will continue to provide leadership across the sector to promote the aims and objectives of the NDI and expand upon the wellbeing elements within its products.

Activities will include:

- a new and innovative marketing approach to support the two websites
- an e-therapy coaching pilot that will provide support, guidance and encouragement to users progressing through The Journal
- a new mothers' approach focused on post-natal depression and anxiety
- embedding the NDI through programmes with mental health and wellbeing components, both inside and outside of HPA
- developing and promoting NDI resources, ensuring these meet the needs of target audiences, in particular Māori, Pacific peoples and young people, with an emphasis on the LGBTIQ+ community.
- working with health professionals (in particular primary healthcare professionals) and community organisations to develop information and resources that meet their needs and the needs of those with lived experience of depression or anxiety
- undertaking a range of research and evaluation activities to ensure the objectives of the NDI are being met.

In addition, telephone triage and advice, as well as counselling services for people seeking help for themselves or others is provided by Homecare Medical, the national telehealth service provider.

5 Kvalsvig, A. (2018). *Wellbeing and mental distress in Aotearoa New Zealand: Snapshot 2016*. Wellington: Health Promotion Agency.

6 IBID

7 Lesbian, gay, bisexual, transgender, intersex, queer.

### Like Minds, Like Mine

The Like Minds, Like Mine programme works towards a socially inclusive New Zealand that is free of stigma and discrimination towards people with lived experience of mental distress. Through our strategic leadership, innovative community activities, national marketing, and robust research and evaluation, Like Minds, Like Mine promotes inclusive attitudes, behaviours and environments. Programme advice is received through the Multi-Agency Group, Like Minds, Like Minds Pacific group, Māori mental health rōpū and HPA's involvement in the global anti-stigma alliance. Like Minds, Like Mine also contributes to Equally Well.[8] HPA endorsed the Equally Well consensus position statement in 2018.

HPA will work collaboratively through partnerships to deliver innovative community projects in areas where discrimination against people with lived experience of mental distress occurs eg, workplaces, healthcare and education settings. In 2018 HPA commissioned community projects to address these key areas and an approach will be developed to support health professionals' practice in this area.[9] HPA will continue to partner with the Mental Health Foundation to support non-discriminatory reporting and other initiatives to reduce stigma and discrimination. HPA will continue national messaging through the new Like Minds, Like Mine campaign launched in 2018 and expand its reach through new community partners to help promote these messages. A targeted Māori approach, including messaging and resources, will be developed and the Pacific approach, which launched in mid-2019, will be evaluated and continued to ensure stigma and discrimination are reduced.

HPA will also be evaluating the impact of the overall Like Minds, Like Minds programme from 2018 to 2020.

## Tobacco control

Smoking is the leading preventable cause of early death in New Zealand and HPA is one of the principal organisations working toward the Government goal that New Zealand be smokefree by 2025, with a smoking prevalence of less than 5% of the population. HPA will contribute to the Smokefree 2025 goal by focusing on key population groups, particularly Māori (with a focus on Māori women), Pacific peoples, and young people.

HPA's priority for the tobacco control programme is to reduce the inequitable health outcomes that are present. Māori have the highest daily smoking prevalence rate at 32.5%, compared with the New Zealand total rate of 13.8%[10]. Māori women are more likely to smoke than Māori men. Young Māori women aged 18 to 24 had the highest smoking prevalence in 2015/16 at 42.7%, over four times that of non-Māori women of the same age (8.6%).

Based on qualitative research with Māori women and with the input of an expert advisory group from the tobacco control and wider health sector, HPA will deliver a behavioural change campaign to support young Māori women to successfully switch to vaping as a way to stop smoking and develop an effective knowledge-based information hub on vaping for the general population. This campaign aligns strongly with the Government's health priorities of achieving equity.

HPA, in partnership with existing programmes and services, will prioritise Māori women in communities where smoking rates are high. It is expected these will be cross-HPA initiatives, where the health outcomes ultimately relate to multiple areas of interest, and the approach respects the intricacies of the lives of Māori women and their whānau. We will continue to use emerging technologies and digital tools to reach our audiences to encourage smokefree lifestyles.

8 https://www.tepou.co.nz/initiatives/equally-well-physical-health/37

9 Ministry of Health and Health Promotion Agency. 2014. *Like Minds, Like Mine National Plan 2014–2019: Programme to Increase Social Inclusion and Reduce Stigma and Discrimination for People with Experience of Mental Illness.* Wellington: Ministry of Health.

10 https://minhealthnz.shinyapps.io/nz-health-survey-2016-17-annual-data-explorer/

Young people continue to be an important audience for tobacco control messages. Evidence shows that in adolescence young people are less likely to engage in risky behaviours, including substance use, if a range of individual, family, school, peer and community protective factors are present. They are also less likely to take up smoking if they hold anti-tobacco and pro-smokefree attitudes and are surrounded by people who do not smoke. HPA will continue its long-standing partnership with Rockquest Promotions to sponsor Smokefreerockquest and Smokefree Tangata Beats to promote these messages. HPA will also explore other opportunities with organisations who reach our target audiences. HPA will continue to work collaboratively within the tobacco control sector, which includes supporting the stop smoking service providers and Quitline and giving effect to any new regulations.

## Minimising gambling harm

Māori, Pacific, Asian and low-income New Zealanders are disproportionately affected by gambling harm and are the focus of HPA's efforts. HPA strategies target not only the gambler and those concerned about them, but also the settings in which harmful gambling occurs and where significant opportunity for intervention exists.

HPA's marketing and communications campaign aims to increase awareness of harmful gambling, get people to check whether their gambling is okay, and motivate people to seek help and take positive action early, both for themselves and for others they care about. The strategy includes using a variety of media channels and online self-help tools, and working with community and industry partners. The strategy and its messages will continue to be adapted to maximise engagement with Māori, Pacific and Asian audiences through targeted initiatives. HPA will continue to use emerging technologies and digital tools to reach our audiences.

The work of frontline services is integral to making progress in minimising harm from gambling. During 2019/20, HPA will continue to support the sector by providing advice and evidence-based resources to support message delivery at a local level.

HPA will also continue to support gambling venues, particularly pubs and clubs with pokie machines (Class 4 venues) to minimise harm. We will promote Class 4 venue-based messages and provide support materials to staff. HPA will undertake this work in partnership with the Department of Internal Affairs and the Ministry of Health. Work will focus on implementation of phase 3 of the Gamble Host Initiative. Opportunities will also be explored with the New Zealand Racing Board, Lotto New Zealand and casinos.

## Child and family health

### Skin cancer prevention

Skin cancer is by far the most common cancer affecting New Zealanders. In 2018, it is projected that more than 90,400 New Zealanders will be diagnosed with at least one non-melanoma skin (Keratinocytic) cancer.[11] Although melanoma (a type of skin cancer) occurs much less frequently, currently New Zealand and Australia have the highest rates of melanoma in the world.[12] In 2013 it was the fourth most common cause of death from cancer in men and the seventh in women.[13] Evidence suggests that one of the best avenues for reducing the burden of skin cancer is prevention of exposure to ultraviolet radiation (UVR) that causes harm.[14]

The key objective for this programme is to reduce the number of avoidable skin cancers caused by UVR among those most at risk (ie, youth 18 to 24 years and outdoor workers) by encouraging them to be SunSmart. HPA will achieve this by making New Zealand-based UVR Index data more widely available to the public, continuing the promotion of the Sun Protection Alert, extending our 2018/19 UVR awareness campaign and developing a new nationally-representative quantitative UVR survey.

11 Sneyd, M.J. and Gray, A. (2018). *Expected non melanoma skin (Keratinocytic) cancer incidence in New Zealand for 2018*. Wellington. Health Promotion Agency
12 http://www.healthdata.org/gbd
13 New Zealand Skin Cancer Primary Prevention and Early Detection Strategy 2017 to 2022
14 Ibid

### Nutrition and physical activity

Healthy eating, regular physical activity and adequate sleep are key to a child or young person's health and wellbeing both now and in the future. In particular, there is growing recognition that the first 1,000 days of life (conception to around two years) provides a unique period of opportunity when the foundations of optimal health, growth and neurodevelopment across the lifespan can be established.[15] This can be achieved through a safe and positive pregnancy, birth and responsive parenting.[16] Therefore, empowering whānau to make healthy lifestyle decisions in relation to nutrition, physical activity and sleep is HPA's key objective for this programme. There will be a focus on whānau who are most at risk (ie, low income, Māori and Pacific families with children in their first 1,000 days).

In 2019/20, HPA will increase the number of evidence-informed resources, tools and advice to support health professionals and those working across different community settings, such as primary health care and education, to provide best practice advice. This will be achieved by developing a toolkit of resources on sleep health and assessing the 2018/19 Play campaign (a partnership between HPA, Sport New Zealand and Healthy Families New Zealand promoting the importance of play time for children under five). In addition, HPA will work with organisations in primary health care and education to identify what further support and advice is required to empower whānau to make healthy lifestyle decisions. HPA will be working with the National Heart Foundation of New Zealand's Pacific Heartbeat team to package their learnings from their pilot of a nutrition approach in Pacific churches, and forming strategic partnerships to develop key messages and associated tools and resources based on the findings of the recently published longitudinal *Growing up in New Zealand* study.[17]

### Immunisation

HPA supports the Ministry of Health with communications and marketing to increase whānau awareness of immunisation. The national immunisation programme recommends immunisation as the best protection against some serious but preventable diseases, helping to protect children, families and the community. The programme promotes immunisations on the New Zealand Immunisation Schedule that offer free immunisations to people across their lifespan. This will be achieved though baseline promotions of immunisation, support for the school-based immunisation programme, support for Immunisation Week, support for outbreak response and assistance with the development of a Māori immunisation strategy.

## Research

HPA delivers a range of research that is used both internally and externally to inform policy, practice and future research. This includes the following national surveys:

- The Health and Lifestyles Survey (HLS) monitors the health behaviour and attitudes of New Zealand adults and parents and caregivers of 5 to 16-year-olds. The HLS collects information relating to alcohol, tobacco control, mental health, sun safety, gambling participation and gambling-related harm, immunisation, nutrition and physical activity. The survey has been conducted every two years since 2008.
- The New Zealand Smoking Monitor (NZSM) is a continuous monitor providing information on smokers' and recent quitters' knowledge, attitudes and behaviour.
- The New Zealand Youth Tobacco Monitor (NZYTM) provides information about adolescents' smoking-related knowledge, attitudes and behaviour, and monitors the risk and protective factors that relate to young people taking up smoking. The NZYTM comprises the ASH (Action on Smoking and Health

15 https://www.unicef-irc.org/article/958-the-first-1000-days-of-life-the-brains-window-of-opportunity.html

16 Proposed focus area number 14 of the Child and Youth Wellbeing Strategy as identified by the Department of the Prime Minister and Cabinet.

17 Ministry of Social Development (2018). *Infant feeding in New Zealand. Adherence to Food and Nutrition Guidelines among the Growing Up in New Zealand cohort.* https://www.msd.govt.nz/documents/about-msd-and-our-work/publications-resources/research/infant-feeding/infant-feeding-in-new-zealand.pdf

New Zealand) Year 10 Snapshot (annual, with approximately 20,000 respondents) and HPA's Youth Insights Survey (YIS) (conducted every two years, with approximately 3,000 respondents).

- The Mental Health Monitor (MHM) is a survey designed to monitor mental health-related issues in New Zealand. It collected data in 2015, 2016 and 2018.

HPA has a specific statutory function to provide research on alcohol-related issues. Diverse alcohol-related research projects are delivered, both commissioned and in-house work. Other research activity includes trend measurement, expansion of the evidence base for alcohol-related harm, support for legislation change requirements, and operational and programme support. In 2019/20 we will launch a redeveloped alcohol survey to monitor changes in attitudes and behaviours.

In 2019/20 HPA will continue to maintain and develop a new online research tool, Kupe, to increase the usefulness of data collected from our major monitoring survey, the HLS. The tool provides user-friendly, interactive, self-service access to key results and reduces the time lags common for reporting such survey results.

## Health education catalogue

HPA manages the health education catalogue on behalf of the Ministry of Health. Health education resources aim to improve health literacy so that people can manage and improve their health and wellbeing by having access to free preventive public health information. The resources are ordered through the health education website and district health board authorised providers and are distributed to health professionals, service providers, and the general public. HPA will continue to refine the health education catalogue and related content to reflect changing customer needs. We are working to ensure the catalogue and website are easily understandable, accessible, efficient, and reflect current health priorities and emerging needs.

## Non-baseline funding

As well as the activities outlined in the work programme above, HPA agrees additional projects with the Ministry of Health throughout the year. In 2018/19 this included work in stroke, hepatitis C and vaping as a way to stop smoking. HPA will continue to be responsive to these requests and will report on any non-baseline initiatives in its 2020 annual report.

# Who We Work With

## HPA provides advice, resources and tools to a wide range of individuals and groups. HPA cannot do this alone and strong partnerships are key to our success.

HPA works with a large number of organisations, including health sector agencies, particularly the Ministry of Health, district health boards (DHBs) including public health units, primary health organisations (PHOs), primary health services and health professional associations, other central government agencies, communities, industry groups, territorial authorities, iwi and Pacific and other health providers and policymakers, academics and researchers.

An equally important part of HPA's work is ensuring the environments where New Zealanders live, work and play support and promote health and wellbeing. To achieve this HPA:

- works with communities to help them develop local solutions to local problems
- undertakes and supports research and provides advice to inform HPA's work and the work of others
- offers specialist knowledge and undertakes work to improve how health promotion is incorporated in workplace, sport and education settings
- influences the development and implementation of policies and laws by contributing to interagency policy processes and making submissions to central and local government and by providing evidence-based research.

# Measuring Our Success

HPA's activities in 2019/20 will contribute to our strategic intentions. While we do not report on every activity we undertake, we will measure the success of key activities against what we set out to achieve, as shown in the following tables.

# Output class one performance measures

## Promoting health and wellbeing – education, marketing and communications

HPA designs and delivers a range of education, marketing and communications strategies, including national media campaigns that inform, motivate and enable New Zealanders to lead healthier lives. Our work is based on an in-depth understanding of our audiences, helping us to ensure our messages and tools work for them.

| | Activities | Performance measures | Comparative data | Source |
|---|---|---|---|---|
| **Alcohol** | | | | |
| 1 | Say Yeah, Nah alcohol moderation marketing | Increase in the percentage of the target audience who have seen HPA's alcohol moderation marketing and report it helped or encouraged at least three positive behaviours:<br>• to say 'no'<br>• to drink water between drinks<br>• to start drinking slower<br>• to think about own drinking<br>• to accept others who say 'no'<br>• to encourage others to ease up. | Baseline 74% (2016/17) | Campaign Monitor |
| **Tobacco Control** | | | | |
| 2 | Actions to support Smokefree Aotearoa 2025 | Deliver a campaign to raise public awareness of vaping as a way to stop smoking by the end of 2019. | New campaign – Baseline | Evaluation completed by June 2020 |
| **Mental Health** | | | | |
| 3 | Digital tools to help New Zealanders experiencing depression and/or anxiety | Maintain the proportion of visitors to depression.org.nz and thelowdown.co.nz that report they found the website useful. | 91% in 2017 | User survey |
| 4 | Like Minds, Like Mine works towards a socially inclusive New Zealand that is free of stigma and discrimination towards people with lived experience of mental distress. | Improvement in recognition (by the public) that people with mental distress are discriminated against. | 49% in 2018 | Campaign tracking survey |

| | Activities | Performance measures | Comparative data | Source |
|---|---|---|---|---|
| **Minimising Gambling Harm** | | | | |
| 5 | Choice Not Chance campaign | Maintain or increase the number of people experiencing gambling harm who are using HPA's self-help tools. | New measure.<br>No comparative data. | Choice Not Chance website analytics |

| | | | | | |
|---|---|---|---|---|---|
| **Revenue** | **$11,429,000** | **Expenditure** | **$11,429,000** | **Surplus/(deficit)** | **$0** |

# Output class two performance measures

## Enabling health promoting initiatives and environments – advice, resources and tools

HPA provides advice, resources and tools to a wide range of individuals, groups and organisations interested in improving the health and wellbeing of New Zealanders. HPA works with communities to help them develop local solutions to local problems, offers specialist knowledge, and undertakes work to improve how health promotion is incorporated into workplace, education, primary health care and sport settings.

| | Activities | Performance measures | Comparative data | Source |
|---|---|---|---|---|
| **Cross Programme** | | | | |
| 6 | Professional development of health and other relevant workforces | At least 85% of survey respondents who attended HPA-supported professional development events[18] report it was useful for their work.[19] | Comparative data available end of 2018/19 | Evaluation reports/ participant survey |
| 7 | Provision of advice, resources and tools to enable local health promotion and other community-based activities | At least 85% of a sample of those who have received resources, tools[20] or advice from HPA report satisfaction with the service they received.[21] | Comparative data available end of 2018/19 | User survey |
| 8 | | At least five new or revised resources[22] or tools are developed across HPA work programmes to enable local health promotion activities. | Comparative data available end of 2018/19 | New or revised tools or resources |

| | | | | | |
|---|---|---|---|---|---|
| **Revenue** | **$11,762,000** | **Expenditure** | **$11,762,000** | **Surplus/(deficit)** | **$0** |

18 For example Smokefree seminar series
19 Top two categories of a five point scale
20 For example Sleep resources and alcohol self-help digital tool
21 Top two categories of a five point scale
22 Examples to be added

# Output class three performance measures

## Informing health promoting policy and practice – policy advice and research

HPA provides policy, advice and research to inform decision making on best practice and policy to promote health and wellbeing and reduce injury and other harm. This includes monitoring health indicators, behaviours and attitudes. HPA offers specialist knowledge and expertise in developing and delivering successful, nationally integrated health promotion and harm reduction strategies.

| | Activities | Performance measures | Comparative data | Source |
|---|---|---|---|---|
| **Research** | | | | |
| 9 | Provide high quality and relevant research, HPA monitors, data analysis and outputs to support HPA's programme and external stakeholders. | At least seven alcohol-related research products are produced by 30 June 2020, including at least three focusing on HPA priority populations. | Eleven alcohol-related products published by June 2018 | Published products |
| 10 | | At least one product based on analysis of the HLS 2018 is produced 30 June 2020. | One product from HLS 2016 published by 30 June 2018 | Published products |
| 11 | | At least two mental health products based on analysis of the MHM 2018 are produced 30 June 2020. | Two products from MHM 2016 published by June 2018 | Published products |
| 12 | | Tobacco product (using Youth Insight Survey [YIS] 2018 data) is completed by 30 June 2020. | One product from YIS 2016 published by June 2018. | Published products |
| **Across HPA topics** | | | | |
| 13 | Develop and deliver a multifaceted health and wellbeing programme targeting priority populations. | At least two wellbeing initiatives are delivered. | Two initiatives delivered 2017/18. | HPA reports or evaluations |

| | | | | | |
|---|---|---|---|---|---|
| **Revenue** | **$4,507,000** | **Expenditure** | **$4,507,000** | **Surplus/(deficit)** | **$0** |

## Non-baseline funding

| | Activity | Measure | Source |
|---|---|---|---|
| 14 | Research, plan, develop and implement health promotion initiatives to meet emerging needs identified by the Ministry of Health and/or other agencies | HPA delivers against the objectives of the initiatives. | Project or evaluation reports |

# Prospective Financial Statements

## Prospective Statement of Comprehensive Revenue and Expense

| SPE Budget 2018/19 $000 | Estimated Actuals 2018/19 $000 | | Budget 2019/20 $000 | Budget 2020/21 $000 | Budget 2021/22 $000 |
|---|---|---|---|---|---|
| | | Revenue | | | |
| 11,530 | 11,530 | Alcohol levy | 11,530 | 11,530 | 11,530 |
| 16,048 | 17,416 | Funding from the Crown | 16,048 | 16,048 | 16,048 |
| 130 | 162 | Interest | 130 | 130 | 130 |
| 100 | 482 | Other | – | – | – |
| **27,808** | **29,590** | **Total revenue** | 27,708 | 27,708 | 27,708 |
| | | Expenditure | | | |
| 58 | 58 | Audit fees | 58 | 60 | 60 |
| 155 | 150 | Board | 158 | 161 | 164 |
| 66 | 87 | Depreciation | 82 | 93 | 96 |
| 468 | 446 | Equipment, supplies and maintenance | 470 | 472 | 481 |
| 689 | 693 | Occupancy | 691 | 740 | 787 |
| 499 | 456 | Other operating | 464 | 512 | 522 |
| 10,067 | 10,044 | Personnel | 10,267 | 10,471 | 10,680 |
| 15,806 | 17,656 | Programmes | 15,518 | 15,199 | 14,916 |
| **27,808** | **29,590** | **Total expenditure** | **27,708** | **27,708** | **27,708** |
| **–** | **–** | **Surplus/(deficit)** | **–** | **–** | **–** |

## Prospective Statement of Comprehensive Revenue and Expense

### Restated by Revenue Source

| SPE Budget 2018/19 $000 | Estimated Actuals 2018/19 $000 | | Budget 2019/20 $000 | Budget 2020/21 $000 | Budget 2021/22 $000 |
|---|---|---|---|---|---|
| | | **Alcohol** | | | |
| | | Revenue | | | |
| 11,530 | 11,530 | Levy | 11,530 | 11,530 | 11,530 |
| 30 | 50 | Interest | 30 | 30 | 30 |
| **11,560** | **11,580** | **Total revenue** | **11,560** | **11,560** | **11,560** |
| **11,560** | **11,580** | **Total expenditure** | **11,560** | **11,560** | **11,560** |
| | | **All other** | | | |
| | | Revenue | | | |
| 16,048 | 17,416 | Funding from the Crown | 16,048 | 16,048 | 16,048 |
| 100 | 112 | Interest | 100 | 100 | 100 |
| 100 | 482 | Other | – | – | – |
| **16,248** | **18,010** | **Total revenue** | **16,148** | **16,148** | **16,148** |
| **16,248** | **18,010** | **Total expenditure** | **16,148** | **16,148** | **16,148** |
| **27,808** | **29,590** | **Grand total revenue** | **27,708** | **27,708** | **27,708** |
| **27,808** | **29,590** | **Grand total expenditure** | **27,708** | **27,708** | **27,708** |
| **–** | **–** | **Surplus/(deficit)** | **–** | **–** | **–** |

## Prospective Statement of Changes in Equity

| SPE Budget 2018/19 $000 | | Budget 2019/20 $000 | Budget 2020/21 $000 | Budget 2021/22 $000 |
|---|---|---|---|---|
| 2,658 | Balance at 1 July | 2,658 | 2,658 | 2,658 |
| – | Total comprehensive revenue and expense for the year | – | – | – |
| **2,658** | | **2,658** | **2,658** | **2,658** |

## Prospective Statement of Financial Position

| SPE Budget 2018/19 $000 | | Notes | Budget 2019/20 $000 | Budget 2020/21 $000 | Budget 2021/22 $000 |
|---|---|---|---|---|---|
| | **Assets** | | | | |
| | Current assets | | | | |
| 250 | Cash and cash equivalents | | 250 | 250 | 250 |
| 4,000 | Investments | 1 | 4,000 | 4,000 | 4,000 |
| 2,100 | Receivables | 2 | 2,200 | 2,200 | 2,200 |
| **6,350** | **Total current assets** | | **6,450** | **6,450** | **6,450** |
| | Non-current assets | | | | |
| 202 | Property, plant and equipment | 5 | 230 | 205 | 155 |
| **202** | **Total non-current assets** | | **230** | **205** | **155** |
| **6,552** | **Total assets** | | **6,680** | **6,655** | **6,605** |
| | **Liabilities** | | | | |
| | Current liabilities | | | | |
| 3,494 | Payables | 3 | 3,422 | 3,397 | 3,347 |
| 400 | Employee entitlements | 4 | 600 | 600 | 600 |
| **3,894** | **Total current liabilities** | | **4,022** | **3,997** | **3,947** |
| **2,658** | **Net assets** | | **2,658** | **2,658** | **2,658** |
| | Equity | | | | |
| 2,658 | Contributed capital | | 2,658 | 2,658 | 2,658 |
| – | Accumulated surplus/(deficit) | | – | – | – |
| **2,658** | **Total equity** | | **2,658** | **2,658** | **2,658** |

**Notes:**

1. Represents the balance of funds on term deposit. All deposits will mature within 12 months. Current Term Deposits are deposited with ANZ, ASB, BNZ and Westpac.
2. Includes levies collected by NZ Customs.
3. Includes payables, accrued expenditure, salary accrual and taxes.
4. Includes annual and long service leave.
5. Represents net book value ie, cost less provision for accumulated depreciation.

# Notes to the Prospective Financial Statements

## Note 1: Statement of accounting policies

### Reporting entity

Health Promotion Agency (HPA) is a Crown entity as defined by the Crown Entities Act 2004 and is domiciled and operates in New Zealand, with offices in Wellington, Auckland and Christchurch. The relevant legislation governing HPA's operations includes the Crown Entities Act 2004 and the New Zealand Public Health and Disability Act 2000. HPA's ultimate parent is the New Zealand Crown.

HPA has an overall function to lead and support activities for the following purposes:

- promoting health and wellbeing and encouraging healthy lifestyles
- preventing disease, illness and injury
- enabling environments that support health and wellbeing and healthy lifestyles
- reducing personal, social, and economic harm.

It also has functions specific to providing advice and research on alcohol issues.

HPA does not operate to make a financial return.

HPA has designated itself as a public benefit entity (PBE) for financial reporting purposes.

### Basis of preparation

The prospective financial statements have been prepared on a going concern basis, and the accounting policies have been applied consistently throughout the year.

**Statement of compliance**

The prospective financial statements of HPA have been prepared in accordance with the requirements of the Crown Entities Act 2004, which includes the requirement to comply with generally accepted accounting practice in New Zealand (NZ GAAP).

The prospective financial statements have been prepared in accordance with Tier 1 PBE accounting standards.

The prospective financial statements comply with PBE accounting standards.

**Presentation currency and rounding**

The prospective financial statements are presented in New Zealand dollars and all values are rounded to the nearest thousand dollars ($000).

### Summary of significant accounting policies

Significant accounting policies are included in the notes to which they relate. Significant accounting policies that do not relate to a specific note are outlined below.

**Foreign currency transactions**

Foreign currency transactions are translated into New Zealand dollars (the functional currency) using the spot exchange rates at the dates of the transactions. Foreign exchange gains and losses resulting from the settlement of such transactions are recognised in the surplus or deficit.

**Goods and services tax (GST)**

Items in the prospective 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, 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 prospective 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 a net operating cash flow in the prospective statement of cash flows.

Commitments and contingencies are disclosed exclusive of GST.

**Income tax**

HPA is a public authority and consequently is exempt from the payment of income tax. Accordingly, no provision has been made for income tax.

**Cost allocation**
HPA has determined the cost of its three output classes using the cost allocation system outlined below.

Direct costs are costs directly attributed to an output class. Indirect costs are costs that cannot be identified to a specific output class in an economically feasible manner.

Direct costs are charged directly to output classes. Indirect costs are charged to output classes based on the proportion of direct programme costs within each output class.

Personnel and other indirect costs are assigned to output classes based on cost drivers and related activity or usage information.

**Critical accounting estimates and assumptions**
In preparing these prospective financial statements, HPA 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:

- Useful lives and residual values of property, plant, and equipment – refer to Note 8.
- Useful lives of software assets – refer to Note 9.
- Retirement and long service leave – refer to Note 11.

# Note 2: Revenue

## Accounting policy

The specific accounting policies for significant revenue items are explained below:

**Funding from the Crown**
HPA is primarily funded from the Crown. This funding is restricted in its use for the purpose of HPA meeting the objectives specified in its founding legislation and the scope of the relevant appropriations of the funder – Ministry of Health (MOH).

The fair value of revenue from the Crown has been determined to be equivalent to the amounts due in the funding arrangements.

**Alcohol levy**
HPA is also funded from a levy imposed for the purpose of recovering the costs it incurs in

- addressing alcohol-related harm
- its other alcohol-related activities.

This levy is collected by New Zealand Customs acting as HPA's agent.

Levy revenue is recognised as revenue in the accounting period when earned and is reported in the financial period to which it relates.

**Interest revenue**
Interest revenue is recognised by accruing on a time proportion basis the interest due for the investment.

## Note 3: Personnel expenses

### Accounting policy

**Superannuation schemes**

*Defined contribution schemes*

Employer contributions to KiwiSaver and the ASB Group Master Trust are accounted for as defined contribution superannuation schemes and are expensed in the surplus or deficit as incurred.

*Defined benefit schemes*

HPA makes contributions to the ASB Group Master Trust Scheme (the scheme). The scheme is a multi-employer defined benefit scheme.

## Note 4: Other expenses

### Accounting policy

**Grant expenditure**

Discretionary grants are those grants where HPA has no obligation to award the grant on receipt of the grant application. For discretionary grants without substantive conditions, the total committed funding over the life of the grant is expensed when the grant is approved by the Grants Approval panel and the approval has been communicated to the applicant. Discretionary grants with substantive conditions are expensed at the earlier of the grant invoice date or when the grant conditions have been satisfied. Conditions can include either:

- specification of how funding can be spent with a requirement to repay any unspent funds; or
- milestones that must be met to be eligible for funding.

HPA provides grants to community based organisations to enable them to work in partnership with HPA or to progress messages or outcomes that HPA and the community has in common.

HPA makes a large number of small grants in each financial year, across a range of health topics, for purposes that include:

- activities to support national projects
- delivering an event, activity or services to promote HPA's messages
- specific one-off projects.

A letter to the recipient of each grant specifies the purpose of the grant and the requirements for the recipient to provide reports to HPA. Reports are required at project milestones, and /or on completion of projects.

**Operating leases**

An operating lease is a lease that does not transfer substantially all the risks and rewards incidental to ownership of an asset to the lessee.

Lease payments under an operating lease are recognised as an expense on a straight-line basis over the lease term. HPA leases office equipment and premises.

HPA leases two properties – its main office situated in Wellington and the regional office in Auckland.

The office equipment that HPA leases are printers. These are due for replacement in Jan 2017.

HPA does not have the option to purchase any of these assets at the end of any of the lease terms.

There are no restrictions placed on HPA by any of its leasing arrangements.

### Critical judgements in determining accounting policies

**Grant expenditure**

HPA has exercised judgement in developing its grant expenses accounting policy above as there is no specific accounting standard for grant expenditure. The accounting for grant expenditure has been an area of uncertainty for some time, and, as a result, there has been differing accounting practices for similar grant arrangements. With the recent introduction of the new PBE Accounting Standards, there has been debate on the appropriate framework to apply when accounting for grant expenses, and whether some grant accounting practices are appropriate under these new standards. A challenging area in particular is the accounting for grant arrangements that include conditions or milestones. HPA are aware that the need for a clear standard or authoritative guidance on accounting for grant expenditure has been raised with the New Zealand Accounting Standards Board. Therefore, we will keep the matter under review and consider any developments.

## Note 5: Cash and cash equivalents

### Accounting policy

Cash and cash equivalents includes cash on hand and deposits held on call with banks with original maturities of three months or less.

## Note 6: Receivables

### Accounting policy

Short-term receivables are recorded at the amount due, less any provision for uncollectability.

A receivable is considered uncollectable when there is evidence the amount due will not be fully collected. The amount that is uncollectable is the difference between the amount due and the present value of the amount expected to be collected.

NZ Customs Service (acting as HPA's agent) determines the uncollectability of the alcohol levy receivables.

## Note 7: Investments

### Accounting policy

**Bank term deposits**

Investments in bank term deposits are initially measured at the amount invested. Interest is subsequently accrued and shown as a receivable until the term deposit matures.

## Note 8: Property, plant and equipment

### Accounting policy

Property, plant and equipment consists of multiple asset classes, which are all measured at cost less accumulated depreciation (if any) 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 HPA and the cost of the item can be measured reliably.

In most instances, an item of property, plant and equipment is initially recognised at its cost. Where an asset is acquired through a non-exchange transaction, it is recognised at its fair value as at the date of acquisition.

The costs of day-to-day servicing of property, plant and equipment are expensed in the surplus or deficit as they are incurred.

**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 reported net in the surplus or deficit.

**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 property, plant and equipment have been estimated as follows:

| | | |
|---|---|---|
| Leasehold Improvements* | 3 years | 33% |
| Furniture | 10 years | 10% |
| Office Equipment | 5 years | 20% |
| Motor Vehicles | 5 years | 20% |
| Computer hardware & software | 3 years | 33% |
| Books and films | 10 years | 10% |
| Artwork | | 0% |

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

**Impairment of property, plant and equipment and intangible assets**

HPA does not hold any cash-generating assets. Assets are considered cash-generating where their primary objective is to generate a commercial return.

*Non-cash-generating assets*
Property, plant and equipment held at cost 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 service amount. The recoverable service amount is the higher of an asset's fair value less costs to sell and value in use.

Value in use is the present value of an asset's remaining service potential. It is determined using an approach based on either a depreciated replacement cost approach, a restoration cost approach or a service units approach. The most appropriate approach used to measure value in use depends on the nature of the impairment and availability of information.

If an asset's carrying amount exceeds its recoverable service amount, the asset is regarded as impaired and the carrying amount is written down to the recoverable amount. The total impairment loss is recognised in the surplus or deficit.

The reversal of an impairment loss is recognised in the surplus or deficit.

### Critical accounting estimates and assumptions

**Estimating useful lives and residual values of property, plant and equipment**
At each balance date, the useful lives and residual values of property, plant and equipment are reviewed. Assessing the appropriateness of useful life and residual value estimates of property, plant and equipment requires a number of factors to be considered such as the physical condition of the asset, expected period of use of the asset by HPA, and expected disposal proceeds from the future sale of the asset

An incorrect estimate of the useful life or residual value will affect the depreciation expense recognised in the surplus or deficit, and carrying amount of the asset in the statement of financial position. HPA minimises the risk of this estimation uncertainty by:

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

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

## Note 9: Intangible assets

### Accounting policy

**Software acquisition**
Computer software licences are capitalised on the basis of the costs incurred to acquire and bring to use the specific software.

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 HPA's website are expensed 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 financial year is expensed in the surplus or deficit.

The useful lives and associated amortisation rates of major classes of intangible assets have been estimated as follows:

| | | |
|---|---|---|
| Acquired computer software | 3 years | 33% |

**Impairment of intangible assets**
Refer to the policy for impairment of property, plant and equipment in Note 8. The same approach applies to the impairment of intangible assets.

### Critical accounting estimates and assumptions

**Estimating useful lives and residual values of intangible assets**
In assessing the useful lives of software assets, a number of factors are considered, including:

- the period of time the software is intended to be in use;
- the effect of technological change on systems and platforms; and
- the expected timeframe for the development of replacement systems and platforms.

An incorrect estimate of the useful lives of software assets will affect the amortisation expense recognised in the surplus or deficit, and the carrying amount of the software assets in the statement of financial position.

## Note 10: Payables

### Accounting policy

Short-term payables are recorded at the amount payable.

## Note 11: Employee entitlements

### Accounting policy

**Short-term employee entitlements**
Employee entitlements that are due to be settled within 12 months after the end of the year in which the employee provides the related service are measured based on accrued entitlements at current rates of pay. These include salaries and wages accrued up to balance date, annual leave earned but not yet taken at balance date, and sick leave.

A liability and an expense are recognised for bonuses where there is a contractual obligation or where there is a past practice that has created a constructive obligation and a reliable estimate of the obligation can be made.

**Long-term employee entitlements**
Employee benefits that are due to be settled beyond 12 months after the end of period in which the employee provides the related service, such as long service 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 entitlement information; and
- the present value of the estimated future cash flows.

**Presentation of employee entitlements**
Sick leave, annual leave and the current portion of vested long service leave are classified as a current liability. Non-vested long service leave, expected to be settled within 12 months of balance date is classified as a current liability. All other employee entitlements are classified as a non-current liability.

### Critical accounting estimates and assumptions

**Measuring long service leave obligations**
The present value of long service leave obligations depends on a number of factors that are determined on an actuarial basis.

Two key assumptions used in calculating this liability include the discount rate and the salary inflation factors. Any changes in these assumptions will affect the carrying amount of the liability.

## Note 12: Equity

### Accounting policy

Equity is measured as the difference between total assets and total liabilities. Equity is disaggregated and classified into the following components.

- contributed capital;
- accumulated surplus/(deficit)

**Capital management**

HPA's capital is its equity, which comprises accumulated funds. Equity is represented by net assets.

HPA 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.

HPA manages its equity as a by-product of prudently managing revenues, expenses, assets, liabilities, investments and general financial dealings to ensure that HPA effectively achieves its objectives and purpose, while remaining a going concern.

PO Box 2142
Wellington
New Zealand 6140
**hpa.org.nz**

health promotion agency
TE HIRINGA HAUORA

HPA148 | JUN 2019