Health Promotion Agency

Statement of Performance Expectations

2017/18

health promotion agency

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New Zealand
hpa.org.nz

June 2017

Contents

Foreword

We are pleased to present the Health Promotion Agency's (HPA) Statement of Performance Expectations for 2017/18.

HPA's strategic intentions and direction to 2021 are outlined in our Statement of Intent 2017–2021. In this, the annual document, we outline our activities for the 2017/18 year, and how we will measure our success.

Health has many influences and, with this in mind, HPA will look for opportunities to focus on health and wellbeing for particular priority populations. HPA embraces the team approach across the health and disability system, helping a diverse range of stakeholders and ensuring that both health sector partners and others are supported to help New Zealanders live well, stay well and get well.

HPA will make a significant contribution to the New Zealand Health Strategy. The five strategic themes of the strategy are reflected throughout our work, and the way in which we work.

We will continue to foster effective relationships including with industry partners to encourage health-focused initiatives such as reducing childhood obesity.

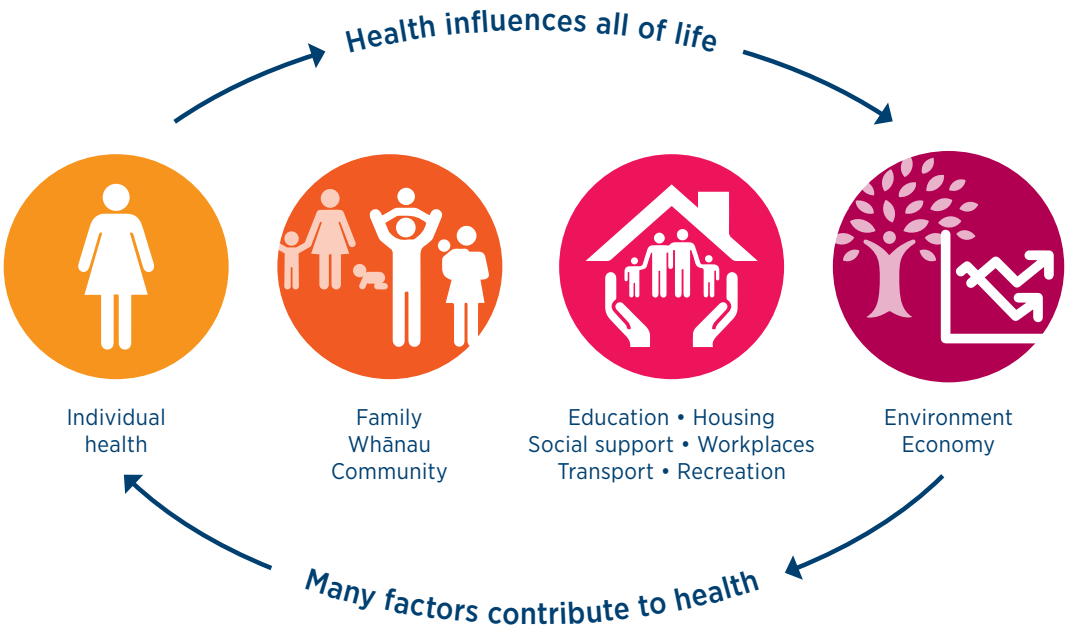
HPA will remain agile, and continue to bring marketing and other communications expertise to Government health priorities as required. In the 2017/18 financial year, we expect additional work above our baseline in childhood obesity, oral health, Health Star Ratings and more.

In all our work, HPA looks for efficiency gains. We strive to be innovative and effective, using smart systems to reach target audiences. We will continue to look for ways in which our strengths can contribute to implementing the New Zealand Health Strategy.

The Board looks forward to another successful year.

Dr Lee Mathias
Chairman
Health Promotion Agency
June 2017

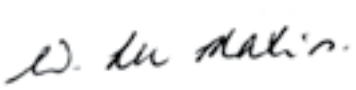
Dr Monique Faleafa
Deputy Chairman
Health Promotion Agency
June 2017



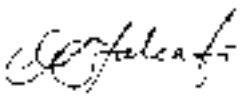
Source: New Zealand Health Strategy. Available at: http://www.health.govt.nz/

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 (HPA). This information has been prepared in accordance with the Crown Entities Act 2004 and to give effect to the Minister of Health's expectations of HPA.



Dr Lee Mathias
Chairman
June 2017



Dr Monique Faleafa
Deputy Chairman
June 2017

HPA Board

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

Board members are:

- Dr Lee Mathias (Chairman)
- Dr Monique Faleafa (Deputy Chairman)
- Professor Grant Schofield
- Jamie Simpson
- Tony O'Brien
- Catherine Abel-Pattinson
- Dr Mataroria Lyndon

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

Inspire all New Zealanders to lead healthier lives.

HPA is a Crown agent established by the New Zealand Public Health and Disability Act 2000.

As a Crown agent HPA is required to give effect to government policy when directed by the responsible Minister.

In delivering our alcohol-specific functions, HPA must have regard to government policy if so directed by the Minister.

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 publishes a Statement of Performance Expectations (SPE) for each financial year, setting out what will be delivered, how performance will be assessed, with specific measures, and forecasting financial information including expenditure in each class of outputs.

We report quarterly to the Minister of Health, and publish an annual report for each financial year.

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

The New Zealand Health Strategy

HPA is proud to be part of the New Zealand health sector team that will activate the New Zealand Health Strategy.

The New Zealand Health Strategy: Future direction outlines the high-level direction for New Zealand's health system over the 10 years from 2016 to 2026.

It lays out some of the challenges and opportunities the system faces; describes the future New Zealand wants, including the culture and values that will underpin this future; and identifies five strategic themes for the changes that will take New Zealand toward this future.

Source: New Zealand Health Strategy. Available at: http://www.health.govt.nz

Annual Letter of Expectations

HPA's work programme is guided by the annual Letter of Expectations from the Minister of Health. The Letter of Expectations for 2017/18 emphasises the importance of ensuring HPA activities are clearly linked to the five themes of the New Zealand Health Strategy, and HPA's performance story. The Minister also notes that HPA is expected to make efficiency gains, making every dollar count, and work together with other agencies where that is needed to deliver results, working to maintain a team approach across the health and disability system.

In addition to the 2016/17 ministerial expectations of all health Crown entities, the Minister of Health expects that HPA will:

- continue to identify and develop innovative and effective health and wellbeing initiatives where HPA can leverage off its strengths to help New Zealanders live well, stay well and get well, consistent with the New Zealand Health Strategy
- actively work across the sector and with other sectors to maximise the agency's contribution to the Government's priority areas, which include (but are not limited to) alcohol moderation, mental health, immunisation, oral health, skin cancer prevention and smoking cessation, especially among priority populations. HPA is encouraged to work on initiatives that effectively engage with target populations across multiple health topic areas
- engage with industry groups in support of the Government's integrated initiatives to reduce childhood obesity
- further evolve the performance measures with continued stretch in improving the relevance and sophistication of measurement in a digitally enabled operating environment.

Who We Work With

HPA is well connected, with excellent working relationships with a large number of organisations, across sectors and communities, and in a range of environments and settings. We support stakeholders to achieve our shared objectives and to enable communities to develop solutions that work for them.

Health Promotion Agency

We work across the depth and breadth of the New Zealand health sector. As well as working closely with the Ministry of Health, our strong relationships and partnerships include:

- other health Crown entities
- the national telehealth service (Homecare Medical)
- 20 district health boards
- public health organisations
- general practitioners, midwives, nurses, and professional associations
- primary care providers
- iwi and Māori health providers
- Pacific health providers
- health non-governmental organisations eg, Mental Health Foundation, Heart Foundation, New Zealand Drug Foundation.

We work closely with central government agencies including the:

- Ministry of Health
- Ministry of Business, Innovation and Employment
- Department of Internal Affairs
- Ministry of Justice
- New Zealand Police
- Ministry of Education
- Ministry of Social Development
- Ministry for Vulnerable Children, Oranga Tamariki
- Accident Compensation Corporation.

Organisations outside government structures often have direct connection with our audiences. We work with many organisations to develop initiatives to meet their particular needs. These organisations include:

- local government
- regulators
- community licensing trusts
- industry (eg, alcohol, gambling)
- sports organisations
- employers
- the media.

Strategic Framework

HEALTH SYSTEM OUTCOMES
New Zealanders live longer, healthier, more independent lives
The health system is cost effective and supports a productive economy

The figure above shows HPA's strategic framework. It outlines the strategic intentions that HPA contributes to and HPA's output classes.

Strategic intentions

HPA has two 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.

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 education, marketing and communications strategies, including national media campaigns and other activities and resources.

In some areas of work there are considerable gains to be made by targeting specific populations. Identifying and focusing health promotion activities to help improve the health and wellbeing of Māori, Pacific peoples and youth as priority audiences is a crucial focus for HPA.

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. 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, sport and education settings.

Output class three: Informing health promoting policy and practice

Policy advice and research

HPA provides policy advice to inform decision making and policy to improve New Zealanders' health and wellbeing and to reduce injury and other harm. HPA offers specialist knowledge and expertise in developing and delivering successful, nationally integrated health promotion and harm reduction strategies.

HPA's Work Programme

Alcohol

The 2015/16 New Zealand Health Survey found about one in five adults have a hazardous drinking pattern.[1] Rates of hazardous drinking vary by sex, age, and ethnic group.[2]

Men are more likely to be hazardous drinkers than women. Young adults (18 to 24 years) have the highest rates of hazardous drinking and weekly binge drinking. There has been a significant increase in hazardous drinking rates by drinkers aged 45 to 54 years compared with the 2011/12 survey. Māori adults are more likely than non-Māori adults to be hazardous drinkers, and, while relatively few Pacific adults have drunk alcohol in the past year, Pacific adults who drink are 1.5 times more likely to be hazardous drinkers than non-Pacific drinkers. Despite there being more non-drinkers in the most socio-economically deprived areas, adults in the most deprived areas are 1.4 times more likely to be hazardous drinkers.

HPA has therefore identified four priority audiences: women who are pregnant or may become pregnant, teenagers under 18 years, young adults aged 18 to 25 years, and adults in mid-life (45 to 65 years). Within these groups, priority is given to populations most at risk of, or experiencing, the greatest harm. For example, the hazardous drinking rates of Māori women have increased in recent years. Māori women are over twice as likely to be hazardous drinkers compared with non-Māori women.[3]

HPA contributes to the effective implementation of alcohol-related legislation and Government policy including the Sale and Supply of Alcohol Act 2012, the National Drug Policy 2015 to 2020, Taking Action on Fetal Alcohol Spectrum Disorder: 2016-2019: An action plan, and the Healthy Ageing Strategy.

HPA's alcohol and pregnancy work programme aims to prevent alcohol use during pregnancy. During 2017/18 HPA will implement phase two of the marketing programme targeting young women who drink moderately to hazardously, and their whānau and partners. HPA will also provide tools, resources and training to support health professionals to deliver routinely consistent and effective responses to women about drinking alcohol during pregnancy. HPA will support the provision of screening and brief interventions for women who drink during pregnancy and support services for pregnant and postpartum women experiencing alcohol issues.

HPA's focus on delaying the uptake of drinking by under 18-year-olds will be further developed and implemented in 2017/18. HPA will co-design a marketing and communications programme with young people, support facilitator training in the Smashed 'n Stoned early intervention programme, and provide information and support for parents/caregivers of under 18-year-olds.

In environments where risky drinking is the norm, people report joking and teasing when they refuse a drink, and other people trying to talk them into having another drink.[4] Changing this feature of our drinking culture is the focus of HPA's Say Yeah, Nah campaign in 2017/18. HPA will continue to support regulatory agencies, those who sell and supply alcohol and others to effectively meet legislative requirements and model best practice in host responsibility in a range of settings. HPA also supports members of the public to participate in decision-making processes around the sale and supply of alcohol in their communities. Activities will include further campaign development ensuring effectiveness for Māori and Pacific peoples, resources and advice for communities undertaking local action to reduce hazardous drinking and harm, and for agencies responsible for administration and enforcement of the Sale and Supply of Alcohol Act 2012.

Reducing alcohol use, and in particular the rates of hazardous drinking among mid-life adults, is an important prevention strategy to improve the health status of this group now, and to help ensure they move into a healthy older age. These improvements are even more important for Māori, Pacific men, and people living in the most deprived areas. They all have higher rates of hazardous drinking compared with other groups and are more likely

1 Ministry of Health. (2016) *Annual update of key results 2015/16: New Zealand Health Survey.* Wellington: Ministry of Health.

2 'Hazardous drinking' refers to an established alcohol drinking pattern that carries a risk of harming the drinker's physical or mental health or having harmful social effects on the drinker or others.

3 Ministry of Health. (2016). *Data tables: Annual update of key results 2015/16: New Zealand Health Survey.* Wellington: Ministry of Health.

4 HPA 2016 marketing communications monitor.

to have a range of alcohol associated health conditions already well established in their mid-life years.

In 2017/18 HPA will also develop a new marketing programme that is effective for Māori and Pacific peoples and supports hazardous drinkers to seek and find help, and will support local initiatives aimed at increasing help-seeking behaviour.

Mental health

It is common for people in New Zealand to experience mental illness, with 46.6% of the population likely to develop a mental health disorder at some time in their lives.

In relation to common mental health disorders, 5.7% of New Zealanders (aged 16 and over) are predicted to experience depression over a 12-month period and 14.8% of the population are likely to experience an anxiety disorder. Approximately half of the people with a mood disorder and a quarter of the people with an anxiety disorder will have both depression and anxiety.[5]

HPA has two mental health programmes. Strategic development of our mental health activities is supported through a joint agency group made up of the Ministry of Health and HPA.

The National Depression Initiative

The National Depression Initiative (NDI) works to reduce the impact of depression and anxiety on the lives of New Zealanders by strengthening the individual, family and social factors that help them to recognise and meet the challenge of depression, and to build wellbeing and resilience. The NDI programme is supported by specialists in mental health, research and e-health specialists.

The NDI programme consists of promotion directly with sector groups, national advertising and two websites. The depression.org.nz website, for adults, includes information and an online self-help tool (the Journal), support services provided by Homecare Medical, the national telehealth service provider, such as telephone support and text messaging, and other supporting resources. Sir John Kirwan is the ambassador for this programme and is a strong public advocate.

The NDI also includes a youth-specific programme stream, which consists of thelowdown.co.nz website, and accompanying social media and online support and youth sector engagement. HPA will continue to enhance these resources and tools to meet the needs of specific population groups that have higher risk of mental distress and illness.

HPA will provide leadership and support for communities to increase their responsiveness to depression and anxiety and increase community wellbeing. Activities in 2017/18 will include supporting the integration of the NDI with primary health care, promoting mentally healthy workplaces and developing relationships with other organisations to help promote wellbeing. We will review, develop or revise online tools and resources and develop and promote messaging that supports both NDI and Like Minds, Like Mine. Mental health awareness week will be supported by HPA.

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 experience of mental illness/distress. Through a combination of a media campaign and community activity, Like Minds, Like Mine promotes inclusive attitudes, behaviours and structures in the New Zealand social environment.

The programme will guide and support community action to increase the capacity of social environments to remove barriers for those who are most excluded. In 2017/18 a stream of work to support health professionals in their practice with people who are experiencing mental distress will be established. HPA will support collaborative work through a multi-agency anti-discrimination group. Through active links with peer programmes internationally, Like Minds, Like Mine will contribute to the body of knowledge for anti-stigma programmes. A plan will be developed and implemented to address internalised stigma and to measure performance, and there will be support for community action. Guidelines for workplaces accommodating people with experience mental distress will be developed.

5 Oakley Browne, M.A., Wells, J.E., & Scott, K.M. (eds). (2006). *Te Rau Hinengaro: The New Zealand Mental Health Survey*. Wellington: Ministry of Health.

Tobacco control

In New Zealand, smoking remains a leading cause of preventable morbidity and mortality. It is estimated that smoking-related illnesses are responsible for between 4,300 and 4,700 deaths per year.[6] Recent evidence suggests that, in 2010, 104 deaths in New Zealand were attributable to second-hand smoke exposure.[7] While this is a reduction from previous estimates, the authors note that "there is no room for complacency, as some population groups remain disproportionately affected by second-hand smoke, particularly Māori and children".[8]

HPA is one of the leading organisations working toward the Government goal that New Zealand be smokefree by 2025, with a smoking prevalence of less than 5% of the population.

Central to HPA's work with the sector is the newly established National Tobacco Control Integration Network (NTCIN). Led by the Ministry of Health, the NTCIN was established to set a common agenda for change, facilitate strategy and develop a plan of action, set shared measurements for alignment and accountability, collect data and report on performance. HPA's role on the NTCIN is to provide advice on health promotion activities.

HPA will contribute to the Smokefree 2025 goal by focusing on at-risk population groups, particularly Pacific peoples and Māori (especially Māori women), young adults (17 to 24 years) and pregnant women, and encouraging them to stop smoking, or not start smoking.

Youth (12 to 17 years) also continue to be an important audience for tobacco control messages. Youth are 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 partner with organisations such as Rockquest Promotions to sponsor Smokefreerockquest and Smokefree Pacifica Beats to promote these messages. HPA also works with the education sector to encourage smokefree environments for youth.

If young adults are still smokefree at 24 years of age, they are unlikely to start, so HPA will also focus on preventing at-risk young adults (17 to 24 years) from becoming regular smokers. We will partner with other organisations that enable young adults to be motivated and confident to be smokefree. Phase two of our young adult marketing campaign will be implemented, following on from the successful Stop Before You Start campaign.

HPA will continue to work collaboratively with the tobacco control sector. We will support stop smoking service providers, including Quitline, to deliver consistent messaging and 2025 branding. We will work to build sector capability so that the delivery of local initiatives and services is nationally aligned and includes consistent smokefree messaging and branding.

HPA will also target Māori women in communities where smoking rates are high, in partnership with existing programmes and services. Smokefree community partnership grants will continue, and HPA will facilitate World Smokefree Day.

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6 Ministry of Health. (2002). *Tobacco facts May 2001*. Wellington: Ministry of Health.

7 Mason, K., & Borman, B. (2016). Burden of disease from second-hand smoke exposure in New Zealand. *New Zealand Medical Journal, 129*. Retrieved from https://www.nzma.org.nz/journal/read-the-journal/all-issues/2010-2019/2016/vol-129-no-1432-1-april-2016/6844

8 Ibid.

Minimising gambling harm

Wave three (2014), report five from the National Gambling Study shows that, of New Zealanders aged 18 years and over, 0.7% are problem gamblers (23,504) and an additional 1.8% (around 60,440 people) have been identified as moderate-risk gamblers. This represents about 84,000 people in New Zealand who are gambling at levels that are likely to be leading to negative consequences. An additional 5% (approximately 168,000 people) are classified as low-risk gamblers, indicating that they are experiencing some low levels of harm and are potentially at risk of further problems in the future. People who play electronic gaming machines are at higher risk of harm than those who engage in other forms of gambling.

The burden of gambling harm is higher in particular population groups. Māori and Pacific adults are more likely to experience gambling harm than adults in the total population. For Māori, 6.2% are current problem or moderate-risk gamblers compared with 8% of Pacific peoples, 3% percent of Asians and 1.8% of European/Other. The Wave three report also shows that close to 50% of problem gamblers and close to 40% of moderate gamblers are Māori or Pacific.[9]

The harm experienced by low socio-economic groups, Māori, and Pacific communities is of particular concern so this will be a priority for HPA. The Ministry of Health Strategy to Prevent and Minimise Gambling Harm 2016/17 to 2018/19 sets out an expectation that HPA will boost its activities focused on these audiences.

Gambling-related harm is an important health issue in New Zealand that has significant negative health, social and economic implications.

Through the Choice Not Chance campaign, HPA's work 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 campaign will include mass media messages and website tools as well as supporting the minimising gambling harm sector to deliver the messages at a local level. The campaign and its messages will be crafted to target Māori and Pacific audiences.

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

HPA will also continue to help create safer gambling environments by promoting Class 4 venue-based messages and providing support materials to staff.[10] HPA will continue to work in partnership with the Department of Internal Affairs and the Ministry of Health to develop harm minimisation approaches that help pubs and clubs with pokie machines (Class 4 venues). Work will focus on supporting the implementation of the Gamble Host pack and developing innovative and effective approaches for training venue staff.

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 free access to preventive public health information. The resources are ordered through the health education website and district health board authorised providers and distributed to health service providers and professionals and the general public. HPA will continue to refine the health education catalogue and related content to reflect technological advances and changing consumer needs and preferences. We are working to ensure the catalogue and website are easily understandable, accessible, efficient, and reflect health priorities and any emerging needs.

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9 Abbott, M., Bellringer, M., Garrett, N., & Mundy-McPherson, S. (2016). *New Zealand National Gambling Study: Wave 3 (2014). Report number 5*. Auckland: Auckland University of Technology, Gambling and Addictions Research Centre.

10 Class 4 venues are pubs and clubs with pokie machines.

Skin cancer prevention

Skin cancer is by far the most common cancer affecting New Zealanders. It has been estimated that all types of skin cancer account for just over 80% of all new cancers.[11] Melanoma was the third most commonly registered cancer in 2013, accounting for 10.7% of all registrations. In the same year it was the fourth most common cause of death from cancer for men and seventh for women.[12]

HPA has led the development of an updated New Zealand Skin Cancer Primary Prevention and Early Detection Strategy for 2017 to 2022, in partnership with the Melanoma Network of New Zealand Incorporated (MelNet) and with advice from the skin cancer control sector and leading academics. This strategy will guide activities undertaken by key agencies in the sector including HPA.

HPA's skin cancer prevention programme encourages New Zealanders to practise sun safe behaviours to protect from ultraviolet radiation that causes harm, and promotes early detection of skin cancer. HPA continues to promote the Sun Protection Alert (developed in association with the MetService and NIWA and released in 2011), which provides daily information enabling New Zealanders to identify the times in their own region when they should use sun protection. HPA will also continue to develop tools and resources to assist primary health care professionals to provide appropriate advice on skin cancer prevention and early detection. HPA is also continuing to work with recreation organisations to promote SunSmart behaviour in their communities.

Nutrition and physical activity

Good nutrition, regular physical activity and a healthy body weight are essential for health and wellbeing and for reducing the risk of diseases such as obesity, cardiovascular disease, diabetes, stroke and some cancers. Good nutrition and regular physical activity can also have positive effects on people's mental wellbeing. Obesity rates in New Zealand are high and one in three adults (aged 15 and over) are obese (31%) and a further 35% are overweight. The obesity prevalence of New Zealand children is also high, with recent data showing 22% of children are overweight and 11% are obese.[13]

HPA will support Government's priorities and activities to address childhood obesity, including building relationships with industry. HPA's nutrition and physical activity programme supports Government initiatives such as the Health Star Ratings nutrition labelling programme, the childhood obesity plan, and Healthy Families New Zealand. The Ministry of Health's Eating and Activity Guidelines provide the evidence base for HPA's nutrition and physical activity programme. HPA promotes these guidelines to the public and health professionals through its programmes and networks. This includes providing healthy eating and activity solutions through a variety of settings such as workplaces and directly to families.

Immunisation

The national immunisation programme is led by the Ministry of Health. The Ministry's vision is to improve the health of children, adolescents and adults by protecting them from vaccine preventable diseases and supporting the implementation, delivery and maintenance of immunisation programmes. The Ministry of Health achieves its work through the four work programmes below.

1. Improve immunisation coverage for adolescents and pregnant women
2. Sustain the annual influenza immunisation programme
3. Maintain the overall immunisation programme
4. HPA provides the Ministry with communications and marketing support to help it achieve its immunisation aims. This includes working with the Ministry of Health on strategy and resource development, as well as promotions to increase target audience exposure to immunisation messages.

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11 O'Dea, D. (2009). *The costs of skin cancer to New Zealand*. Wellington: Cancer Society of New Zealand.

12 Ministry of Health. (2016). *Cancer: New registrations and deaths 2013*. Wellington: Ministry of Health.

13 Ministry of Health. (2015). *Annual update of key results 2014/15: New Zealand Health Survey*. Wellington: Ministry of Health.

Research and evaluation

HPA undertakes 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 Attitudes and Behaviour towards Alcohol Survey is a regular survey of 15-year-olds and over that collects information on behaviour and experiences of drinking alcohol (within the previous month and on last drinking occasion) and attitudes towards alcohol use.
- The Health and Lifestyles Survey (HLS) monitors the health behaviour and attitudes of New Zealand adults aged 15-years-old and over, and parents and caregivers of 5 to 16-year-olds. The HLS collects information relating to alcohol, tobacco control, mental health, sun safety, harmful gambling, immunisation, nutrition and physical health. 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 smoking uptake among young people. The NZYTM comprises the ASH (Action on Smoking and Health New Zealand) Year 10 Snapshot (annual, with approximately 30,000 respondents) and HPA's Youth Insights Survey (YIS) (conducted every two years, with approximately 3,000 respondents).
- The Mental Health Monitor is a regular survey designed to monitor mental health-related issues in New Zealand. It started in 2015.
- The Sun Exposure Survey is carried out every three years. It collects information on attitudes and behaviour towards sun exposure comparable with previous survey data.

HPA has a specific statutory function to provide research on alcohol-related issues. Research is undertaken to collect nationally representative information on alcohol attitudes and behaviour in New Zealand. 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.

Non-baseline funding

HPA reports on activities that are additional to baseline funded activities in the annual report. Funding is provided for specific projects agreed with the Ministry of Health. In 2014/15 additional funding was $5,709,000. In 2015/16 additional funding was $8,198,000.

Health Star Ratings is one topic we are contracted to work on in 2017/18. Health Star Ratings is a voluntary programme for industry, using a star rating scale on packaged foods to identify those with better nutritional value. The Ministry for Primary Industries manages the programme. HPA is responsible for delivering the consumer marketing campaign with the aim of increasing consumers' awareness, understanding and use of Health Star Ratings and will conduct appropriate research and monitoring.

Measuring Our Success

HPA's activities in 2017/18 will contribute to the strategic intentions, and, while we do not report on every activity we undertake, we will measure the success of our activities as shown in the following tables. We have directly aligned these measures with the five key themes of the New Zealand Health Strategy.

Output class one performance indicators

Promoting health and wellbeing – education, marketing and communications

KEY TO NZHS THEME: = people-powered = closer to home = value and high performance = one team = smart system

	NZHS theme	Context	Activity	Measure	Comparative data	Source
Alcohol						
1		HPA promotes understanding of the risks of drinking during pregnancy to women and their partners, families/whānau and friends so that healthy, alcohol-free pregnancies are supported.	Develop and deliver a marketing campaign that supports young women to stop drinking if there is a chance they could be pregnant.	Increase in the proportion of people who have seen the campaign that have considered if they could be pregnant before drinking, or have supported someone who is pregnant to stop drinking or encouraged others to consider if they are pregnant before drinking.	Of people who had seen the campaign (2015/16): • 58% supported someone who was pregnant to stop drinking • 52% encouraged others to consider if they were pregnant before drinking • 49% considered if they were pregnant before drinking.	Campaign monitor.
2		HPA helps to ensure individuals are supported by the people and environments around them to drink less or be alcohol-free.	Design and implement a marketing campaign that builds social support for drinking less or being alcohol-free.	Increase in the proportion of people who saw the campaign that agree it helped or encouraged them to accept others who say no to a drink.	Baseline 2012/13 33%.	Campaign monitor.
Tobacco Control						
3		HPA works to prevent at-risk young adults from becoming regular smokers because by the age of 24 they are less likely to start smoking.	From 1 July 2017 phase two of the young adult campaign will be in market with a refined audience of 17 to 20 years.	Increase in the proportion of people who saw the campaign and are aware of the undesirability and/or negative aspects of smoking.	Baseline to be collected in July 2017.	Young adult campaign evaluation.

	NZHS theme	Context	Activity	Measure	Comparative data	Source
Minimising Gambling Harm						
4		HPA motivates at-risk gamblers (and others) to check whether their gambling is okay on choicenotchance.org.nz	Design and implement a refreshed Choice Not Chance marketing campaign which targets priority audiences.	The number of at-risk gamblers who check their gambling is increased.	7,179 in 2015/16.	Choice Not Chance website analytics/ Health and Lifestyles Survey.
Mental Health						
5		HPA helps to reduce the impact of depression and anxiety on the lives of New Zealanders by contributing to strengthening of individual, family and social factors that help build wellbeing.	Promote depression.org.nz and thelowdown.co.nz to encourage help seeking behaviour.	Maintain or improve the proportion of visitors to depression.org.nz or thelowdown.co.nz that agree they found the website useful.	Target for 2016/17 is 80%.	Website survey, Mental Health Monitor, and/or evaluation.
6		HPA ensures that New Zealanders know where to get help if they or someone they know has depression.	The proportion of New Zealanders who know where to get help if they or someone they know has depression is increased.	65% of New Zealanders can identify *at least two* sources for where to get help for depression. **Note:** Being able to identify two sources of help is considered an improvement on identifying just one source of help.	80-85% could identify *at least one* source for where to get help for depression (2014).	Health and Lifestyles Survey and/or tracking survey.

Revenue	**$14,376,000**	**Expenditure**	**$14,376,000**	**Surplus/(deficit)**	**$0**

Output class two performance indicators

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

KEY TO NZHS THEME: = people-powered = closer to home = value and high performance = one team = smart system

	NZHS theme	Context	Activity	Measure	Comparative data	Source
Alcohol						
7		HPA provides support (advice, resources and tools) to a diverse range of stakeholders to reduce alcohol-related harm.	Communities and health promoters are supported to deliver activities and interventions close to home.	At least 20 locally developed initiatives are supported by HPA.	Comparative information not available.	Administration data.
8				Those receiving support agree HPA made a positive contribution to their activities.	In 2015/16, 95% of stakeholder respondents indicated they were satisfied with resources or advice. **Note:** The 2017/18 measure targets a different aspect of support.	HPA stakeholder survey.
Tobacco Control						
9		HPA builds collective impact by assisting stop smoking service providers, including Quitline, to deliver consistent messaging and 2025 branding.	HPA will support the health promotion function of stop smoking services and other stakeholders with advice, tools and resources.	Stop smoking service providers are supported with at least two new or revised resources by 30 June 2018.	Comparative information not available.	Administration data.
10				Increase or maintain the proportion of users of advice, resources and tools that agree they were useful.	In 2014/15, 94% of 35 stakeholder respondents agreed their work was more effective as a result of HPA support.	HPA stakeholder survey.
Minimising Gambling Harm						
11		HPA helps to enhance harm minimisation best practice to help reduce harm for gamblers.	Support implementation of Class 4 Gamble Host materials and best practice within venues.	DIA reports improved harm minimisation practices in Class 4 venues (DIA carries out inspections).	Comparative information not available.	DIA reporting/ administration data.

	NZHS theme	Context	Activity	Measure	Comparative data	Source
Skin Cancer Prevention						
12		HPA works with primary health care professionals and other stakeholders so that they can provide consistent and accurate advice and information about skin cancer prevention and early detection messages.	HPA will work with primary health care professionals and other stakeholders to help them provide advice and information about skin cancer prevention and early detection.	Develop and implement at least one tool or resource for primary care health professionals or other stakeholders by 30 June 2018.	Comparative information not available.	Administration data.
Nutrition and Physical Activity						
13		HPA works to ensure environments and settings make healthy eating and physical activity the norm to help reduce childhood obesity.	Provide health promoters and others with resources to support their work.	Create at least two new or revised resources for the health workforce by 30 June 2018.	Comparative information not available.	Administration data.
14				At least 80% of users of advice, resources and tools agree they were useful and helped them to do their work better.	Comparative information not available.	HPA stakeholder survey.

Revenue	**$9,836,000**	**Expenditure**	**$9,836,000**	**Surplus/(deficit)**	**$0**

Output class three performance indicators

Informing health promoting policy and practice – policy advice and research

KEY TO NZHS THEME: = people-powered = closer to home = value and high performance = one team = smart system

	NZHS theme	Context	Activity	Measure	Comparative data	Source
Alcohol						
15		HPA provides expert advice on the sale, supply, consumption, misuse and harm of alcohol to stakeholders.	Provide alcohol policy, research and advice, including evidence-based information, resources and tools and regular stakeholder communications.	The proportion of stakeholders who have used the resources or received advice that indicate satisfaction with the resources or advice is maintained or improved.	2015/16 goal 75%. 2015/16 result 95%.	HPA stakeholder survey.
Research						
16		HPA provides high quality, coordinated monitors and data analysis and outputs for stakeholders internally and externally.	Monitoring, evaluation and information provision.	Gambling report for the Ministry of Health using Health and Lifestyles data is completed by 30 June 2018.	Comparative information not available.	Administration data.
17		HPA provides high quality, coordinated monitors and data analysis and outputs for stakeholders internally and externally.	Monitoring, evaluation and information provision.	At least two mental health reports based on analysis of the Mental Health Survey are published on the HPA website by 30 June 2018.	Data collected in the 2015/16 financial year published in 2017/18.	Administration data.
18		HPA provides high quality, coordinated monitors and data analysis and outputs for stakeholders internally and externally.	Monitoring, evaluation and information provision.	Tobacco report (using Youth Insight Survey data) is completed by 30 June 2018.	Comparative information not available.	Administration data.

	NZHS theme	Context	Activity	Measure	Comparative data	Source
Research						
19		HPA provides high quality, coordinated monitors and data analysis and outputs for stakeholders internally and externally. HPA has a statutory function to provide research on alcohol-related issues.	Monitoring, evaluation and information provision.	At least five research reports are produced from HPA's Attitudes and Behaviour towards Alcohol Surveys (ABAS) or from Research Investment Priorities in Alcohol (RIPA) projects by 30 June 2018.	Comparative information not available	Administration data.
20		HPA provides high quality, data analysis and outputs for stakeholders internally and externally.		At least one report is published from analysis of a major secondary data source not previously analysed by HPA (either the Integrated Data Infrastructure or Growing Up in NZ study).	Nil in 2016/17.	Administration data.
Across HPA topics						
21		HPA makes efficiency gains, and identifies and develops innovative and effective health and wellbeing initiatives for priority populations to contribute to Government priorities.	Develop and deliver a multifaceted health and wellbeing programme targeting priority populations.	At least two health and wellbeing initiatives are developed and delivered.	Comparative information not available.	HPA reports eg, evaluation data if available.
22				At least 80% of users of advice, resources and tools agree they were useful and helped them to do their work better (or other measure if appropriate) eg, we may work directly with populations rather than with communities or health professionals.		HPA stakeholder survey.

Revenue	$3,496,000	Expenditure	$3,496,000	Surplus/(deficit)	$0

Non-baseline funding

KEY TO NZHS THEME: = people-powered = closer to home = value and high performance = one team = smart system

	NZHS theme	Context	Activity	Measure	Comparative data	Source
Nutrition and Physical Activity						
23		Health Star Ratings are designed to help consumers make healthier food choices. HPA works in partnership with the Ministry of Health and the Ministry for Primary Industries to promote Health Star Ratings.	Increase awareness, understanding and correct use of Health Star Ratings.	Awareness of Health Star Rating is increased from 61%.	2015 38%. 2016 61%.	Health Star Rating monitoring and evaluation survey.
HPA wide						
24 25		HPA is agile and contributes to emerging Government priorities.	Increase awareness of important health topics. Contribute to Government priorities. Support the health sector.	HPA contribution is agreed with the Ministry of Health and/or other agencies. HPA delivers against the intent of the campaign.	Previous annual reports have outlined additional non-baseline funding projects HPA has contributed to eg, Before School Checks.	Reporting will be narrative, with metrics where they are available eg, increased awareness, improved uptake of services.

Prospective Financial Statements

Prospective Statement of Comprehensive Revenue and Expense

SPE Budget 2016/17 $000	Estimated Actual 2016/17 $000		Budget 2017/18 $000	Budget 2018/19 $000	Budget 2019/20 $000
		Revenue			
11,530	11,530	Alcohol levy	11,530	11,530	11,530
16,048	20,052	Funding from the Crown	16,048	16,048	16,048
130	130	Interest	130	130	130
–	600	Other	–	–	–
27,708	**32,312**	**Total revenue**	27,708	27,708	27,708
		Expenditure			
54	55	Audit Fees	56	56	58
153	153	Board	155	159	163
85	88	Depreciation	81	55	28
405	405	Equipment, supplies & maintenance	558	570	582
660	651	Occupancy	666	680	694
529	629	Other operating	753	626	639
9,073	9,073	Personnel	9,289	9,475	9,665
16,749	21,258	Programmes	16,150	16,087	15,879
27,708	**32,312**	**Total expenditure**	**27,708**	**27,708**	**27,708**
–	**–**	**Surplus/(deficit)**	**–**	**–**	**–**

Prospective Statement of Comprehensive Revenue and Expense

Restated by Revenue Source

SPE Budget 2016/17 $000	Estimated Actual 2016/17 $000		Budget 2017/18 $000	Budget 2018/19 $000	Budget 2019/20 $000
		Alcohol			
		Revenue			
11,530	11,530	Levy	11,530	11,530	11,530
30	50	Interest	30	30	30
–	–	Other	–	–	–
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	20,052	Funding from the Crown	16,048	16,048	16,048
100	80	Interest	100	100	100
–	600	Other	–	–	–
16,148	**20,732**	**Total revenue**	**16,148**	**16,148**	**16,148**
16,148	**20,732**	**Total expenditure**	**16,148**	**16,148**	**16,148**
27,708	**32,312**	**Grand total revenue**	**27,708**	**27,708**	**27,708**
27,708	**32,312**	**Grand total expenditure**	**27,708**	**27,708**	**27,708**
–	**–**	**Surplus/(deficit)**	**–**	**–**	**–**

Prospective Statement of Changes in Equity

SPE Budget 2016/17 $000		Budget 2017/18 $000	Budget 2018/19 $000	Budget 2019/20 $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 2016/17 $000		Notes	Budget 2017/18 $000	Budget 2018/19 $000	Budget 2019/20 $000
	Assets				
	Current assets				
250	Cash and cash equivalents		250	250	250
3,750	Investments	1	4,000	3,750	4,000
1,900	Receivables	2	1,900	2,025	1,950
5,900	**Total current assets**		**6,150**	**6,025**	**6,200**
	Non-current assets				
410	Property, plant and equipment	5	216	161	133
410	**Total non-current assets**		**216**	**161**	**133**
6,310	**Total assets**		**6,366**	**6,186**	**6,333**
	Liabilities				
	Current liabilities				
3,250	Payables	3	3,318	3,143	3,280
402	Employee entitlements	4	390	385	395
3,652	**Total current liabilities**		**3,708**	**3,528**	**3,675**
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 New Zealand Customs.
3. Includes payables, accrued expenditure, salary accrual and taxes.
4. Includes annual and long service leave.
5. Represents net book value, i.e. cost less provision for accumulated depreciation.

Notes to the Prospective Financial Statements

Note 1: Statement of accounting policies

Reporting entity

The 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 with 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 cost drivers and related activity or usage information.

Personnel and other indirect costs are assigned to output classes based on the proportion of direct programme costs within each output class.

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 have 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
- delivery of 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.

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 have 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 is 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.

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

The office equipment that HPA leases comprises printers.

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.

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.

New Zealand 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 four asset classes, which are measured as follows:

- Leasehold improvements, at cost less accumulated depreciation and impairment losses
- Furniture and office equipment, at cost less accumulated depreciation and impairment losses
- Motor vehicles, at cost less accumulated depreciation and impairment losses
- Computer equipment, at cost less accumulated depreciation and impairment losses.

Additions

The cost of an item of property, plant and equipment is recognised as an asset only when it is probable that future economic benefits or service potential associated with the item will flow to 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 Equipment	3 years	33%
Artwork, Books and Films		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 programmes
- review of second-hand market prices for similar assets
- 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
- 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
- the present value of the estimated future cash flows.

Presentation of employee entitlements

Sick leave, annual leave and 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.

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health promotion agency

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