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REPORT OF THE
**health
sponsorship
council**

Te Rōpū Whakatairanga Hauora

For the year ended June 30 1999

Released under the Official Information Act 1982

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Chairman's report

MISSION STATEMENT

To encourage New Zealanders to adopt and maintain healthy attitudes and lifestyles.

OVERALL OBJECTIVE

To market health brands and engender positive attitudes and behaviour regarding specific health issues. Core activities include:

- maintaining health brand identities reflecting New Zealand's public health priorities
- promoting brand identities through sponsorship and communication devices
- providing brand leadership to assist organisations contracting, marketing or delivering products or services bearing Health Sponsorship Council or complementary public health brands

The mission and objective reflect the roles and responsibilities of the Council, which was established under the Smoke-free Environments Act 1990.

1998/99 has been a transitional year from the mandatory tobacco replacement era to one that focuses on health gain.

A new (post-tobacco replacement) Smokefree strategy was developed in 1998/99. This strategy has resulted in fine-tuning and improvements to existing activities rather than wholesale changes (tobacco replacement excepted) and will see improved results in the coming years.

The health brands Council promote encourage healthy community attitudes towards smoking, sun behaviour, and cycle safety. In pursuit of we have continued to focus on meaningful structural change to support the brands.

Council wants to make its brands relevant for all New Zealanders. To achieve this we work with other health agencies. For example, together with the Cancer Society of New Zealand, Council continues to promote SunSmart – an essential sun safety message. By working together we promote a consistent message in a consistent way, thus, making it more likely that people will both receive, and understand, the message. This approach is a key part of Council's management style to ensure the best possible results are achieved.

Smokefree/Auahi Kore

One of the most significant developments for Council in the year was the Quit pilot and subsequent national Quit project. Initially based in the Waikato/Bay of Plenty area with a free phone line based at Council's offices, the pilot was launched in late 1998.

While September 1998 was launch date, it was preceded by many months of hard work as The Quit Group established the parameters of the pilot and then worked to fulfil them. Weekly meetings for the group (Council, Cancer Society of New Zealand and Te Hotu Manawa Maori) with local health providers ensured appropriate links were sustained between the local and national level workers.

The Quit pilot was a great success, with almost 3,500 calls received in the first month and a total of 8,500 calls during its six-month duration.

The phenomenal success of the pilot was recognised by the Health Funding Authority when they awarded The Quit Group contracts for a national Quitline service and an associated media campaign.

Council's involvement with The Quit Group is significant for a number of reasons. It continues our collaborative work with the Cancer Society and Te Hotu Manawa Maori, and is the first time Council has been involved in promoting the "quit smoking" message.

The Quit message dovetails to the work we do with Smokefree and Auahi Kore. It allows a more complete and holistic approach to tobacco control. While Smokefree and Auahi Kore provide a positive message for smokers and non-smokers alike that Smokefree is a viable and fundamental lifestyle choice, Quit completes the circle by providing practical information on how smokers can quit.

World Smokefree Day is another example of what can be achieved through inter-agency cooperation. In conjunction with the Cancer Society, the Health Funding Authority and Te Hotu Manawa Maori, Council has facilitated a national programme around World Smokefree Day (May 31) for four years. Activities this year included a poster competition, selection of two winning posters - one English, one Maori, and production and distribution of posters, t-shirts and written material supporting the work being undertaken by public health units throughout the country.

This integrated approach ensures consistency throughout the country and makes the best use of the human and financial resources of the contributing agencies.

Following the conclusion of He Oranga Poutama's pilot period and consequent evaluation process, Council concluded better results would be achieved by delivering the message more directly to Maori communities. While He Oranga Poutama is an excellent Maori sport programme it fails to meet Council's requirements of increasing the number of permanent Smokefree Maori environments.

While Council ceased involvement in He Oranga Poutama at the end of the pilot period, in no way should this be interpreted that we are withdrawing our support from Maori communities. The statistics alone demand that we continue to place a major emphasis on this area.

Therefore, funds that were previously committed to He Oranga Poutama will continue to flow into Maori programmes, the main difference being that the route will be more direct and those regions not covered by the He Oranga Poutama project eg. Tainui, Whanganui, Wellington will now have a greater Auahi Kore investment made in them.

SunSmart

In the year, Council completed a new marketing plan for SunSmart. This plan was developed in conjunction with the Cancer Society and involved an environmental scan to discover what is happening in sun safety nationally.

With less budget than last year, but better use of contacts within the health, sporting and commercial sectors, we are improving New Zealanders' sun safety skills. In addition, for the first time we have been approached by organisations seeking to work with us – a sign the brand is gathering momentum.

Street-Skills

It could be said that the cycle steering committee (a forum of government and private agencies with an interest in cycling) has come of age as the first major activities undertaken

by the collective group came to fruition in 1998/99.

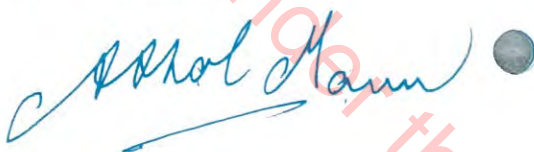
The inaugural Christmas promotion and the 1999 Bike Week proved to be both popular and successful. For example, the number of events held during Bike Week increased five-fold: a strong indication of the growing awareness and commitment throughout the country.

Street-Skills Kiwi Cycling was launched in early November and offers children the opportunity to learn cycling skills in the school environment. Council was closely involved with this project, making a significant contribution to the writing and production of the Kiwi Cycling manual for teachers and activity books for students.

Council implemented a Year 2000 risk analysis during the year and subsequently developed a Y2K contingency plan.

Council is fully Y2K compliant and the contingency plan will minimise potential risk from external influences.

A happy consequence of the move away from tobacco replacement sponsorships has been an improvement in Council's financial situation (from a deficit that peaked at \$2,289,280 in 1995/96 to a deficit of \$74,122 this year). The debt burden imposed by tobacco replacement activities has been largely repaid and, as a result, the net financial position is at a more satisfactory level. This means Council can now take advantage of the opportunities that lie ahead.



Athol Mann
CHAIRMAN

social marketing activity review

Smokefree



Quit Me Maori

Smokefree Community

Through Smokefree Community Council intends to increase the number of Smokefree environments eg. sports events and clubs, arts settings, and other socially-based environments. The bottom line for Council is achieving permanent change in the settings and environments these organisations and activities operate in. We must move people from positive thoughts about Smokefree, to positive action.

Quit Campaign

A logical extension of Council's work in the area of promotion of the Smokefree kaupapa is the inclusion of the Quit message. Through The Quit Group (comprising Council, Cancer Society of New Zealand, and Te Hotu Manawa Maori), Council was initially involved in a Quit pilot in the Waikato/Bay of Plenty area, before winning a national contract that ensures we will be involved with the delivery of a national Quitline, and adjacent media campaign, for the next three years. This is an exciting development for Council as involvement in cessation services enables us to be directly involved in decreasing the number of smokers.

As New Zealand has never hosted an advice line for smokers The Quit Group employed and trained our first 16 Quitline advisers. With our health counterparts from across the Tasman having 10 years experience with a Quit project of this nature we relied heavily on their experience and advice. While the Quitline and campaign has been adapted for New Zealand, we would have been foolish to ignore the knowledge held in Australia.

Evaluation of the pilot campaign provided The Quit Group with much valuable information and positive results. Callers that had agreed to take part in the research were called back after three weeks and five months to ascertain their smoking status and how they rated the Quitline service. After three weeks, 17.3% had quit smoking, although this dropped to 14.7% at five months. But, those callers who had not quit at five months had reduced their average tobacco consumption from 18.1 cigarettes per day to 11.6 cigarettes per day. Maori had reduced even further – from 19.1 cigarettes per day to 8.8. At five months, 82.5% of the sample had made an attempt to quit and the findings indicated that most of the sample that continued to smoke were either thinking of quitting or were in the process of quitting. Maori, as a primary audience for the campaign, appeared to be achieving similar results compared to non-Maori in accessing the Quitline and quitting rates. The research also showed that the Quitline appeared to be accessible and responsive to smokers, rating highly for convenience and friendliness with almost all callers prepared to recommend the service to someone else.

By the end of the pilot project in March 1999 the number of calls to the Quitline had exceeded 8,500. One third of these were from Maori. This is a significant result as there was concern that Maori smokers would not respond to a Quitline at the same rate as non-Maori.

Following the successful pilot in the Waikato/Bay of Plenty area, the winning of the contract for the national Quitline and media campaign, and the consequent launch of the Quitline in early May, The Quit Group ran radio advertisements throughout the country. The result of this, and the combined World Smokefree Day activities, was an astounding 5,000 calls to the Quitline in just one month.

After the launch of the national Quitline in early May The Quit Group spent much time and effort preparing for the media campaign to go "live" in the lower North Island in

July. The campaign will then be launched in the South Island (commencing October) and finally the upper North Island (commencing January 2000).

World Smokefree Day

The theme for this year's World Smokefree Day was quitting. As with last year, the event was facilitated by the Smokefree Group - a collaborative committee comprising Council, Te Hotu Manawa Maori, the Cancer Society, and the Health Funding Authority.

A focus on housie was one promotional idea that gained momentum as World Smokefree Day approached. To provide a national focus for local activities being undertaken by local health workers, Council secured the right to promote Smokefree and Quit on TV1's Telebingo programme on May 5. The idea was that this interactive housie programme would screen at the same time as public health units worked to "clean up" traditionally very smoky bingo halls - if only for the night. As a result of this coup the Quitline received more than 300 calls that night!

The Smokefree Group's other World Smokefree Day activities included holding a national poster competition that successfully sourced two images for use in World Smokefree Day material, providing guidelines on issues, supplying information for use in media releases, and providing posters, t-shirts and other promotional material to public health workers to support activities undertaken at the local level.

Promotional activities, at both national and regional levels, resulted in significant TV, radio and print coverage.

Smokefree Sport

The sport sector offers Council an excellent opportunity to increase the number of Smokefree environments. By working in a social and voluntary environment that is largely unregulated in terms of smoking we can achieve structural change and use the images and passion of sport to communicate positive Smokefree messages.

Overall, the Making Sport Smokefree initiative continues to improve. In the last year, Making Sport Smokefree has been maintained through the sports of netball, karate, surf riders, athletics, swimming and Maori netball. Later, these were joined by the New Zealand Olympic Committee, the New Zealand Sports Foundation, volleyball, touch, and hockey.

Netball offers Council some unique opportunities to communicate with a group that has the highest smoking rates in the country - women and, in particular, Maori women.

This year's involvement in netball has been low-key while Council reassessed its involvement in an effort to ensure maximum return on investment. By year end we had signed a contract to sponsor the 1999 Star Series and the 1999 national provincial championships.

A recent addition to the Smokefree stable is the New Zealand Olympic Committee, allowing Council to position itself alongside Olympic activities and athletes. This promotion provides Council with a great opportunity to align the Smokefree message with aspirational figures. It is our intention that other sponsorships we have with Olympic sports eg. hockey and softball will become

part of this promotion. Council will continue to develop this strategy over the next 18 months in the lead up to the Sydney Olympics next year.

In a further development of Making Sport Smokefree Council, in association with the Ministry of Health, has developed a document that will help sports and social clubs eg. RSA, Housie clubs to introduce and implement Smokefree policies. The Ministry will enforce the provisions of the Smoke-free Environments Act as it relates to clubs. To help these clubs, and to encourage clubs that do not have a legal requirement to institute a Smokefree policy, we have developed a 'Making Your Club Smokefree' document.

Smokefree Arts

For the first time, Council is in the process of developing a coherent, concerted and consistent initiative in the arts sector.

Research with people working in the arts sector was undertaken to help guide Council about future directions. Council now has many ideas of how to best utilise sponsorship in the arts sector, but it will be the new financial year before any of these begin.

Smokefree Community Sponsorships Entered Into in 1998/99

- 1999 Diving World Cup
- AMP Golf Foundation - Philip Tataurangi Clinic
- Around the World Alone Yacht Race
- Athletics Waikato - The Porritt Classic 1999
- Hamilton Kart Club - Smokefree Pro Series 1999
- Hawkes Bay Primary School Rugby - Ross Shield Tournament 1999
- Hawkes Bay Racing Club - Smokefree Raceday
- Healthcare Hawkes Bay - School Basketball Programme 1999
- Horouta Maori Rugby Board - Horouta Colts
- Karate New Zealand
- Laugh Festival and Comedy Night
- Manukau Tenpin Bowling Club - Smokefree Tenpin International 1999
- National Youth Drama School
- Netball New Zealand - Star Series and National Provincial Championships 1999
- New Zealand Festival 2000
- New Zealand Hockey Federation - Regional Coaching and Development Programme
- New Zealand Olympic Committee
- New Zealand Rugby League Match Officials 1999
- New Zealand Secondary Schools Athletics
- New Zealand Show Jumping Federation - Smokefree Young Rider Series 1998/99 and 1999/2000
- New Zealand Sports Foundation
- New Zealand Swimming Federation Inc
- North and South Island Secondary School Rowing Championships
- North Otago Rugby Union 1998 and 1999

- Otago Junior Rugby League 1999
- Public Health Association Conference 1999
- Ratana Health Unit – Touch Clinics 1998
- SIDS International Conference 2000
- Smokefree Float in Hero Parade 1999
- Smokefree Sharks Basketball Team 1999
- Smokefree Suns Basketball Team 1999
- Sport Canterbury - Winter Sports Awards 1998 and Summer Sports Awards 1999
- Sport Northland – 1999 Waka Ama Championship
- Style Pasifika
- Surfing New Zealand
- Te Whaea: National Dance and Drama Schools
- The X-Factor Gallery
- Touch New Zealand
- Volleyball New Zealand
- Wellington Netball Union – Smokefree Capital Shakers 1999 and Wellington Netball Team 1999
- Wellington Racing Club – Smokefree Members Stand 1998-2000
- Women's Health Action – 1999 Suffrage Day Celebrations

Note: Softball New Zealand and Metropolitan Trotting sponsorships continued under agreements made in previous years.

Smokefree Teens

Through teen events Council encourages youth to assimilate the point that Smokefree is a cool lifestyle choice. By doing this Council hopes to persuade teens to delay trying smoking.

One of the attractions for teenagers is music, so Council has chosen contemporary music as its theme for teens, thus ensuring our programmes stay relevant to teenagers' lives.

pepsismokefreerockquest

September 1998 saw the national final of the (then) xtrasmokefreerockquest in Auckland. The performers were very talented with many media surprised and impressed at the level of professionalism of the contestants. Previous xtrasmokefreerockquest competitor Steve Gallagher of Breathe, a well-known New Zealand band, and one of last year's judges commented, "I was tremendously impressed with the standard and energy of each group. The potential of each of those groups was enormous and tonight was the first big step." This is a positive step for the event as, while it has long been the most anticipated teenage event of the year by teenagers, it is now gaining respect from music and mainstream media and, by association, so are teenagers themselves.

The 1999 pepsismokefreerockquest has proved to be no different. Budding musicians from around New Zealand had the chance to strut their stuff at the heats and regional finals of the event from Northland through to Southland. This is the 10th

anniversary of the event (of which Smokefree has been involved for nine years) and it has enjoyed its usual level of popularity – for the first time this year entries have exceeded 600 bands.

For the second year we have run the Smokefree Media Awards in conjunction with pepsismokefreerockquest. The Media Awards encourage non-musically talented students to undertake interviews with, and reviews of, bands. They are an effective way to extend our reach in the teen market as they attract students that otherwise may not have taken part in the event. This year we have opened the award to photographic and video entries, which has improved the appeal and resulted in an improved response from students.

Within pepsismokefreerockquest, the Smokefree Pacifica Beats Award aims to increase the number of Maori and Pacific Island students taking part in the event. The Award is about music that captures the unique cultural identity of Aotearoa-New Zealand through the exciting contemporary sounds of the Pacific.

With the event being in its 10th year it is appropriate to reflect on how the pepsismokefreerockquest is now an integral part of the New Zealand music industry. Many of today's music icons such as Bic Runga and members of the "The Feelers" have started their music career at a Smokefree Rockquest event. It is hoped that we will see more and more of our talented young musicians make this progression from anonymity to national recognition.

Smokefree Stage Challenge

The Smokefree Stage Challenge hit stages around the country with its usual verve and vitality. Common themes this year were the millennium, war and peace, drugs, and sin.

Entries in this event continue to grow, with 120 entries from 116 schools this year (compared with 102 entries last year).

While the students themselves put a huge amount of creative and physical energy into producing some amazing performances, Council has had a concern for some time that we have been unable to "New Zealandise" the event – something we believe is essential to help the event better fit the Smokefree brand and image. As a result, we have held preliminary discussions with the Australian owners of the event regarding the possibility of Council taking the franchise in this country. The approach has been positively received and negotiations continue.

Qualitative research conducted in August 1998 with Smokefree Stage Challenge participants and teachers highlighted several issues for Smokefree, which mostly involve making minor improvements to the event. Overall the Smokefree Stage Challenge had high awareness (86% of 3rd and 4th formers, and 89% of 5th and 6th formers knew of the event) and is considered a key event in the youth calendar - "...their eyes light up when they talk about it and most are already enthusiastic about taking part again next year."

Smokefree Urban Skate Series

Council is also scoping its options with skateboarding – one of the most popular teen pastimes at the moment – through our involvement with the Smokefree Urban Skate Series in Wellington, a monthly skate competition for all skaters.

The urban skate series offers Council a unique opportunity to interact with one of the

coolest teen "tribes" that currently exist. Once again, if the Smokefree message is accepted by this group (or at least some of them) we increase our chances of being accepted as a cool alternative to smoking.

Teen Sponsorships Entered Into in 1998/99

pepsismokefreerockquest 1999
Smokefree Stage Challenge 1999
Smokefree Urban Skate Series 1999
Te Karito Kura Wananga – Maui Smokefree Warrior 1999

Auahi Kore



Through the Maori programme we intend increasing the number of Maori settings that are Smokefree eg. marae and whanau gatherings, and Maori-dominant sports events.

Half of Maori adults smoke and the challenge is to reduce their levels to at least that of their non-Maori peers (23%). Maori women and teens continue to take up smoking at an alarming rate, therefore, Council focuses on these two groups in particular. The Smokefree Pacifica Beats section of the pepsismokefreerockquest is an example of Council combining the emphasis of two programmes to ensure the greatest reach (see Smokefree Teens, page 11).

While smoking rates of Maori continue at double that of non-Maori, research recently undertaken for Council indicates both smokers and non-smokers acknowledge the value of Smokefree areas, particularly where children are concerned.

Respondents of the survey were asked if they thought people should be allowed to smoke: anywhere, only in set areas, or not at all. Results from the Maori sample show that:

- More than 80% thought that schools, Kohanga Reo and Kura Kaupapa should be totally Smokefree.
- More than 58% said there should be no smoking at all in town/community halls, in rental cars, and on marae with a further 36% stating that smoking on marae should be restricted to set areas.
- Respondents aged 46 years and over were significantly more likely to say there should be no smoking at all at workplaces, homes and bars.
- Sixty-seven percent said it was not OK to smoke.

Council will make the most of this positive approach to Smokefree environments by continuing to work directly with Maori communities.

He Oranga Poutama

While this project is a useful vehicle to bring Maori together, over the three years of the pilot it has not been successful in achieving significant and permanent structural change in terms of increasing the number of Smokefree Maori environments. As a result, Council decided to end its involvement in He Oranga Poutama at the end of the pilot period in June 1999. This decision is based on the belief that better Auahi Kore results will be achieved through initiatives that directly focus on Auahi Kore and Smokefree outcomes within the Maori community.

Our focus for 1999-2000 is on Smokefree marae. The first task in this project is to undertake an environmental audit to establish the Smokefree status of marae around the country. From there we will be able to set objectives and targets.

Aotearoa Traditional Maori Performing Arts

Council utilises the Maori performing arts to deliver the Auahi Kore brand and its message into Maori communities. This association supports the Auahi Kore messages – Kia Auahi Kore Ai Te Ao Maori (Making Our Culture Smokefree) and Ao Maori, Ao Auahi Kore (Traditionally Maori, Traditionally Smokefree).

Council has had sponsorship arrangements directly with the regional performing arts committees this year (in the past the sponsorship was channelled through the national committee). The response to direct involvement has been positive and groups are enthusiastic about the contribution Council can make to their events, both in financial support and helping make Auahi Kore a key part of the performing arts kaupapa.

All 13 performing arts regions are committed to the Auahi Kore philosophy and excellent support from the local public health units has been received. Through the sponsorship the public health units work with the organising committee to ensure the venue is Smokefree and that the Smokefree message is supported through signage and displays. By helping foster a good working relationship Council hopes to encourage an ongoing relationship between the public health service staff and kapa haka.

General

September 1998 saw the launch of the 'Auahi Kore Tihei Mauri Ora' resource kit at Nga Mokopuna Kura Kaupapa in Wellington.

This project is the result of co-operation between Council, Te Hotu Manawa Maori and the Cancer Society of New Zealand. Tihei Mauri Ora was developed to provide more teaching resources in Maori about the kaupapa of Auahi Kore. This resource comes with a teaching guide, display cards and a series of posters featuring a number of Smokefree Maori role models.

Auahi Kore Sponsorships Entered Into in 1998/99

1999 New Zealand Maori Golf Tournament

Aotearoa Performing Arts Regional Festivals 1998/99 – Waikato, Mataatua, Te Arawa, Rangitane, Tai Tokerau, Te Puka a Maui, Te Tau Ihu O Te Waka, Whanganui a Tara and Tairāwhiti.

Awa Sport Whanganui

He Oranga Poutama 1998/99 – Kaiwhakahaere based in Northland, Waitakere, Auckland, Te Arawa, Mataatua, Tauranga Moana, Ngati Porou, Turanganui a Kiwa, Hawkes Bay, Taranaki and Ngai Tahu.

Maori Otago Sports Festival

Maori Touch Tournament

Te Hotu Manawa Maori – Black Pearl Celebrations 1998

Waituhi Partnership - Wanaanga Ta Moko 1999

SunSmart



Underpinning everything Council does in SunSmart is a philosophy of working with other agencies in the sun safety market, particularly the Cancer Society and public health units. By working together we reduce the plethora of messages meaning consistent reactions from our audiences.

A major focus has been on sun safety as an issue nationally, and Council's role within that. An environmental scan was undertaken, which highlighted the need for agency collaboration. Consequently, Council and the Cancer Society, in consultation with public health units, are working on a strategy that addresses issues of national sun safety.

As a result of this collaboration we hope to have a joint plan that will be implemented by the 1999/2000 summer.

The start of last summer's SunSmart campaign was marked by Melanoma Awareness Week commencing on 9 November 1998. Originally a Cancer Society initiative, but now something that Council is closely involved with, the week was marked by much general publicity via a campaign run by the Cancer Society.

As Council's contribution to Hat Day we organised 200 Wellington school children to march from Midland Park to Parliament (the 200 being symbolic of the 200 people who die each year from melanoma).

Melanoma week was also marked by a successful promotion with the Pharmaceutical Society's Self Care pharmacies, which had in-store displays. There are 620 Self Care pharmacies nationwide and a third took part in the promotion. The competition provided Council with a great opportunity to raise the issue of sensible sun behaviour with pharmacies who are often the first point of contact for people with queries about sunscreen and other SunSmart behaviours.

General

Once again, the cornerstone of the summer's campaign was radio nationally.

The decision to continue with radio was made for a number of reasons.

- Teens are high radio listeners, especially during the holiday season when the radio often becomes a background to other activities.
- Radio delivers the SunSmart message to the target audience at the time of greatest risk.
- The stations often adopt SunSmart as a worthwhile community message, making many more SunSmart mentions than are purchased and, thus, offering a great return on investment.

Surf Life Saving

SunSmart's relationship with Surf Life Saving is entering its sixth year. As each new club signs a SunSmart charter they receive a SunSmart kit comprising SunSmart signage, sunscreen, hats, caps, stickers, and posters. By the end of the 1998-99 summer 26 additional surf life saving clubs had signed the charter, taking the total number to 46.

The relationship with Surf Life Saving continues to include the Beach Education programme, which exposes 57,000 primary school students to SunSmart each summer, and the youth festivals – seven event days that take place around the country that promote SunSmart behaviours.

To date, the main emphasis for SunSmart sponsorships has been on the summer sports of tennis, cricket and surf life saving. While these sponsorships provide many benefits to Council, it is of some concern that there are currently no major summer sponsorships that deliver the SunSmart message directly to the 12-17 year old age group.

To address this concern we will look to further strategic planning with the Cancer Society. From this we will be able to identify areas of opportunities for Council's key audiences. In addition print, cinema and radio advertising will be boosted to deliver the SunSmart message to our key audiences.

SunSmart Sponsorships Entered into in 1998/99

Beach Volleyball Pro Tour 1998/99

Canterbury Cricket Association – Junior Cricket Programme 1998/99

Canterbury Tennis 1999

Nelson Cricket Association

Northern Districts Cricket – Junior Programme

South Canterbury Tennis 1998/99

Surf Life Saving Beach Education Programme 1998/99

Note: The Heineken Open sponsorship continued under an agreement made in 1995.

Street-Skills



The Street-Skills Cycle Steering Committee (comprising Council, Police, Land Transport Safety Authority, Bicycle Industry Association, Cycling New Zealand, and Cycling Support New Zealand) continues to oversee the delivery of this cycle safety brand to young cyclists.

The primary focus for Street-Skills is 8-12 year olds. This age group, and in particular 11 year olds, is the group with the highest rate of cycle injuries. By improving skill levels through specific Street-Skills programmes such as Kiwi Cycling we hope to see a reduction in these injury levels.

The secondary focus for Street-Skills is the rest of the cycling public. Promotions such as Bike Week and the Christmas promotion aim to lift the profile of cycling and encourage more people to take up the activity as an integral part of their lifestyle.

Kiwi Cycling

Kiwi Cycling encourages 8-12 year olds to safely participate in cycling as a sport and recreation activity. The programme involves five teaching modules where a child learns the practical aspects of control on a bike and the skills necessary to ride safely and well. Cycling New Zealand trains co-ordinators in different areas to go into schools and take the sessions. Teachers are left with the manual and each student participant receives an activity book, medal and certificate on completing the course.

The Street-Skills Kiwi Cycling programme is designed to complement the work of the Police Education Officers visiting schools and the Street Sense CD ROM (developed by the LTSA) used in classrooms.

Since Kiwi Cycling hit the schools and streets of New Zealand in November 1998, 50 schools have been visited and 3,000 children have been through the programme.

Since Kiwi Cycling has been launched, research from other organisations supports the need for programmes that increase cycling skills levels amongst youngsters. For example, Gaunt (1999) says "A large number of children are injured as a result of bicycle accidents, and more research, education and attention should be focussed on children's riding safety" and "Many children already knew how to ride a bike before they got their own bike. This may suggest that education and safety instruction needs to be instigated at an early age, and not just when the child receives a bike of their own."

Christmas Campaign

The Cycle Steering Committee is committed to providing parents and new cyclists with the best information to keep them safe on new bikes. For this reason a pilot project was run last December in Auckland, Wellington and Christchurch.

The campaign ran over Christmas to inform the parents of 8-12 year olds of the skills their children need to stay safe riding around home, school and the road.

In October, Council produced 50,000 bike tags and distributed them to Kmart, Smiths City, The Warehouse and individual Bicycle Industry Association (BIANZ) retailers throughout the country. The tags are designed to hang on the bicycle's handlebars in the shop or be packed with the warrantee provided. These discs provided

information for parents and young riders on the street skills they need to be safe on their bikes. The Bicycle Industry Association of New Zealand estimates 40,000 bikes were sold over summer, and most of them were tagged with Street-Skills information.

Bike Week

Street-Skills Bike Week took place over February 13 – 21 (timed to make the most of the summer weather and to coincide with the return to school for thousands of young New Zealanders). The chosen theme for the event was "Always look on the bike side of life" and had two main points of focus:

- Always look out for bikes.
- Be aware of how much bikes are a part of everyday life in New Zealand.

The week was a huge success, with a 500% increase from 1998 in the number of confirmed events that took place around New Zealand. The sort of events that were run included bike to work days, bikathons, family cycling and skills days, safety activities, decorate a bike competitions, bike warrants of fitness, and bike checks.

For the first time this year we contacted primary and intermediate schools directly and their response was great. Of the 203 events held during the week, 152 were run by schools. In addition, public health units, town and city councils held events, as well as activities organised by Police Education Officers and Road Safety Co-ordinators throughout the country.

As a result of the excellent response to the week we are committed to holding Street-Skills Bike Week again next year. The dates for 2000 are 12-20 February.

Street-Skills Women's Cycle Classic and World Cup

This high-profile international event hit the roads of the Waikato in early March. Once again, a talented, high quality international field of more than 150 riders fought for line honours in both races. Media coverage of the events was high, both here and internationally.

An important aspect of the race for Street-Skills is the associated school visits, where Street-Skills messages are delivered directly to the brand's audience and often from the mouths of national and international role models – helping lend weight to the issue.

Roadwise STREETSMART Exhibition

Late in the year, Council approved sponsorship of the Roadwise STREETSMART exhibition.

Originally from Australia, the exhibition, featuring interactive displays relating to driver, cyclist and pedestrian safety, has been adjusted, enhanced and updated to reflect the New Zealand road safety environment. Each exhibit offers a real life experience – a fun and exciting way to learn about key road safety issues and discover the skills needed to deal with them.

Targeting 8-14 year olds, the exhibition will have two and a half months in Wellington before going to Palmerston North for five months and on to MOTAT in Auckland for three months.

This event has given us an excellent opportunity to strengthen our relationship with the Police and Land Transport Safety Authority as, with Council, they are the associate sponsors of the exhibit. In addition, it is expected that more than 70,000 7-14 year olds will visit the exhibition.

Street-Skills Sponsorships Entered Into in 1998/99

- 1999 North Island BMX Championships
- Cycle Tour of Wellington – The New Zealand Junior Team
- Roadwise Streetsmart Exhibition 1999/00
- Street-Skills Kiwi Cycling 1998/99 and 1999/00
- Women's World Cup Cycle Event 1999

Mandatory Sponsorships

While there are no new tobacco replacement sponsorships to declare in terms of new agreements, there was an element of expenditure in this area. A total of \$177,000 was expended on tobacco replacement sponsorships. These costs are associated with sponsorships that had extended their entitlement beyond June 1998 eg. New Zealand Softball and the Heineken Open. One year remains of this extended agreement, resulting in an expected expenditure of \$120,000 in the next financial year.

Membership

During the year there were five members of the Council:

- TONY STEEL** of Hamilton, Chairman
- BOB HARVEY** of Waitakere
- PAT BARWICK** of Christchurch
- ATHOL MANN** of Wellington
- IRIHAPETI RAMSDEN**, Ngai Tahu and Rangitane of Wellington

Subsequent to the end of the financial year there was a change of membership. Membership is now:

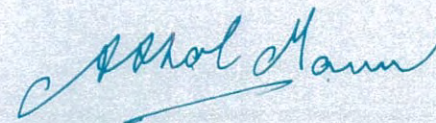
- ATHOL MANN** of Wellington, Chairman
- PAT BARWICK** of Invercargill
- IRIHAPETI RAMSDEN**, Ngai Tahu and Rangitane of Wellington
- CATHY HEMSWORTH** of Christchurch
- ANNETTE MILLIGAN** of Nelson
- PHIL LOVE** of Wellington

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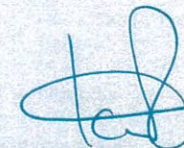
STATEMENT OF RESPONSIBILITY

In terms of Section 42 of the Public Finance Act 1989 I hereby state that:

- I have been responsible for the preparation of these financial statements and the judgements used therein.
- I have been responsible for establishing and maintaining a system of internal control designed to provide reasonable assurance as to the integrity and reliability of financial reporting.
- I am of the opinion that these financial statements fairly reflect the financial position and operations of the Council for the reporting period.



Athol Mann
Chairman



Iain Potter
Director

REPORT OF THE AUDIT OFFICE

TO THE READERS OF THE FINANCIAL STATEMENTS OF THE HEALTH SPONSORSHIP COUNCIL FOR THE YEAR ENDED 30 JUNE 1999

We have audited the financial statements on pages 23 to 37. The financial statements provide information about the past financial and service performance of the Health Sponsorship Council and its financial position as at 30 June 1999. This information is stated in accordance with the accounting policies set out on page 33 and 34.

Responsibilities of the Council

The Public Finance Act 1989 and Smoke-free Environments Act 1990 require the Council to prepare financial statements in accordance with generally accepted accounting practice which fairly reflect the financial position of the Health Sponsorship Council as at 30 June 1999, the results of its operations and cash flows and the service performance achievements for the year ended 30 June 1999.

Auditor's responsibilities

Section 43 (1) of the Public Finance Act 1989 requires the Audit Office to audit the financial statements presented by the Council. It is the responsibility of the Audit Office to express an independent opinion on the financial statements and report its opinion to you.

The Controller and Auditor-General have appointed CR Fabling, of Audit New Zealand, to undertake the audit.

OUTPUT CLASS ONE

Social Marketing Activities**Basis of opinion**

An audit includes examining, on a test basis, evidence relevant to the amounts and disclosures in the financial statements. It also includes assessing:

- the significant estimates and judgements made by the Council in the preparation of the financial statements *and*
- whether the accounting policies are appropriate to the Health Sponsorship Council's circumstances, consistently applied and adequately disclosed.

We conducted our audit in accordance with generally accepted auditing standards, including the Auditing Standards issued by the Institute of Chartered Accountants of New Zealand. We planned and performed our audit so as to obtain all the information and explanations which we considered necessary in order to provide us with sufficient evidence to give reasonable assurance that the financial statements are free from material misstatements, whether caused by fraud or error. In forming our opinion, we also evaluated the overall adequacy of the presentation of information in the financial statements.

We have carried out one assurance-related assignment for Health Sponsorship Council. Other than this assignment and in our capacity as auditor acting on behalf of the Controller and Auditor-General, we have no relationship with, or interests in, the Health Sponsorship Council.

Unqualified opinion

We have obtained all the information and explanations we have required.

In our opinion, the financial statements of the Health Sponsorship Council on pages 23 to 37:

- comply with generally accepted accounting practice *and*
- fairly reflect:
 - the financial position as at 30 June 1999
 - the results of its operations and cash flows for the year ended on that date *and*
 - the service performance achievements in relation to the performance targets and other measures adopted for the year ended on that date.

Our audit was completed on 28 October 1999 and our unqualified opinion is expressed as at that date.



C R Fabling
Audit New Zealand
On behalf of the Controller and Auditor-General

Wellington, New Zealand

Activity	Performance Target	Performance Result
Smokefree Community		
To market the Smokefree brand in an appealing manner within the community using a variety of social marketing tools to engender attitudinal and behavioural change. Making Smokefree environments the norm is a key aim in this programme area.	Conduct benchmark quantitative research focused on adults aged 15 years and over.	Achieved.
	Conduct at least one evaluative research study into a major Smokefree/Auahi Kore event or promotional activity.	Achieved. Research undertaken into He Oranga Poutama.
To market the Smokefree message in a manner that equips smokers with the desire to modify their smoking behaviour, aiming towards being able to give up their habit.	Conduct scoping research into possible smoking cessation initiatives to consider the feasibility of developing a national cessation campaign. This project will determine the viability and appropriateness of a regional programme.	Achieved. Pilot Quit campaign research conducted in Waikato/Bay of Plenty area.
	Maintain and develop the 'Making Sport Smokefree' programme by: <ul style="list-style-type: none"> Implementing promotional strategies with three existing 'Smokefree Sports' Contracting at least one further national sporting code to become a member of the programme. 	Achieved. Strategies implemented with all six existing sports. Achieved. Five new organisations contracted.
	Invest in a significant national sponsorship/activity for the purpose of maintaining public visibility of the Smokefree brand.	Achieved. Contract signed with Netball New Zealand for sponsorship of Star Series and national provincial championships.

Activity	Performance Target	Performance Result
	<p>Contribute towards the national Smokefree strategy by:</p> <ul style="list-style-type: none"> Facilitating a national World Smokefree Day committee, composed of Council, the Ministry of Health, Cancer Society of New Zealand and Te Hotu Manawa Maori, to organise marketing activities to celebrate World Smokefree Day at a national, regional and local level. This committee will meet five times annually. Facilitating a partnership between Council, Cancer Society of New Zealand and Te Hotu Manawa Maori charged with working together on Smokefree marketing initiatives to benefit the community. This group will meet five times annually. Distributing the Health Sponsorship's 'Chat Sheet', outlining key marketing initiatives happening both in the brand areas and within the wider health industry. This newsletter will be distributed to national and regional agencies five times a year. 	<p>Achieved. Committee met nine times.</p> <p>Achieved. Group met six times.</p> <p>Achieved. Chat Sheet distributed five times.</p>
	<p>Forward a progress report on performance to the Health Funding Authority at the close of each quarter.</p>	<p>Achieved.</p>

Activity	Performance Target	Performance Result
<p>Smokefree Teens</p> <p>To market the Smokefree brand in an appealing manner to young people, using a variety of social marketing tools to engender attitudinal and behavioural change.</p>	<p>Conduct evaluative research study into at least one of the major teen-based Smokefree events (Smokefree Stage Challenge, xtrasmokefreerockquest).</p> <p>Utilise the Smokefree Stage Challenge and the xtrasmokefreerockquest to deliver the brand directly into environments that are an integral part of youth culture. Ensure Smokefree initiatives are organised in at least eight different regions around the country for both of these major activities.</p> <p>Develop a multi-media communications programme to promote the brand and its health messages directly to young people.</p> <p>Utilise at least one community-based activity to deliver the brand and its health message to young people.</p> <p>Forward a progress report on performance to the Health Funding Authority at the close of each quarter.</p>	<p>Achieved. Qualitative research undertaken into Smokefree Stage Challenge.</p> <p>Achieved. Smokefree Stage Challenge regional finals held in 11 regions. pepsismokefreerockquest regional finals held in 18 regions.</p> <p>Achieved. Communications media used include television (Ground Zero), print (Tearaway, Girlfriend, Rip it Up), cinema advertising (Hoyts cinemas), radio.</p> <p>Achieved. Smokefree Urban Skate Series, Wellington.</p> <p>Achieved.</p>

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Activity	Performance Target	Performance Result
Auahi Kore		
To market the Auahi Kore brand in an appealing manner to Maori using a variety of social marketing tools to engender attitudinal, behavioural and environmental change.	Conduct benchmark qualitative research focused on Maori adults aged 15 years and over.	Achieved.
	Conduct at least one evaluative research study into a major Auahi Kore event or marketing initiative.	Achieved. Research undertaken into He Oranga Poutama.
	Utilise He Oranga Poutama to deliver the brand directly into the Maori community, ensuring Auahi Kore initiatives are organised in at least eight different regions.	Achieved. He Oranga Poutama kaiwhakahaere based in 11 regions.
	Utilise the Aotearoa Traditional Performing Arts to deliver the brand and its health messages directly into the Maori community in at least eight different regions.	Achieved. Auahi Kore contracts signed with 10 performing arts regions.
	Facilitate a partnership between the Council, Cancer Society of New Zealand and Te Hotu Manawa Maori charged with working together on Smokefree marketing initiatives to benefit the community. This group will meet five times annually.	Achieved. Group met six times.
	Forward a progress report on performance to the Health Funding Authority at the close of each quarter.	Achieved.

CONTINUED

Activity	Performance Target	Performance Result
SunSmart		
To market the SunSmart brand and its specific Sunsmart behaviours to 12-17 year olds in an appealing manner, using a variety of social marketing tools to engender attitudinal and behavioural change.	Conduct benchmark quantitative research focused on 12 to 17 year olds.	Achieved.
	Deliver a SunSmart education programme to at least 50,000 school children through Surf Life Saving beach education activities.	Achieved. 57,342 children attended beach education courses.
	Maintain partnership with the Cancer Society of New Zealand and work together on SunSmart marketing initiatives to benefit the community. These two organisations will meet five times annually.	Achieved. Organisations met nine times.
	Forward a progress report on performance to the Health Funding Authority at the close of each quarter.	Achieved.

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Activity	Performance Target	Performance Result
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Street-Skills

To facilitate the national Cycle Steering Committee (composed of Health Sponsorship Council, the Land Transport Safety Authority, the Police, the Bicycle Industry Association, Cycling New Zealand and Cycling Support New Zealand) using an integrated marketing approach to maximise resources, thereby creating greater efficiencies across agencies.

Contribute towards the national Street-Skills strategy by ensuring the Cycle Steering Committee:

- Meets at least four times a year to co-ordinate Street-Skills initiatives.
- Develops an integrated 3-5 year strategy for cycle safety in New Zealand.

Achieved. Committee met five times.

Not achieved. During strategic planning process Committee decided to focus on next two years, rather than 3-5 years.

To market the Street-Skills brand in a manner that ensures the 8-12 year old audience develops safe cycling attitudes and behaviour.

- Agrees the common cycling messages that will be promoted by all agencies when working on safe cycling initiatives.
- Co-ordinates the following two safe cycling initiatives – Bike Week and Kiwi Cycling.

Achieved.

Achieved.

Forward a progress report on performance to the Health Funding Authority at the close of each quarter.

Achieved.

Activity	Performance Target	Performance Result
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Sponsorship Administration

Contracts negotiated and signed prior to payment of initial fee.

Achieved.

Final payment of fee not issued until evaluation reports are received demonstrating compliance of contracts.

Achieved.

Applicants for sponsorship contacted within 15 working days of receipt of application, in 95% of cases.

Achieved. Contact established within time frame in 95.6% of cases.

Sponsorship approvals made within agreed structures in 95% of cases.

Achieved in 100% of cases.

Conduct annual research amongst Health Sponsorship Council stakeholders to ascertain quality of service and delivery provided by the Council regarding its social marketing programmes and initiatives.

Achieved.

Forward commitment maintained within terms of S60 of the Act.

Achieved.

Information

A quarterly report to be sent to the Health Funding Authority by the agreed date following the close of the quarter (ie. 31 October, 31 January, 30 April and 31 July) detailing:

Achieved.

- Where appropriate, quantitative assessment of achievement of outputs.
- Where appropriate, qualitative assessment of achievement of outcomes.
- Progress report relating to performance measures.

Statement of Financial Performance

For the year ended 30 June 1999

	Note	1999 \$ Actual	1999 \$ Budget	1998 \$ Actual
Revenue - Health Funding Authority		3,997,111	4,000,000	6,510,556
Other Income		386,189	365,000	540,615
Interest Income		6,258	0	5,842
Total operating revenue		4,389,558	4,365,000	7,057,013
Cost of services	1	4,054,074	4,290,000	5,465,794
Net surplus for the year	2	335,484	75,000	1,591,219

Statement of Movements in Equity

For the year ended 30 June 1999

	1999 \$ Actual	1999 \$ Budget	1998 \$ Actual
Balance at 1 July 1998	(409,606)	(500,000)	(2,000,825)
Net surplus for the year	335,484	75,000	1,591,219
Total recognised revenues and expenses	335,484	75,000	1,591,219
Balance at 30 June 1999	(74,122)	(425,000)	(409,606)

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

Statement of Financial Position

As at 30 June 1999

	Note	1999 \$ Actual	1999 \$ Budget	1998 \$ Actual
ACCUMULATED DEFECIT		(74,122)	(425,000)	(409,606)
represented by				
Current Assets				
BNZ Current Account		40,519	55,000	90,997
BNZ Autocall Account		221,862	0	10,338
Accounts Receivable		322,180	400,000	475,595
Inventory		87,825	0	82,989
Total Current Assets		672,386	455,000	659,919
Non-Current Assets				
Fixed Assets	3	84,045	71,000	64,912
Total Non-Current Assets		84,045	71,000	64,912
Total Assets		756,431	526,000	724,831
Current Liabilities				
Accounts Payable		47,876	300,000	35,433
Employee Entitlements		12,155	0	13,480
GST Payable		17,060	0	14,777
Revenue in Advance		200,000	0	175,000
Sponsorship Liabilities	4	553,462	651,000	775,747
Total Current Liabilities		830,553	951,000	1,014,437
Non-Current Liabilities				
Sponsorship Liabilities	4	0	0	120,000
Total Non-Current Liabilities		0	0	120,000
Total Liabilities		830,553	951,000	1,134,437
NET ASSETS		(74,122)	(425,000)	(409,606)


Athol Mann
Chairman


Iain Potter
Director

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

Statement of Cashflows

For the year ended 30 June 1999

	Note	1999 \$ Actual	1999 \$ Budget	1998 \$ Actual
Cashflows from/(used in) Operating Activities				
<i>Cash was provided from:</i>				
Health Funding Authority		4,356,667	4,077,667	6,455,000
Interest Received		6,258	0	5,842
Sundry Income		204,728	316,975	349,966
		4,567,653	4,394,642	6,810,808
<i>Cash was disbursed to:</i>				
Payments to Suppliers and Employees		4,361,068	4,417,977	6,776,972
		4,361,068	4,417,977	6,776,972
Net Cashflows from Operating Activities	5	206,585	(23,335)	33,836
Cashflows from/(used in) Investing Activities				
<i>Cash was provided from:</i>				
Sale of Fixed Assets		29,945	0	0
		29,945	0	0
<i>Cash was disbursed to:</i>				
Purchase of Fixed Assets		75,484	23,000	0
		75,484	23,000	0
Net Cashflows (used in) Investing Activities		(45,539)	(23,000)	0
Cashflows from/(used in) Financing Activities				
Net Cashflows from Financing Activities		0	0	0
Net increase in Cash Held		161,046	(46,335)	33,836
<i>Plus opening cash</i>		101,335	101,335	67,499
Closing cash balance		262,381	55,000	101,335
BNZ Current Account		40,519	55,000	90,997
BNZ Autocall Account		221,862	0	10,338
Closing cash balance		262,381	55,000	101,335

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

Statement of Accounting Policies

For the year ended 30 June 1999

REPORTING ENTITY AND STATUTORY BASE

These are the Financial Statements of the Health Sponsorship Council, prepared in accordance with Section 41 of the Public Finance Act 1989 and Section 63 of the Smoke-free Environments Act 1990.

MEASUREMENT SYSTEM

The Financial Statements have been prepared using the historical cost method. Reliance is placed on the fact that the Council is a going concern, and that sufficient funds will be made available from the Health Funding Authority to meet future commitments.

ACCOUNTING POLICIES

The following accounting policies, which significantly affect the measurement of financial performance and of financial position, have been consistently applied:

Budget Figures

The budget figures are those approved by the Council at the beginning of the financial year.

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

Revenue

Revenue from the Health Funding Authority is recognised as income when earned and is reported in the financial period to which it relates.

Taxation

The Health Sponsorship Council is not subject to income tax as it is a public authority in terms of the Income Tax Act 1994.

Operating Leases

Operating lease payments, where the lessor effectively retains substantially all the risks and benefits of ownership of the leased items, are charged as expenses in the periods in which they are incurred.

Fixed Assets

Fixed assets are recorded at cost, less accumulated depreciation.

Depreciation

Depreciation is charged on a diminishing value basis. The annual depreciation rates are shown below:

Building Fit Out	10% DV
Computers	33% DV
Office Equipment	20% DV
Furniture and Fittings	20% DV

Accounts Receivable

Accounts Receivable have been recorded at their estimated realisable value after providing for doubtful and uncollectable debts.

Inventory

Inventory has been recorded at the lower of cost or net realisable value.

Goods and Services Tax

All amounts in the financial statements are stated exclusive of GST except for Accounts Receivable, Accounts Payable and the portion of Sponsorship Liabilities that relate to promotional expenditure, which are GST inclusive. Where GST is irrecoverable as an input tax then it is recognised as part of the related asset or expense.

Employee Entitlements

Provision is made in respect of the Health Sponsorship Council's liability for annual leave.

Annual leave has been calculated on an actual entitlement basis at current rates of pay.

Sponsorship Liabilities

Sponsorship liabilities are recognised when the Council enters into a contract for sponsorship.

The Council may in any year commit itself to expend by way of sponsorship, in the next succeeding year, in aggregate up to 25 percent of the money appropriated by Parliament for the purposes of the Council for the current year, together with the amount of cash on hand at that point in time (Section 60 of the Smoke-free Environments Act 1990).

Financial Instruments

The Council, as part of its everyday operations, is party to financial instruments which have been recognised in these financial statements. These financial instruments include accounts payable and accounts receivable, cash and short term deposits. All financial instruments are recognised at their fair value in the Statement of Financial Position.

Revenues and expenses in relation to all financial instruments are recognised in the Statement of Financial Performance.

Statement of Cashflows

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

Operating activities include cash received from all income sources of the Council and records cash payments made for the supply of goods and services.

Investing activities are those activities relating to the acquisition and disposal of non-current assets.

Financing activities comprise the change in equity and debt capital structure of the Council.

CHANGES IN ACCOUNTING POLICIES

There have been no changes in accounting policies during the year and the accounting policies adopted are consistent with those of the previous year.

Notes to the Financial Statements

For the year ended 30 June 1999

	1999 \$ Actual	1999 \$ Budget	1998 \$ Actual
① COST OF SERVICES			
Cost of services includes expenditure on the following programmes			
Mandatory	176,768	0	2,526,267
Smokefree	1,389,816	1,360,497	993,737
Smokefree Teens	598,311	710,197	499,091
Auahi Kore	503,562	889,885	601,011
SunSmart	343,464	436,386	112,493
Street-Skills	405,126	273,810	45,767
Sub Total - Programme Costs	3,417,047	3,670,775	4,778,366
Non Programme Expenditure	637,027	619,225	687,428
Total Cost of Services	4,054,074	4,290,000	5,465,794

② STATEMENT OF FINANCIAL PERFORMANCE

	1999 \$	1998 \$
The net surplus is after changing for		
Fees paid to auditors		
-external audit	13,000	11,000
-other services	2,700	0
Bad debts written off	0	824
Councillor fees	12,955	15,198
Depreciation	25,649	20,151
Equipment hire	2,545	8,535
Legal fees	1,123	2,254
Loss on disposal of fixed assets	4,055	0
Rent	48,279	49,635

③ FIXED ASSETS

	Cost	Accumulated Depreciation	1999 \$ Net Book Value
Building Fit Out	27,105	8,966	18,139
Computers	103,950	67,367	36,583
Office Equipment	43,182	18,881	24,301
Furniture and Fittings	11,390	6,368	5,022
Total	185,627	101,582	84,045
	Cost	Accumulated Depreciation	1998 \$ Net Book Value
Building Fit Out	23,907	6,300	17,607
Computers	84,456	58,208	26,248
Office Equipment	37,594	22,815	14,779
Furniture and Fittings	11,390	5,112	6,278
Total	157,347	92,435	64,912

4 SPONSORSHIP LIABILITIES

	1999 \$	1998 \$
Current		
Mandatory	130,000	300,869
Smokefree	247,571	147,869
Smokefree Teens	94,108	140,211
Auahi Kore	63,357	145,438
SunSmart	5,764	20,125
Street-Skills	12,662	21,235
	553,462	775,747
Non-current		
Mandatory	0	120,000
	0	120,000

5 RECONCILIATION OF NET CASHFLOWS FROM OPERATING ACTIVITIES WITH REPORTED NET SURPLUS

	1999 \$	1998 \$
Net Surplus	335,484	1,591,219
Add/(Deduct) Non Cash Items:		
Depreciation	25,649	20,151
Loss on Disposal of Fixed Assets	4,055	0
	29,704	20,151
	365,188	1,611,370
Add/(Deduct) Movements in Working Capital Items:		
Decrease in Debtors and Receivables	153,415	66,312
(Increase) in Inventory	(4,836)	(30,574)
Increase/(Decrease) in Creditors and Payables	9,103	(10,375)
(Decrease) in Sponsorship Liabilities	(316,285)	(1,302,897)
(Decrease) in Advance from HFA	0	(300,000)
	(158,603)	(1,577,534)
Net Cashflows from Operating Activities	206,585	33,836

6 CONTINGENT LIABILITIES

There are no contingent liabilities as at June 30 1999 (1998 nil).

7 COMMITMENTS

The Council has a letter of credit outstanding in favour of Bank of New Zealand Visa, limited to the value of \$55,000. There are no other commitments as at 30 June 1999 (1998 nil).

8 LEASES

The Council has the following non-cancellable operating leases.

	1999 \$	1998 \$
Less than One Year	48,750	52,985
One to Two Years	48,750	48,750
Two to Five Years	0	48,750
	97,500	150,485

9 FINANCIAL INSTRUMENTS

Credit Risk

Financial instruments which potentially expose the Council to credit risk consist of bank balances and accounts receivable.

Bank balances are held with New Zealand registered banks in accordance with Council policy.

The values disclosed in the Financial Statements represent the maximum exposures on these financial instruments. No collateral is held for any of these financial instruments.

Concentration of Credit Risk

Accounts receivable are primarily with the Health Funding Authority; the Council receives almost all of its revenue from this source.

The Health Funding Authority is Crown funded and is therefore a high credit quality entity.

Currency Risk and Interest Rate Risk

The Council has no foreign exchange exposure of any significance, nor does it have any significant interest rate risk.

Fair Value

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

10 EMPLOYEE REMUNERATION

No employees of the Council received remuneration in excess of \$100,000. (1998 No employees of the Council received remuneration in excess of \$100,000).

11 RELATED PARTY INFORMATION

The Crown

The Health Sponsorship Council is a wholly owned entity of the Crown. The Government influences the roles of Council as well as being its major source of revenue.

The Quit Group

During the period under review the Health Sponsorship Council entered into an unincorporated joint venture with the Cancer Society of New Zealand and Te Hotu Manawa Maori. The major purpose of the joint venture is to provide smoking cessation services as contracted by the Government. The joint venture commenced on 1 April 1999. Due to the short period of operations no financial results of the joint venture have been incorporated into these financial statements. However it is envisaged that results will be included in the Health Sponsorship Council's financial statements for the year ending 30 June 2000.