



Alcohol
Education &
Rehabilitation
Foundation Ltd

**Annual Report
2001 - 2002**



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Education and
Rehabilitation
Foundation**

**Annual Report
2001 - 2002**

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Printed by: Goanna Print



The Hon Senator Kay Patterson
Minister for Health and Ageing
Parliament House
Canberra ACT 2600

Dear Minister

On behalf of the Board of Directors of the Alcohol Education and Rehabilitation and Foundation, I am pleased to present the annual report for the year ending 30 June 2002.

This report has been prepared in accordance with Part B of Schedule 2 to the Agreement regarding Commonwealth Funding for the Foundation.

Yours sincerely

Emeritus Professor Ian W Webster AO
CHAIR

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Chairman's Report



The Directors have accepted a commission from the Australian Government of outstanding importance to the future health and well-being of Australians.

The Foundation's objects *inter alia* are: -

- (a) to prevent alcohol and other licit substance abuse, including petrol sniffing, particularly among vulnerable population groups such as indigenous Australians and youth;
- (b) to support evidence-based alcohol and other licit substance abuse treatment, rehabilitation, research and prevention programs;
- (c) to promote community education encouraging responsible consumption of alcohol and highlighting the dangers of licit substance abuse; and
- (d) to otherwise act in accordance with the objects and purposes of the *Alcohol Education and Rehabilitation Account Act 2001*.

The Board is privileged to be entrusted with this commission. We will advance it with vigour and enthusiasm. We understand the desire of government, the brewers and their patrons and many community interest groups to reach beyond the usual areas of government and charitable funding to deal with alcohol and licit substance problems. Such action must be well-informed and delivered with skill, sensitivity and proficiency.

The Board made an early decision to adopt and make explicit eleven informing principles. Amongst these is sustainability. We want our funds wherever applied to be a legacy for the future, a platform on which future actions can be built. This principle requires the Board to ensure that the support we provide has an eye to the long-term of how change can be carried beyond the initial period of funding.

Another principle is about working with other organisations and not in competition with them. We want to work with governments, organisations and local communities to respond to the key issues they have identified and which are understood and supported by those who will be involved in delivering interventions and those who will be affected by them.

We will seek to complement existing activities, programs and services rather than be competitive. The aim will be to enhance existing efforts, maximise effectiveness through adding value, but also by promoting collaboration,

mutual support and sustainability. When this involves governments we will ensure our funds do not replace the legitimate roles and responsibilities of government to reduce alcohol-related harms.

Our initial experience has been overwhelmingly positive with wide interest shown in the Foundation. There are untapped needs to which community organisations are responding. Too frequently this is a lonely struggle, unsupported and with little guidance. There is now a good research base in Australia of what can be done in the treatment and rehabilitation of dependent alcohol users, and what should be done in our environment and community. One of the Foundation's commissions is to ensure that interventions are based on sound knowledge and evaluated experience.

It has become quickly obvious to the Foundation that concern about these problems is widespread, and there is a heart felt desire to do something. Much of the Foundation's work to date has been in dialogue with organisations and groups that desperately want to do good and to deal with the problems so apparent to them. They often need advice and assistance to formulate their plans, to describe the needs and the magnitude of the problems they want to overcome.

The Foundation needs answers to some key questions before it can allocate public funds. Essentially the questions are: What is the problem you propose to deal with - its nature, extent and size? What do you propose to do? Is this based on sound knowledge and evidence that it will work? and, finally, how will you know, and how will the Foundation know, that this has been a worthwhile effort and a good use of the funds allocated to our stewardship?

It has also emerged that, in areas of high prevalence of alcohol and licit drug problems, there are organisations trying to deal with these problems by themselves. Sometimes there is no one else; sometimes it is because of the insularity of the organisation. The Foundation does not want to support 'one off' organisations or to be involved in the boom and bust cycle of short term funding. We are keen to leave a legacy in anything that we fund. We are keen to support genuine partnerships and networks and realistic plans with good prospects for continuity.

One innovation is our grant category of *Policy Partnerships*. This extends the idea of partnerships to a high organisational level. The Foundation wishes to work alongside other major organisations and governments sharing jointly in funding arrangements and agreeing the aims and directions of programmes. A



good example is a partnership being negotiated currently with the Northern Territory Government through the Northern Territory Minister for Health, Ms. Jane Aagaard and the Minister for Central Australia, Mr. Peter Toyne. The partnership is envisaged for Alice Springs community. It will centre on restrictions on the sale of alcohol and a comprehensive set of


complementary measures to be overseen by a community committee. The Foundation hopes this will be the first of a number of Policy Partnerships. The anticipated arrangements with the Northern Territory Government may well be a model for other governments and major organisations to follow. The Foundation is uniquely placed to promote cooperation between levels of government, between government and the non-government sector, with private organisations and more especially across sectors and services.

There have been difficulties. These relate to obtaining an accurate appreciation of the capabilities of organisations that request support. Are their programmes sustainable, do they have the skills and human resources to deliver, are they working effectively in cooperation with other agencies in their communities, will they be able to demonstrate the hoped for benefits?

In our brief existence the Foundation has communicated with and sought advice from hundreds of people. I thank all those people. But there is one group that I should especially acknowledge - professionals in the health and other human service systems, the front-line staff in these organisations and the academic staff in universities, who have given their time so freely to us - to review, advise and assist projects and their development. This has made our role more satisfying and effective. It is a measure of the immense good will in the community for the cause the Foundation seeks to advance.

Without such highly motivated people as the Foundation's Directors our achievements would have been far less. Individual Directors have been prepared to go well "beyond the call of duty". This augurs well for the future. My co-Directors come from front-line services, Indigenous communities and services, positions of direction and leadership in alcohol and other drugs field, religious organisations, business and from the academic community. Every one of them is actively involved in assessing and advising on grants, setting priorities and direction and in frequent active day-to-day exchanges that maintain the momentum of the organisation. The Board meets every six weeks; subcommittees, Executive and Audit Committees meet through the intervening periods.

A fine team supports the Foundation under the leadership of the Chief Executive Officer, Mr. Daryl Smeaton. The team has achieved excellent results. They have strongly supported the Directors and the committees of the Foundation. The members of the team have developed helpful and warm relationships with the many people and organisations in contact with Foundation. I express the heartfelt appreciation of the Board of Directors to each one of them.



Emeritus Professor Ian W Webster AO

Board of Directors

Professor Ian Webster AO (Chair) Professor Webster is President of the Alcohol and other Drugs Council of Australia, Chair of the National Advisory Council on Suicide Prevention and Chair of the NSW Expert Advisory Committee on Drugs. Until his recent retirement, Professor Webster was Clinical Associate Dean at the UNSW South Western Sydney Clinical School and Professor of Public Health and Director of the Division of Population Health. He is visiting physician to the Matthew Talbot Hostel for the homeless.

Scott Wilson (Deputy Chair)

Scott Wilson is State Director of the Aboriginal Drug and Alcohol Council (SA) Inc, which is the only Indigenous organisation of its kind in Australia. Mr Wilson has presented a number of papers on behalf of ADAC at both national and international conferences on indigenous drug and alcohol issues and was awarded the Alcohol and other Drugs Council of Australia (ADCA) Australia Day Achievement Medallion in 1997.

Cheryl Bart

Cheryl Bart is immediate past Chairman of the Australian Sports Foundation Ltd and of its Audit Committee. She is also a Commissioner on the Board of Soccer Australia. She holds a number of directorships including the Sydney Ports Corporation, ETSA Utilities and the Institute for Biomedical Research at Sydney University.

Reverend Tim Costello

Reverend Tim Costello has a life long commitment to social justice. He is a Director of First Step, a drug detoxification program.

Dr Peter d'Abbs

Dr Peter d'Abbs currently holds a joint appointment with the Menzies School of Health Research, Darwin, and Queensland Health, Cairns.

Dr Bernadette Tobin

Dr Bernadette Tobin is Director of the Plunkett Centre for Ethics in Health Care at St Vincent's Hospital in Sydney and Reader in Philosophy at Australian Catholic University.

Nick Gill

Nick Gill has worked in the field of alcohol and other drugs for the last ten years, he is presently Manager of Drug and Alcohol Services Association.

Dr Ngiare Brown

Dr Ngiare Brown is currently working with World Vision Australia Indigenous Programs as the Preventative Health Coordinator.

David Crosbie

David Crosbie is currently CEO of Odyssey House Victoria, one of Australia’s leading alcohol and drug treatment agencies. He is the former CEO of the Alcohol and other Drugs Council of Australia, and has extensive experience in developing and implementing policies and programs to reduce the level of alcohol related harm in Australia.

Anne Mosey

Anne Mosey has worked with remote Aboriginal communities for over 10 years in the Northern Territory and Western Australia to assist them in the development of strategies concerning alcohol abuse and petrol sniffing.

Professor Tim Stockwell

Professor Tim Stockwell has been Director of the National Drug Research Institute, Curtin University, WA since June 1996 and served as Deputy Director for seven years prior to that.



Front Row (Left to Right): Mr Nick Gill, Dr Ngiare Brown, Dr Bernadette Tobin, Ms Anne Mosey, MS Cheryl Bart, Mr David Crosbie.
Back Row (Left to Right): Emeritus Professor Ian Webster (Chair), Professor Timothy Stockwell, Dr Peter d’Abbs, Reverend Tim Costello.
Absent: Mr Scott Wilson (Deputy Chair)

Chief Executive Officer's Report



On 17 October 2001, the founding members of the Alcohol Education and Rehabilitation Foundation met as the Board of Directors of the newly-incorporated, not for profit, public company, limited by guarantee. Among the matters decided by the new Board were confirmation of Professor Ian Webster AO as the inaugural Chair of the Board, the election of an Executive Committee and an Audit Committee, and the appointment of a Company Secretary.

Two days earlier, with the very generous assistance of the Commonwealth Department of Health and Aged Care, I had taken up the role of acting Chief Executive Officer of the Foundation. Armed with my appointment as Company Secretary on 17 October, I proceeded to complete the necessary work to finalise the Foundation's Business Plan and the initial budgets, to complete the negotiations of a comprehensive funding agreement between the Foundation and the Commonwealth Minister for Health and Aged Care and the necessary work to find office accommodation, recruit staff, arrange an office fitout, open bank accounts and get to know a Board of Directors.

While everything seemed to be happening at the same time, nothing could be brought to fruition without a signed agreement with the Commonwealth, because the Foundation's funding depended on that signature. On 15 November 2001, the agreement was signed and the Foundation's future course was set. I was formally appointed Chief Executive Officer on 26 November 2001. All roads then led to Thursday, 29 November 2001, the day on which the Foundation was officially launched in the Mural Hall of Parliament House, Canberra. The Foundation's Chairman, Professor Ian Webster, and Senator Meg Lees, announced the establishment of the Foundation before the assembled media and invited guests.

On Monday, 3 December 2001, the Foundation's first staff members, all five of us, assembled in our new premises at 4 Phipps Close, Deakin. The Foundation's first steps on the way to making a difference had been taken.

Of course, the groundwork for the launch of the Foundation had begun well before 15 October 2001 and it is appropriate to record here our genuine appreciation of the fantastic work of many people.

Sue Kerr, Sue Gordon and Ruth Travis of the Department of Health and Aged Care provided unstinting support and advice to the founding members of the Foundation. Their sound, professional work, on top of their already busy lives

as senior policy advisers to Government, set a course for the Foundation which made the task of the putative Directors and the Chief Executive a relatively easy one.

The work of drafting a constitution, funding agreement and supporting legal documents was shared by many people, especially Belinda Carman and Sarah Todd of the Department of Health and Aged Care Legal Services area. The polish was applied by Brian O'Callaghan and Luke de Jong of Phillips Fox. Drafting advice on the Alcohol Education and Rehabilitation Account Bill was provided by Louise Finuncane of the Office of Parliamentary Counsel. The Foundation is indebted to these professionals for their wonderful support.

Foundation staff have continued to meet regularly with staff of the Department of Health and Ageing and these meetings are vital to the ongoing work of the Foundation. Sue Gordon and her colleagues, Margaret Cox, Chrys Athanasos and Cathy Graham, provide excellent advice and support.

Tracey Purdam, Jim O'Shea, Janet Cossart and Julie Burgess joined me on Monday, 3 December and our first week was spent among plaster and sawdust and paint, as phones, computers, photocopier, fax and furniture were installed. Completing our initial team on Monday, 10 December was Margo Wright. Despite the chaos and Christmas, we built our office, designed a grant application process, established systems, arranged the design and printing of application forms, fact sheets, letterhead, a logo, business cards and still had time to celebrate two birthdays. Tracey and Julie began building a website,



Jim set up a finance and accounting system, Janet established a very efficient office and the whole team worked on forms. The whole team clicked from day one and the output was tremendous.

On 1 February 2002, our website, www.aerf.com.au went live and we began distributing more than 5,000 application and information kits. All of the printed material is available on-line and is downloadable. Many of the forms have been modified through experience and a new application and information booklet has been published.

The Foundation had received many applications for funding before its processes had been finalised and, by 30 June 2002, 170 applications seeking in excess of \$50 million had been received. To the end of the financial year, the Board had considered and approve 8 applications and a total of more than \$425,000 in funding. Details of these grants are provided separately in this report.

Some applications clearly did not, and on assessment, would not meet the objectives of the Foundation. Applicants were advised that they were unsuccessful. All other applications are subject to an iterative assessment process by Foundation staff working with Directors and many people working in the alcohol and other drugs sector. The Foundation's work is significantly enhanced by the professional advice of this latter group. Their knowledge of the sector and their willingness to advise on what, how and why, continue to assist Foundation staff and Directors in assessing the worth of applications for

funding.

At an early stage, Directors decided to appoint a series of sub-committees to consider applications in the various grant categories and to make recommendations to the full Board. Each of the sub-committees is supported by a staff member and they meet regularly by teleconference to ensure a steady flow of recommendations to the Board, which meets every six weeks. Directors have also agreed to a foreshortened approach to the assessment and approval of applications for funding of up to \$20,000. The willing and professional involvement of all Directors in the grant approval process is essential to the work of the Foundation.

The Foundation's Board is actively involved in ensuring that the application process remains dynamic and responsive. There has already been a number of changes made to the initial approach, based on experience to date. Directors will, over the coming months, undertake a strategic review of the process and consider further changes which may be needed to keep our approach relevant to the needs of the sector. The website provides an immediate avenue for publicising any alterations to the process to the sector.

The role of the Foundation's staff is essentially to implement the decisions of the Board of Directors but it is also important that those decisions are based on sound, professional advice. The Foundation's Directors are motivated and experienced and have all been willing to actively contribute to policy development and priority setting. On behalf of the Foundation's staff, I sincerely acknowledge the good advice and support of Directors in our exciting work.

As Chief Executive Officer, my work is made significantly easier by the active support and involvement of the Foundation's Executive and Audit Committees. The members of these committees take their responsibilities as Directors of a public company very seriously and their support to me and senior staff is invaluable. I wish, particularly, to thank the Foundation's Chair, Professor Ian Webster AO, Deputy Chair, Mr Scott Wilson, and Audit Committee Chair, Ms Cheryl Bart. Their guidance and wisdom is very much appreciated.

Ian Webster and I have worked very closely together over the past six months and have visited every State and Territory to meet with Government Ministers, senior government officials, individual services and many wonderful people working in the AOD sector. Our message has been focussed on the Foundation's informing principles, especially sustainability, independence, social justice, evidence base and transparency and accountability. Together we are building the links that the Foundation needs to foster a partnership approach to meet the needs of a sector which is demonstrably under funded and under resourced. Our work has just begun and we will continue it throughout the next year.

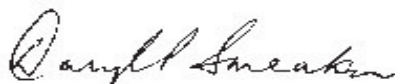
The Foundation's funding until 30 June 2005 is guaranteed through an appropriation made



under the Alcohol Education and Rehabilitation Account Act 2001. This amounts to \$115,000,000 plus interest. The Foundation is required to expend 80% of that funding by 30 June 2005. However, the Foundation is expected to continue its work beyond 2005 through the creation of a Public Fund with deductible gift recipient status. Work is proceeding on the establishment of the Public Fund and the Foundation expects to launch the Fund towards the middle of 2003.

The current financial year has seen the Foundation continuing to make grants, including a very significant policy partnership grant of over \$1.1 million, in cooperation with the Northern Territory Government, to support measures to complement the trial of alcohol restrictions in Alice Springs. This partnership is a benchmark for other potential policy partners of the Foundation.

The outputs and success of any organisation relies to a great extent on the capacity and dedication of its professional staff. The Foundation is very fortunate to have a small team of professionals working together to promote and achieve its very worthy objectives. Tracey Purdam is Marketing Manager, Jim O'Shea is Finance Manager, Janet Cossart manages the office and is Board secretary, Margo Wright and Jodi Egan administer the grants program and Julie Burgess makes sure that we have the best and most effective technology to make our efforts work. I am honoured to lead a great team.



Daryl Smeaton
Chief Executive Officer

Business Plan and Operational Activities

As required by the funding agreement with the Commonwealth Government, the Foundation produced a business plan and budget which were approved by the Prime Minister and a representative of the Australian Democrats.

That plan, based on the objectives of the Foundation which are:

- a) to prevent alcohol and other licit substance abuse, including petrol sniffing, particularly among vulnerable population groups such as Indigenous Australians and youth;
- b) to support evidence based alcohol and other licit substances abuse treatment, rehabilitation, research and prevention programs;
- c) to promote community education encouraging responsible consumption of alcohol and highlighting the dangers of licit substance abuse; and
- d) to provide financial support to organisations with appropriate community linkages to deliver the services referred to in the above criteria;

included a number of priority activities for the first phase of the Foundation's operations. Those priorities were:

- establishment of efficient and effective organisational structures;
- development and implementation of funding allocation processes;
- establishment of organisational linkages and communication strategy;
- establishment of a comprehensive evaluation strategy; and
- establishment of a full budgetary and financial control system.

The Foundation is pleased to advise that those priorities have been largely achieved. Work is still proceeding on the development of a comprehensive evaluation strategy, although elements of the strategy such as reporting by grantees and an independent audit arrangement are already in place. The Foundation is confident of having all elements of the evaluation process in place by November 2002.

Informing Principles

An important part of the establishment phase of the Foundation was the development of principles which will inform the work of the Foundation. Those principles and their rationales are:

1. Sustainability

The Australian alcohol and other drugs field has a long history of ‘one off’ funding of innovative projects that can become effective catalysts for change, but which disappear as soon as funding stops or priorities shift. Unfortunately, such short term support for unsustainable interventions can produce counter-productive outcomes.

Adopting a principle of sustainability requires the AERF to ensure any commitment of support is informed by a longer term view of how change can be prolonged beyond the provision of initial funding.

The principle of sustainability also requires the AERF to consider its own role and the sustainability of the AERF as an organisation beyond the initial period of Commonwealth government funding.

2. Evidence based

The AERF will utilise existing and projected information about both the extent of problems or needs, and the degree to which proposed actions are likely to be effective in responding to the identified needs. The information used to inform such decision making will be relevant, accurate, timely, and, if appropriate, reviewed against accepted standards for quality research.

3. Collaboration

The AERF will work with governments, organisations and local communities to identify responses to key issues that are supported by those who will be directly involved. Where appropriate, the AERF may join with others in funding or supporting such collaborative responses.

4. Enhancement rather than replacement

The AERF will seek to complement existing activities, programs and services rather than creating competing options. This enhancement approach will not only maximise effectiveness, but also promote greater collaboration and sustainability.

As part of this enhancement approach, the AERF will need to work with governments in supporting their efforts to reduce alcohol related harm, but at the same time ensure that governments do not use the AERF as a replacement source of funding that allows governments to avoid their responsibility to address alcohol problems in their jurisdictions.

5. A balanced approach addressing causes and symptoms, individuals and environments.

Alcohol related problems are often multifaceted and have a range of contributing factors and consequences. The AERF will adopt a balanced approach in attempting to address specific contributing factors, broader environmental factors, and the provision of specific harm reduction initiatives for individuals and communities.

6. Capacity building and community engagement

The AERF will actively seek ways to support greater community engagement and capacity building within local organisations as a way of increasing the effectiveness of current activities and promoting awareness and ownership of problems within local communities. This commitment to engagement may require innovative approaches to funding and grant processes.

7. Transparent and accountable

The AERF will be transparent in its decision making processes, and will be accountable for the outcomes achieved through such decision making processes.

8. Promoting consensus and common aims

The AERF will seek to increase community understanding of the extent and nature of alcohol related harm and promote support for a wide range of strategies to reduce alcohol related harm. This consensus building approach will encourage a diverse range of interest groups, and the broader community, to share common aims and increase community support for AERF initiatives.

9. Cultural responsiveness

The AERF acknowledge that patterns of alcohol use and misuse are often associated with different cultural beliefs and behaviour. All funded AERF initiatives will need to demonstrate awareness of cultural values and ensure cultural sensitivities are identified and appropriately addressed.

10. Acknowledging the importance of social justice

Alcohol and licit substance misuse is more common amongst disadvantaged and marginalised groups in Australian society. In some cases, addressing social disadvantage may be a core component in addressing the level of alcohol related harm. The AERF recognises that social equity factors will need to be acknowledged if AERF supported initiatives are to be effective.

11. Independence

The AERF believe independence from the political process and vested interests is a fundamental requirement if broader community support is to be gained and sustained.

Independence of the AERF from the direct influence of government is also crucial to ensuring the AERF value adds rather than simply replaces current government strategies.

Grants Process

In keeping with the Principles which guide its work, the Foundation has established a grant approval process which focusses on actively assisting applicants to qualify for a grant. The Foundation has established a modern website at www.aerf.com.au which is rich in information on how to apply for a grant and which includes application forms in a downloadable format. In addition, we prepared and mailed out over 6,000 information and application kits to organisations and individuals across Australia.

All of the published information encourages potential applicants to talk with the staff of the Foundation about their proposals and significant effort is put in to assisting these applicants to meet the Foundation's requirements. The Foundation's Fact Sheets are written in plain English to guide application preparation. Of particular assistance is the Fact Sheet, "What, How and Why?". This informs applicants of the questions which the Foundation asks them to address.



When an application is received, it is registered and referred to a grant administrator for initial assessment to ensure that it meets the basic criteria such as a project plan, budget for the project, applicant details and financial reports. The application is also examined to ensure that it addresses one or more of the Foundation's objectives.

After this initial assessment is satisfactorily completed, the application is referred to the staff member responsible for bringing it before the relevant Board Sub-Committee for consideration. Each grant category is supported by a Sub-Committee of Foundation Directors which, based on a rigorous assessment process, makes a recommendation on each application to the Foundation's Board.

The Board of the Foundation meets every six weeks to consider, among other things, grant applications and Board decisions are conveyed to applicants immediately following those meetings.

Foundation staff then discuss with successful applicants the terms and conditions of the approved grant and, within two weeks, a letter of offer, setting out the terms and conditions, is sent. Acceptance of that offer enables the funds to be made available.

The Foundation has established a performance target of twelve weeks from the date on which the application is considered ready for assessment to its final consideration by the Board of Directors.

Once the application has been approved and funds are provided, the Foundation continues working with the grantee to ensure that the project is being carried out in accordance with the terms and conditions of the grant. These include progress reports, financial acquittals and evaluations of outcomes.

The Foundation has an Evaluation Committee which is developing a comprehensive evaluation process. This will ensure not only that the Foundation is meeting its own objectives and targets as required by its agreement with the Federal Minister for Health and Ageing, but it will also focus on promoting effective evaluation within the sector.

Many of the grants made by the Foundation will include funding for rigorous evaluation of the projects and programs being supported. These evaluations may cover quantitative and qualitative assessment of process and outcomes as well as extensive research based evaluations covering efficacy or effectiveness or cost-effectiveness.

The Foundation is developing an external evaluation process to assess and report on, on an annual basis, the social impact of programs funded and the cost-effectiveness of the Foundation's operations. Details of this process will be published in the near future.

The Alcohol Education and Rehabilitation Foundation is committed to making a difference in this important area which addresses the health and well being of all Australians. We will support projects and programs that are evidence-based, sustainable, capacity building and balanced.



Professor Ian Webster, presenting a cheque to AFL-Queensland Cairns. The Foundation funding enabled the purchase of a bus to ensure Indigenous children in this remote area could actively participate in AFL football events.



Foundation Directors, Anne Mosey and Nick Gill present a cheque to Mrs Nellie Patterson, founding member of NPY Women's Council. Foundation funding enabled a coronial inquest into the deaths of three persons from the Anangu Pitjantjatara Lands in South Australia.

Applications Received and Grants Awarded

To 30 June 2002, the Foundation had received 170 grant applications seeking in excess of \$50 million. Eight grants totalling \$425,845.00 were approved and a number of applications were refused because they did not meet the objectives of the Foundation. Since 1 July, a further 32 grants totalling \$3,376,191.00 have been approved.

Details of the approved grants are:

[NPY Women's Council Aboriginal Corporation](#) received a development grant of \$50,000.00 to present a case to a Coronial Inquest into the deaths of three persons from communities on the Anangu Pitjantjatjara Lands in South



Australia and dissemination of the Coroner's findings to the Anangu Pitjantjatjara communities.

[Victorian Alcohol and Drug Association](#) received a development grant of \$10,000.00 to enable VAADA's member agencies to bring representatives from across Victoria to their forum *"Unravelling the complexities of managing problem alcohol and inhalant use among young people in Victoria"*

[National Centre for Education and Training on Addiction \(NCETA\)](#) received a scholarship grant of \$18,060.00 to provide five scholarships to people who would benefit from attending the Symposium but would otherwise be unable to do so.

[National Organisation for Foetal Alcohol Syndrome and Related Disorders \(NOFASARD\)](#) received a scholarship grant of \$3,795.00 which enabled a representative from NOFASARD Queensland to attend the 2002 Prairie Northern Conference on Foetal Alcohol Syndrome held in Canada in May 2002.

[AFL Queensland-Cairns Kickstart Program](#) received a sponsorship grant of \$120,568.00 to purchase a 22-seater bus to transport children from the far north of the state to football carnivals all over Queensland. The money will also support the "Crusaders" under 12 team in the State Primary Schools championships to be held in Brisbane in June.

[Indigenous Festivals Australia \(Croc Festivals\)](#) received a sponsorship grant of \$250,000.00 which will assist in production



of seven events to take part around Australia during 2002.

Queanbeyan City Council received a sponsorship grant of \$1,949 to enable the Council to conduct a seminar entitled "The Responsible Service of Alcohol Day". The seminar is designed at providing quality information to licensees, staff, members of the Liquor Licensing Committee and the local community. The Foundation has sponsored the 2002 and 2003 delivery of this seminar.



The Foundation also sponsored a student with a grant of \$2,382.00 to enable attendance at a short course held at Deakin University on social epidemiology and social determinants of health.

Organisational Structure



Daryl Smeaton
Chief Executive Officer



Tracey Purdam
Marketing Manager



Julie Burgess
Systems
Administrator



Janet Cossart
Office
Manager



Jim O'Shea
Finance
Manager



Margo Wright
Grants
Administrator

ALCOHOL EDUCATION AND REHABILITATION FOUNDATION LTD

ABN 91 096 854 385

DIRECTORS' REPORT

The Directors present their report together with the financial report on the Foundation for the financial year ended 30 June 2002 and the auditors' report thereon.

DIRECTORS

The names of the directors in office at any time during or since the end of the year are:

Name	Experience and special responsibilities
Ian William Webster	Chairman/Executive Committee
Scott Wilson	Deputy Chairman/Executive and Audit Committees
Cheryl Sarah Bart	Director/Executive and Chairman Audit Committee
Ngairé Joy Brown	Director
Timothy Ewen Costello	Director
David William Crosbie	Director/Executive Committee
Peter Harald Nilsen d'Abbs	Director
Nicholas John Gill	Director/Executive Committee
Elizabeth Anne Mosey	Director
Timothy Richard Stockwell	Director
Bernadette Tobin	Director/Audit Committee

DIRECTORS' MEETINGS

The number of directors meetings and number of meetings attended by each director during the financial year are:

Director Name	General		Executive		Audit	
	Held	Attended	Held	Attended	Held	Attended
Ian William Webster	4	4	1	1		
Scott Wilson	4	4	1	1	1	1
Cheryl Sarah Bart	4	3	1	1	1	1
Ngairé Joy Brown	4	2				
Timothy Ewen Costello	4	3				
David William Crosbie	4	4	1	1		
Peter Harald Nilsen d'Abbs	4	4				
Nicholas John Gill	4	4	1	1		
Elizabeth Anne Mosey	4	4				
Timothy Richard Stockwell	4	4				
Bernadette Tobin	4	2				

Directors have been in office since their initial date of appointment or the formation of the Foundation to the date of this report.

ALCOHOL EDUCATION AND REHABILITATION FOUNDATION LTD

ABN 91 096 854 385

The principal activities of the Foundation during the financial year were the awarding of community grants, to be expended on one or more of the following purposes:

- to prevent alcohol and other licit substance abuse, including petrol sniffing, particularly among vulnerable population groups such as Indigenous Australians and youth;
- to support evidence-based alcohol and other licit substance abuse treatment, rehabilitation, research and prevention programs;
- to promote community education encouraging responsible consumption of alcohol and highlighting the dangers of licit substance abuse;
- to promote public awareness of the work of the Foundation and raise funds from the private sector for the ongoing work of the Foundation; and
- to provide funding grants to organisations with appropriate community linkages to deliver the services referred to in the above paragraphs.

No significant change in the nature of these activities occurred during the year.

The Foundation's operations are not regulated by any significant environmental regulation under a law of the Commonwealth or of a State or Territory.

The retained surplus of the Foundation for the financial year amounted to \$258,672.

The Foundation's constitution precludes it from distributing any surpluses to its members. Accordingly, there were no dividends provided for or to be paid by the Foundation since the end of the previous financial year and the directors do not recommend the declaration of a dividend.

The balance of unspent Grant Funds amounted to \$8,678,379.

A review of the operations of the Foundation was undertaken and that review found that grants awarded were lower than that budgeted. This was because the Foundation's grant approval process was only operational for four months of the financial year and the establishment phase necessarily slowed the grant approval process.

No significant changes in the Foundation's state of affairs occurred during the financial year.

During the financial year the Foundation has paid premiums in respect of directors and officers liability and legal expenses and also professional indemnity insurance contracts. Such insurance contracts insure against certain liability (subject to specific exclusions) persons who are or have been directors or executive officers of the Foundation.

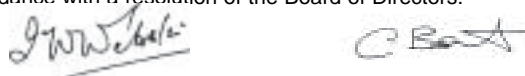
The directors have not included details of the nature of liabilities covered or the amount of the premiums paid in respect of the directors' and officers' liability and legal expenses and also professional indemnity insurance contracts, as such disclosure is prohibited under the terms of the contract.

No person has applied for leave of Court to bring proceedings on behalf of the company or intervene in any proceedings to which the company is a party for the purpose of taking responsibility on behalf of the company for all or any part of those proceedings. The Foundation was not a party to any such proceedings during the year.

No matters or circumstances have arisen since the end of the financial year which significantly affected or may significantly affect the operations of the Foundation, the results of those operations, or the state of affairs of the Foundation in future financial years.

Signed in accordance with a resolution of the Board of Directors:

Director



Dated this 29th day of August 2002

ALCOHOL EDUCATION AND REHABILITATION FOUNDATION LTD

ABN 91 096 854 385

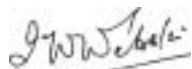
DIRECTORS' DECLARATION

The directors of the Foundation declare that:

1. The financial statements and notes, as set out in accordance with the *Corporations Act 2001*:
 - a. comply with Accounting Standards and the Corporations Regulations 2001; and
 - b. give a true and fair view of the financial position as at 30 June 2002 and of the performance for the year ended on that date of the Foundation.
2. In the directors opinion there are reasonable grounds to believe that the Foundation will be able to pay its debts as and when they become due and payable.


This declaration is made in accordance with a resolution of the Board of Directors.

Director



Dated this

29th day of August 2002



INDEPENDENT AUDIT REPORT

To the members of the Alcohol Education and Rehabilitation Foundation Limited

Scope

I have audited the financial report of the Alcohol Education and Rehabilitation Limited for the financial period 17 October 2001 (date of incorporation) to 30 June 2002. The financial report comprises:

- Directors Report;
- Statements of Financial Performance, Financial Position and Cash Flows;
- Notes to and forming part of the Financial Statements; and
- Directors' Declaration.

The Foundation's directors are responsible for the financial report. I have conducted an independent audit of the financial report in order to express an opinion of it to the members of the Foundation.

The audit has been conducted in accordance with the Australian National Audit Office Auditing Standards, which incorporate the Australian Auditing Standards, to provide reasonable assurance whether the financial report and the evaluation of accounting policies and significant accounting estimates. These procedures have been undertaken to form an opinion whether, in all material respects, the financial report is presented fairly in accordance with Accounting Standards and other mandatory professional reporting requirements in Australia and statutory requirements so as to present a view which is consistent with my understanding of the Foundation's financial position, and performance as represented by the results of its operations and its cash flows.


The audit opinion express in this report has been formed on the above basis.

Audit Opinion

In my opinion, the financial report of the Alcohol Educaiton and Rehabilitation Foundation Limited is in accordance with:

- (a) the Corporations Act 2001, including:
 - (i) giving a true and fair view of the Foundation's financial position as at 30 June 2002 and of its performance for the period 17 October (date of incorporation) to 30 June 2002; and
 - (ii) complying with Accounting Standards in Australia and the Corporations Regulations 2001; and
- (b) other mandatory professional reporting requirements in Australia.

Australian National Audit Office



David Crossley
Executive Director

Delegate of the Auditor-General
Canberra
29 August 2002

ALCOHOL EDUCATION AND REHABILITATION FOUNDATION LTD

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STATEMENT OF FINANCIAL PERFORMANCE
PERIOD 17 OCTOBER 2001 (DATE OF INCORPORATION) TO 30 JUNE 2002

	Note	2002 \$	2001 \$
Revenues from ordinary activities	2	10,129,753	-
Total revenues from ordinary activities		10,129,753	-
Expenses from ordinary activities			
Grants	19c	425,845	-
Operating expenses		116,628	-
Administration expenses		128,557	-
Depreciation	3	28,369	-
Employees	3	305,369	-
Directors	4	186,156	-
Total Expenses from ordinary activities (excluding borrowing cost expense)		1,190,924	-
Borrowing cost expense	3	1,778	-
Net Operating surplus from ordinary activities		8,937,051	-
Net increase (decrease) in asset revaluation reserve		-	-
Total revenues, expenses and valuation adjustments attributable to members of the Foundation recognised directly in equity		-	-
Total changes in equity other than those resulting from transactions with owners as owners		8,937,051	-

ALCOHOL EDUCATION AND REHABILITATION FOUNDATION LTD

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STATEMENT OF FINANCIAL POSITION AS AT 30 JUNE 2002

	Note	2002 \$	2001 \$
CURRENT ASSETS			
Cash assets	5	8,798,932	-
Receivables	6	1,000,000	-
Accrued revenue	7	35,952	-
Other	8	13,201	-
TOTAL CURRENT ASSETS		9,848,085	-
NON-CURRENT ASSETS			
Plant and equipment	9	143,624	-
TOTAL NON-CURRENT ASSETS		143,624	-
TOTAL ASSETS		9,991,709	-
CURRENT LIABILITIES			
Payables	10	973,122	-
Interest-bearing liabilities	11	18,818	-
Provisions	12	26,820	-
TOTAL CURRENT LIABILITIES		1,018,760	-
NON-CURRENT LIABILITIES			
Interest-bearing liabilities	11	35,898	-
TOTAL NON-CURRENT LIABILITIES		35,898	-
TOTAL LIABILITIES		1,054,658	-
NET ASSETS		8,937,051	-
EQUITY			
Reserves	13	8,678,379	-
Retained surplus	14	258,672	-
TOTAL EQUITY		8,937,051	-

ALCOHOL EDUCATION AND REHABILITATION FOUNDATION LTD

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STATEMENT OF CASH FLOWS FOR THE
PERIOD 17 OCTOBER 2001 (DATE OF INCORPORATION) TO 30 JUNE 2002

	Note	2002 \$	2001 \$
CASH FLOW FROM OPERATING ACTIVITIES			
Grants funds		10,000,000	-
Payments to Suppliers		(285,150)	-
Directors		(186,156)	-
Employees		(273,237)	-
Grants awarded		(425,845)	-
Borrowing cost		(1,778)	-
Interest received		93,801	-
Net cash provided by operating activities	19	8,921,635	-
CASH FLOW FROM INVESTING ACTIVITIES			
Payment for plant and equipment		(171,993)	-
Net cash provided by (used in) investing activities		(171,993)	-
CASH FLOW FROM FINANCING ACTIVITIES			
Proceeds from borrowings		56,990	-
Repayment of borrowings		(7,700)	-
Net cash provided by (used in) financing activities		49,290	-
Net increase in cash held		8,798,932	-
Cash at beginning of year			
Cash at end of year	19	8,798,932	-

ALCOHOL EDUCATION AND REHABILITATION FOUNDATION LTD

ABN 91 096 854 385

NOTES TO THE FINANCIAL STATEMENTS FOR THE PERIOD 17 OCTOBER 2001
(DATE OF INCORPORATION) TO 30 JUNE 2002

The accompanying notes form part of these financial statements.

NOTE 1: STATEMENT OF SIGNIFICANT ACCOUNTING POLICIES

The financial report is a general purpose financial report that has been prepared in accordance with Accounting Standards, Urgent Issues Group Consensus Views, other authoritative pronouncements of the Australian Accounting Standards Board and the *Corporations Act 2001*.

The financial report covers the Alcohol Education and Rehabilitation Foundation Ltd (the Foundation) as an individual economic entity. The Foundation is a company limited by guarantee, incorporated and domiciled in Australia.

The financial report has been prepared on a accruals basis and is based on historical costs and does not take into account changing money values or except where stated, current valuations of non-current assets. Cost is based on the fair values of the consideration given in exchange for assets.

The following is a summary of the material accounting policies adopted by the Foundation in the preparation of the financial report. The accounting policies have been consistently applied, unless otherwise stated.

a. Economic Dependency

The Foundation was established by its members on 17 October 2001 and The Alcohol Education and Rehabilitation Special Account Act 2001 (the Act), a funding agreement dated 15 November 2001 with the Commonwealth of Australia (the Agreement), and the Foundations Constitution outline its purpose and objectives.

Under the Act and the Agreement, the Foundation receives its funds to carry out its normal activities and for its continued existence.

b. Income Tax

The Foundation is a not for profit organisation established for the purpose of providing grants to the community. Accordingly the Foundation does not account for Income Tax.

c. Plant and Equipment

Each class of property, plant and equipment is carried at cost or fair value less, where applicable, any accumulated depreciation.

Plant and equipment

Plant and equipment are measured on the cost basis.

The carrying amount of plant and equipment is reviewed annually by directors to ensure it is not in excess of the recoverable amount from those assets. The recoverable amount is assessed on the basis of the expected net cash flows which will be received from the assets employment and subsequent disposal. The expected net cash flows have not been discounted to present values in determining recoverable amounts.

ALCOHOL EDUCATION AND REHABILITATION FOUNDATION LTD

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**NOTES TO THE FINANCIAL STATEMENTS FOR THE PERIOD 17 OCTOBER 2001
(DATE OF INCORPORATION) TO 30 JUNE 2002**

The accompanying notes form part of these financial statements.

NOTE 1: STATEMENT OF SIGNIFICANT ACCOUNTING POLICIES

Depreciation

The depreciable amount of all fixed assets including buildings and capitalised leased assets, but excluding freehold land, are depreciated on a straight line basis/diminishing value over their estimated useful lives to the entity commencing from the time the asset is held ready for use. Properties held for investment purposes are not subject to a depreciation charge. Leasehold improvements are depreciated over the shorter of either the unexpired period of the lease or the estimated useful lives of the improvements.

The depreciation rates used for each class of assets are:

Class of Fixed Asset	2002 Depreciation Rate	2001 Depreciation Rate
Plant and equipment	25%-40%	N/A
Motor Vehicles	22.5%	N/A

d. Leases

Leases of fixed assets, where substantially all the risks and benefits incidental to the ownership of the asset, but not the legal ownership, are transferred to the Foundation are classified as finance leases. Finance leases are capitalised, recording an asset and a liability equal to the present value of the minimum lease payments, including any guaranteed residual values. Leased assets are depreciated on a straight line basis over their estimated useful lives where it is likely that the Foundation will obtain ownership of the asset or over the term of the lease. Lease payments are allocated between the reduction of the lease liability and the lease interest expense for the period.

Lease payments for operating leases, where substantially all the risks and benefits remain with the lessor, are charged as expenses in the periods in which they are incurred.

Lease incentives received under operating leases are recognised as a liability. Lease payments received reduce the liability.

e. Employee Entitlements

Provision is made for the Foundation's liability for employee entitlements arising from services rendered by employees to balance date. No provision has been made for sick leave as all sick leave is non-vesting and the average sick leave taken in future years by employees of the Foundation is estimated to be less than the annual entitlement for sick leave. Employee entitlements expected to be settled within one year together with entitlements arising from wages, salaries, and annual leave which will be settled after one year, have been measured at their nominal amount. Other employee entitlements payable later than one year have been measured at the present value of the estimated future cash outflows to be made for those entitlements.

Contributions are made by the Foundation to an employee superannuation fund and are charged as expenses when incurred.

ALCOHOL EDUCATION AND REHABILITATION FOUNDATION LTD

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NOTES TO THE FINANCIAL STATEMENTS FOR THE PERIOD 17 OCTOBER 2001
(DATE OF INCORPORATION) TO 30 JUNE 2002

The accompanying notes form part of these financial statements.

NOTE 1: STATEMENT OF SIGNIFICANT ACCOUNTING POLICIES**f. Cash**

For the purposes of the statement of cash flows, cash includes cash on hand and at call deposits with banks or financial institutions, investments in money market instruments maturing within less than two months.

g. Revenue

Grant revenue is recognised upon the delivery of an invoice to the Department of Health and Ageing under the terms of its funding agreement with the Commonwealth of Australia.

Interest revenue is recognised on a proportional basis taking into account the interest rates applicable to the financial assets.

Revenue from the rendering of a service is recognised upon the delivery of the service to the customers.

h. Goods and Services Tax (GST)

Revenues, expenses and assets are recognised net of the amount of GST, except where the amount of GST incurred is not recoverable from the Australian Tax Office. In these circumstances the GST is recognised as part of the cost of acquisition of the asset or as part of an item of the expense. Receivables and payables in the Statement of Financial Position are shown inclusive of GST.

i. Comparative Figures

There are no comparative figures as this is the Foundation's first year in operation.

j. Rounding

Amounts have been rounded to the nearest dollar.

ALCOHOL EDUCATION AND REHABILITATION FOUNDATION LTD

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NOTE 2: REVENUE

	Note	2002 \$	2001 \$
Operating activities			
Grant funds	2a	10,000,000	-
Interest	2b	129,753	-
Total revenue		10,129,753	-
a. Grants from			
Dept of Health and Ageing		11,000,000	-
GST Collected		(1,000,000)	-
Net		10,000,000	-
b. Interest from			
Operating Account		12,507	-
Trust Account		92,520	-
Interest Bearing Deposit		24,726	-
Total Interest		129,753	-

NOTE 3: NET SURPLUS FROM ORDINARY ACTIVITIES

Surplus from ordinary activities has been determined after

Expenses

Depreciation of non-current assets			
Computers		7,575	-
Telephone system		950	-
Furniture and fixtures		13,157	-
Motor vehicles		6,196	-
Other property plant and equipment		491	-
Total depreciation		28,369	-
Employee expenses			
Wage accrual		10,385	-
Superannuation accrual		826	-
Leave accrual		15,609	-
Other employee expenses		7,700	-
Wages and salaries		249,422	-
Superannuation		18,266	-
Workers compensation		3,161	-
Total employee expenses		305,369	-
Borrowing cost expense			
Finance lease		1,778	-
Total borrowing cost expense		1,778	-
Expenditure accruals			
Other expenses		7,494	-
Total expenditure accruals		7,494	-

ALCOHOL EDUCATION AND REHABILITATION FOUNDATION LTD

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**NOTE 3: NET SURPLUS FROM
ORDINARY ACTIVITIES**

	2002	2001
	\$	\$
Rental expense on operating leases		
Computer rental	8,886	-
Office lease	25,520	-
Photocopy fax lease	4,870	-
Total rental expenses on operating leases	39,276	-
Auditor remuneration		
Audit or review	12,500	-
Total Auditor remuneration	12,500	-

**NOTE 4: REMUNERATION AND
RETIREMENT BENEFITS****a. Directors Remuneration**

Fees	108,750	-
Wages	26,250	-
Superannuation	2,100	-
Other expenses	49,056	-
Total remuneration	186,156	-

**Number of directors whose income was within
the following band:**

\$10,000	\$19,999	10	-
\$20,000	\$29,999	1	-

b. Retirement and Superannuation Benefits

Amounts of a prescribed benefit given during the year by the Foundation to a prescribed superannuation fund in connection with the retirement from a prescribed office.

2,100	-
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NOTE 5: CASH ASSETS

Operating account	199,251	-
Trust account	3,599,452	-
Petty Cash	229	-
Interest bearing deposit	5,000,000	-
Total Cash Assets	8,798,932	-

NOTE 6: RECEIVABLES

Grant funds payable from Department		
Health and Ageing	1,000,000	-
Total Receivables	1,000,000	-

ALCOHOL EDUCATION AND REHABILITATION FOUNDATION LTD

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NOTE 7: ACCRUED REVENUE

	2002	2001
	\$	\$
Interest accrued		
Operating account	913	-
Trust account	10,313	-
Interest bearing deposit	24,726	-
Total Accrued Revenue	35,952	-

NOTE 8: OTHER ASSETS

Prepayments	13,201	-
Total other assets	13,201	-

NOTE 9: PLANT AND EQUIPMENT

Plant and Equipment		
Plant and Equipment at cost	119,939	-
Less accumulated depreciation	22,173	-
Total Plant and Equipment	97,766	-
Motor Vehicles		
Motor Vehicles at cost	52,054	-
Less accumulated depreciation	6,196	-
Total Motor vehicles	45,858	-
Total	143,624	-

a. Movements in Carrying Amounts

Movement in the carrying amounts for each class of plant and equipment between the beginning and the end of the current financial year.

	Plant and Equipment	Motor vehicles	Total
	\$	\$	\$
Balance at the beginning of the year			
Additions	119,939	52,054	171,993
Disposals	-	-	-
Revaluation increments / (decrements)	-	-	-
Depreciation expense	22,173	6,196	28,396
Carrying amount at the end of the year	97,766	45,858	143,624

**NOTE 10: PAYABLES
CURRENT**

	2002	2001
	\$	\$
Accrued Expenses	19,994	-
Sundry creditors - ATO	953,128	-
Total Payables	973,122	-

ALCOHOL EDUCATION AND REHABILITATION FOUNDATION LTD

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NOTE 11: INTEREST BEARING LIABILITIES

	Note	2002 \$	2001 \$
CURRENT			
Bank credit card	20	5,426	-
Finance lease liability	15	13,392	-
Total Current		18,818	-
NON CURRENT			
Finance lease liability	15	35,898	-
Total non current		35,898	-
Total Interest Bearing Liabilities		54,716	-

NOTE 12: PROVISIONS**CURRENT**

Employee entitlements		26,820	-
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NON CURRENT

Employee entitlements		-	-
a. Aggregate employee entitlement liability		26,820	-
b. Number of employees at year end		6	-

NOTE 13. RESERVES**Unspent Grant Funds**

Movements during the year			
Transfer to reserve		8,678,379	-
Closing balance		8,678,379	-

Trust Account

Grants paid		9,000,000	-
Less GST		818,182	-
Plus Interest received		82,208	-
		8,264,026	-

Grants receivable		900,000	-
Less GST		81,818	-
Plus Interest Accrued		35,039	-
		853,221	-

Net Trust account		9,117,247	-
Less Grants awarded	19c	425,845	-
Less Expenses attributed to Grants		13,023	-
Closing balance		8,678,379	-

ALCOHOL EDUCATION AND REHABILITATION FOUNDATION LTD

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NOTE 14: RETAINED SURPLUS

	Note	2002 \$	2001 \$
Retained surplus at beginning of financial year		-	-
Operating surplus		258,672	-
Retained surplus at the end of the financial year		258,672	-

NOTE 15: CAPITAL AND LEASING COMMITMENTS

a. Finance Lease Commitments

Payable			
- not later than 1 year		16,384	-
- later than 1 year but not later than 5 years		38,492	-
Minimum Finance Lease payments		54,876	-
Less future finance charges		5,586	-
Total Finance Lease Liability	11	49,290	-
Current			
Finance lease liability		13,392	-
Non Current			
Finance lease liability		35,898	-
Total Finance Lease Liability		49,290	-

Finance Lease exists in relation to the motor vehicle supplied in terms of employment contract.

b. Operating Lease Commitments

Non-cancellable operating leases contracted for but not capitalised in the financial statements:

Payable			
- not later than 1 year		83,813	-
- later than 1 year but not later than 5 years		130,995	-
Total Operating Lease Commitments		214,808	-
c. Other Commitments			
Other commitments		30,909	-
Total other commitments		30,909	-

The property lease is a non-cancellable lease with a three-year term, with rent payable monthly in advance. Contingent rental provisions within the lease agreement require that the minimum lease payments shall be increased by 3% per annum in December each year. An option exists to renew the lease at the end of the three-year term for an additional term of three years.

As at 30 June 2002, other commitments comprise an amount payable under grant agreements in respect of which the full terms of approval have not been complied with.

ALCOHOL EDUCATION AND REHABILITATION FOUNDATION LTD

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NOTE 16: CONTINGENT LIABILITIES

	2002	2001
	\$	\$
Estimates of the maximum amounts of contingent liabilities that may become payable:	-	-
As at 30 June 2002 the Foundation had no contingent liabilities that may become payable	-	-

NOTE 17: EVENTS SUBSEQUENT TO REPORTING DATE

Since the end of the financial year the Foundation has approved the awarding of grants totalling an amount of \$1,970,159. This has not been recognised in these financial statements.

NOTE 18: SEGMENT REPORTING

The Foundation operates predominantly in one business and geographical segment being the awarding of community grants throughout Australia.

NOTE 19: CASH FLOW INFORMATION

	2002	2001
	\$	\$
a. Reconciliation of Cash		
Cash at the end of the financial year as shown in the statements of cash flows is reconciled to the related items in the statement of financial position as follows:		
Cash on hand	3,798,932	-
Interest bearing deposit	5,000,000	-
Total	8,798,932	-
b. Reconciliation of Cash Flow from Operations with Surplus from Ordinary Activities		
Net Surplus from ordinary activities	8,807,298	-
Interest	129,753	-
Trading Surplus from activities	8,937,051	-
Non-cash flows in surplus from ordinary activities		
Depreciation	28,369	-
Changes in assets and liabilities		
Increase in receivables	(1,000,000)	-
Increase in accrued revenue	(35,952)	-
Increase in other assets	(13,201)	-
Increase/(decrease) in payables	973,122	-
Increase/(decrease) in provisions	26,820	-
Increase/(decrease) in bank credit card	5,426	-
Cash flows from operations	8,921,635	-

ALCOHOL EDUCATION AND REHABILITATION FOUNDATION LTD

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NOTE 19: CASH FLOW INFORMATION

	2002	2001
	\$	\$
c. Grant Payments		
AFL Queensland	120,568	-
NPY Women's Aboriginal Corporation	19,091	-
Victorian Alcohol and Drug Association	10,000	-
National Centre for Education and Training on Addiction	18,060	-
NOFOSARD Queensland	3,795	-
Indigenous Festivals of Australia	250,000	-
Queanbeyan City Council	1,949	-
Elizabeth Pearce	2,382	-
Total Grant Payments	425,845	-

NOTE 20: CREDIT STAND-BY ARRANGEMENT AND LOAN FACILITIES

The Foundation has a mastercard facility amounting to \$10,000. This may be terminated at any time at the option of the bank. At 30 June 2002 \$5,426 of this facility was used. Interest rates are variable.

The Foundation has a bank guarantee as security deposit in favour of the property lessors for an amount of \$14,115. This may be called upon at any time at the option of the lessor.

ALCOHOL EDUCATION AND REHABILITATION FOUNDATION LTD

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Note 21: Financial Instruments	
Note 21: – Terms, Conditions and Accounting Policies	
Financial Instrument	Accounting Policies and Methods (including recognition criteria and measurement basis)
Financial Assets	Financial assets are recognised when control over future economic benefits is established and the amount of the benefit can be reliably measured.
Cash	5 Deposits are recognised at their nominal amounts. Interest is credited to revenue as it accrues.
Receivables	6 These receivables are recognised at the nominal amount due.
Term deposit	5 Term deposits are recognised at cost. Interest is accrued as it is earned.
Financial Liabilities	Financial liabilities are recognised when a present obligation to another party is entered into and the amount of the liability can be reliably measured.
Financial lease liabilities	15 Liabilities are recognised at the present value of the minimum lease payments at the beginning of the lease. The discount rates used are estimates of the interest rate implicit in the leases.
Creditors	10 Creditors and accruals are recognised at their nominal amounts, being the amounts at which liabilities will be settled. Liabilities are recognised to the extent that the goods or services have been received (and irrespective of having been invoiced).
Unrecognised Financial Liabilities	
Other guarantees	The amount guaranteed by the Foundation has been disclosed in the Schedule of credit standby arrangements and loan facilities. At the time of completion of the financial statements, there was no reason to believe that the guarantee would be called upon, and recognition of the liability was therefore not required.

ALCOHOL EDUCATION AND REHABILITATION FOUNDATION LTD

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Note 21B – Interest Rate Risk

Financial Instrument	Notes	Floating Interest Rate		Fixed Interest Rate	
		2002 \$		2001 \$	
		2002 \$	2001 \$	1 to 5 Years 2002 \$	2001 \$
Financial Assets					
Cash at Bank	5	3,798,703	-	-	-
Cash on hand	5	-	-	-	-
Receivables	6	-	-	-	-
Term deposit	5	5,000,000	-	-	-
Total Assets		3,798,703	-	-	-

Financial Instrument	Notes	Floating Interest Rate		Fixed Interest Rate	
		2002 \$		2001 \$	
		2002 \$	2001 \$	1 to 5 Years 2002 \$	2001 \$
Financial Liabilities					
Bank credit cards	11	5,426	-	-	-
Financial lease liabilities	15	-	16,364	-	38,492
Creditors	10	-	-	-	-
Total Liabilities		5,426	16,364	-	38,492
Other guarantees		-	-	-	-
Total Financial Liabilities (Unrecognised)		-	-	-	-

ALCOHOL EDUCATION AND REHABILITATION FOUNDATION LTD

ABN 91 096 854 385

NOTE 21: FINANCIAL INSTRUMENTS

c. Net Fair Values of Financial Assets and Liabilities

	Note	2002		2001	
		Total Carrying Amount	Aggregate Net Fair Value	Total Carrying Amount	Aggregate Net Fair Value
Financial Assets					
Cash at Bank	5	3,798,703	3,798,703	-	-
Cash on Hand	5	229	229	-	-
Receivables	6	909,091	909,091	-	-
Term Deposits	5	5,000,000	5,024,726	-	-
Total Financial Assets		9,708,023	9,732,749	-	-
Financial Liabilities					
Bank Credit Cards	11	5,426	5,426	-	-
Finance Lease Liabilities	15	54,876	54,876	-	-
Creditors	10	19,994	19,994	-	-
Total Financial Liabilities		80,296	80,296	-	-
Financial Liabilities (Unrecognised)					
Other Guarantees		14,115	14,115	-	-
Indemnities					
Total Financial Liabilities (Unrecognised)		14,115	14,115	-	-

Financial Assets

The net fair values of cash, deposits on call and non-bearing monetary financial assets approximate their carrying amounts.

The net fair value of the term deposit is based on discounted cash flows using current interest rates for assets with similar risk profiles.

Other than for listed financial assets, none of the classes of financial assets are readily traded on organised markets in standardised form.

Financial Liabilities

The net fair values of all loans, unsecured notes, finance leases, deposits and guarantees are based on discounted cash flows using current interest rates for liabilities with similar risk profiles. (Where the liability is on a floating rate of interest, the method returns the principal amount).

The net fair value for creditors and grant liabilities, all of which are short term in nature, are approximated by their carrying amounts.

ALCOHOL EDUCATION AND REHABILITATION FOUNDATION LTD

ABN 91 096 854 385

NOTE 21: FINANCIAL INSTRUMENTS

d. Credit Risk Exposures

The maximum exposure to credit risk, excluding the value of any collateral or other security, at balance date to recognised financial assets is the carrying amount of those assets, net of any provisions for doubtful debts, as disclosed in the statement of financial position and notes the financial statements.

The Foundation does not have any material credit risk exposure to any single debtor or group of debtors under financial instruments entered into by the Foundation.

NOTE 22: COMPANY DETAILS

The registered office of the company is:

Alcohol Education and Rehabilitation Foundation Ltd
Level 1, Suite 6, 4 Phipps Close
DEAKIN ACT 2600

The principal place of business is:

Alcohol Education and Rehabilitation Foundation Ltd
Level 1, Suite 6, 4 Phipps Close
DEAKIN ACT 2600



BUDGET ANALYSIS

2002 / 2003

**ALCOHOL EDUCATION AND REHABILITATION FOUNDATION LTD
COMBINED ACCOUNTS**

ABN 91 096 854 385

PROFIT & LOSS AND BUDGET ANALYSIS

	July 2001 to June 2002 Budget 2002	Actual 2002	Proposed Budget 2003
Income			
Retained Equity	\$0.00	\$0.00	\$8,937,051.79
Grant Funds	\$10,000,000.00	\$10,000,000.00	\$24,909,090.91
Total Income	\$10,000,000.00	\$10,000,000.00	\$33,846,142.70
Gross Profit			
	\$10,000,000.00	\$10,000,000.00	\$33,846,142.70
Expenses			
Grants Awarded	\$8,950,000.00	\$425,844.55	\$30,198,600.00
General & Administration	\$130,834.40	\$94,750.05	\$347,416.00
Operational Expenses	\$183,087.38	\$124,812.56	\$374,900.24
Depreciation	\$30,042.98	\$28,368.72	\$30,000.00
Travel Expenses	\$24,620.00	\$23,655.80	\$74,100.00
Directors Expenses	\$176,255.27	\$186,156.00	\$238,800.00
Payroll Expenses	\$323,551.93	\$305,368.00	\$600,060.00
Borrowing Cost Expense	\$1,778.00	\$1,778.00	\$3,556.00
Total Expenses	\$9,820,169.96	\$1,190,733.68	\$31,867,432.24
Operating Profit	\$179,830.04	\$8,809,266.32	\$1,978,710.46
Other Income			
Interest Income	\$41,545.50	\$93,801.29	\$303,438.00
Interest Accrual	\$29,299.01	\$35,952.18	\$27,586.00
Total Other Income	\$70,844.51	\$129,753.47	\$331,024.00
Other Expenses			
Private Use of M/V	\$1,968.00	\$1,968.00	\$1,968.00
Total Other Expenses	\$1,968.00	\$1,968.00	\$1,968.00
Net Surplus / (Deficit)	\$248,706.55	\$8,937,051.79	\$2,307,766.46

**ALCOHOL EDUCATION AND REHABILITATION FOUNDATION LTD
TRUST ACCOUNT**

ABN 91 096 854 385

PROFIT & LOSS AND BUDGET ANALYSIS

	July 2001 to June 2002		Proposed Budget 2003
	Budget 2002	Actual 2002	
Income			
Retained Equity	\$0.00	\$0.00	\$8,678,379.00
Grant Funds	\$9,000,000.00	\$9,000,000.00	\$22,418,181.00
Total Income	\$9,000,000.00	\$9,000,000.00	\$31,096,560.00
Gross Profit			
	\$9,000,000.00	\$9,000,000.00	\$31,096,560.00
Expenses			
Grants Awarded	\$8,950,000.00	\$425,844.55	\$30,198,600.00
General & Administration	\$2,593.91	\$2,593.91	\$0.00
Operational Expenses	\$10,430.00	\$10,430.00	\$0.00
Total Expenses	\$8,963,023.91	\$438,868.46	\$30,198,600.00
Operating Profit	\$36,976.09	\$8,561,131.54	\$897,960.00
Other Income			
Interest Income	\$31,545.50	\$82,208.28	\$276,060.00
Interest Accrual	\$28,568.00	\$35,039.18	\$25,097.00
Total Other Income	\$60,113.50	\$117,247.46	\$301,157.00
Net Surplus / (Deficit)	\$97,089.59	\$8,678,379.00	\$1,199,117.00

**ALCOHOL EDUCATION AND REHABILITATION FOUNDATION LTD
OPERATING ACCOUNT**

ABN 91 096 854 385

PROFIT & LOSS AND BUDGET ANALYSIS

	July 2001 to June 2002		Proposed
	Budget 2002	Actual 2002	Budget 2003
Income			
Retained Equity	\$0.00	\$0.00	\$258,672.79
Grant Funds	\$1,000,000.00	\$1,000,000.00	\$2,490,909.91
Total Income	\$1,000,000.00	\$1,000,000.00	\$2,749,582.70
Gross Profit			
	\$1,000,000.00	\$1,000,000.00	\$2,749,582.70
Expenses			
General & Administration	\$128,240.49	\$92,156.14	\$347,416.00
Operational Expenses	\$172,657.38	\$114,382.56	\$374,900.24
Depreciation	\$30,042.98	\$28,368.72	\$30,000.00
Travel Expenses	\$24,620.00	\$23,655.80	\$74,100.00
Directors Expenses	\$176,255.27	\$186,156.00	\$238,800.00
Payroll Expenses	\$323,551.93	\$305,368.00	\$600,060.00
Borrowing Cost Expense	\$1,778.00	\$1,778.00	\$3,556.00
Total Expenses	\$857,146.05	\$751,865.22	\$1,668,832.24
Operating Profit	\$142,853.95	\$248,134.78	\$1,080,750.46
Other Income			
Interest Income	\$10,000.00	\$11,593.01	\$27,378.00
Interest Accrual	\$731.01	\$9,13.00	\$2,489.00
Total Other Income	\$10,731.01	\$12,506.01	\$29,867.00
Other Expenses			
Private Use of M/V	\$1,968.00	\$1,968.00	\$1,968.00
Total Other Expenses	\$1,968.00	\$1,968.00	\$1,968.00
Net Surplus / (Deficit)	\$151,616.96	\$258,672.79	\$1,108,649.46

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