



2019
ANNUAL
REPORT

HEALTH HAWKE'S BAY
TE ORANGA HAWKE'S BAY



Kia Ora Welcome

- 2. OUR VISION, OUR VALUES
- 4. OUR PRACTICES
- 5. OUR POPULATION
- 6. STRATEGIC FOCUS 2018-2021
- 7. ABOUT HEALTH HAWKE'S BAY
- 8. CHAIR'S REPORT
- 10. CEO REPORT
- 12. HEALTH HAWKE'S BAY GOVERNANCE
- 14. OUR TEAM

17 HIGHLIGHTS

- 18. MENTAL HEALTH NURSE CREDENTIALING
- 19. RAISING HEALTH KIDS
- 20. PRIMARY CARE SYMPOSIUM 2018
- 21. NATIONAL ENROLMENT SERVICE AND PATIENT EXPERIENCES
- 22. EXTENDING ACCESS TO PRIMARY CARE
- 23. WHĀNAU WELLNESS RESOURCE GROUPS

25 STRATEGIC ACTIVITY

- 26. HEALTH TARGETS
- 27. SYSTEM LEVEL MEASURES
- 28. CHANGING MODELS OF CARE
- 29. VIRTUAL GENERAL PRACTICE CLINIC
- 29. WAIROA INTEGRATION
- 30. REFOCUSING HEALTH HAWKE'S BAY FLEXIBLE FUNDING REVIEW
- 31. PARTNERSHIP WITH IWI
- 32. CONSUMER LISTENING PROJECT WITH TOTARA

35 FINANCIALS

- 36. STATEMENT OF RESPONSIBILITY
- 39. STATEMENT OF COMPREHENSIVE REVENUE AND EXPENSES
- 40. STATEMENT OF CHANGES IN EQUITY
- 41. STATEMENT OF FINANCIAL POSITION
- 42. STATEMENT OF CASH FLOW
- 43. SIGNIFICANT ACCOUNTING POLICES
- 48. NOTES TO THE FINANCIAL POSITION
- 56. REPORT ON THE AUDIT OF THE FINANCIAL STATEMENTS

Our vision

Healthy Hawke's Bay –

Te Hauora o Te Matau ā Māui

*Excellent health services working in partnership
to improve the health and wellbeing of our people,
and to reduce health inequities within our community.*

Our values

Tauwhiro

*Delivering high quality care
to patients and consumers.*

Rāranga te tira

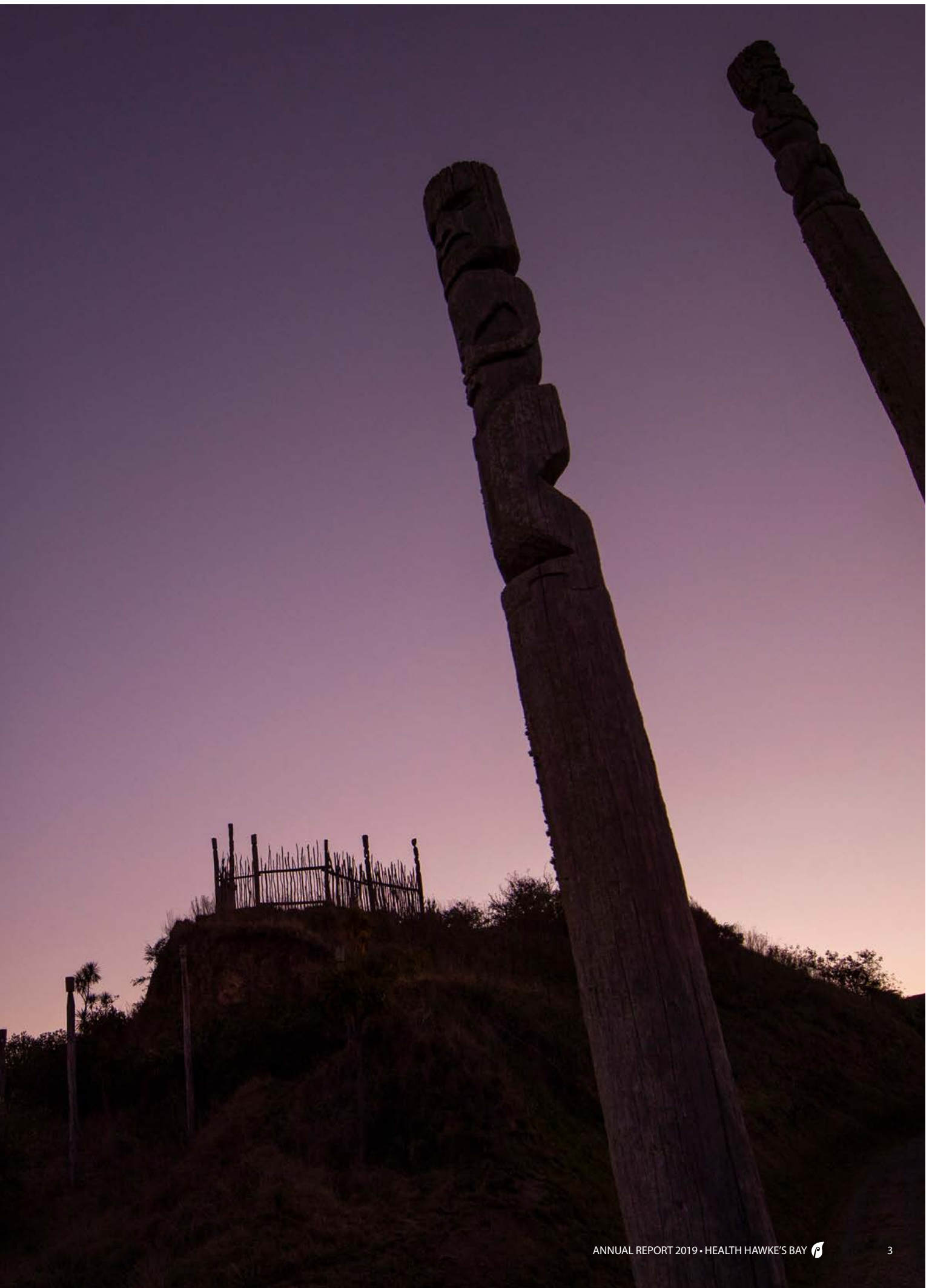
*Working together
in partnership across
the community.*

He Kauanuanu

*Showing respect for each
other, our staff, patients
and consumers.*

Ākina

*Continuous improvement
in everything we do.*





Our practices

WAIROA DISTRICT

Health Care Centre
Queen St Practice
Wairoa Medical Centre
(now part of Queen St Practice)

NAPIER CITY

Carlyle Medical Centre
Central Medical Napier
Clive Medical Centre
Dr Paul Hendy
(now part of Greendale Family Health Centre)
Dr Robert Harris's Practice
Greendale Family Health Centre
Hawke's Bay Wellness Centre
Maraenui Medical Centre
Shakespeare Rd Medical Centre
Tamatea Medical Centre
Taradale Medical Centre
The Doctors Napier
The Doctors Greenmeadows
The Doctors EIT Health Centre
The Doctors Westshore

HASTINGS DISTRICT

Gascoigne Medical Services
Hauora Heretaunga
Mahora Medical Centre
Medical & Injury
Te Mata Peak Practice
The Doctors Hastings
The Hastings Health Centre
The Havelock North Health Centre
Totara Health – Flaxmere
Totara Health – Nelson Street

CENTRAL HAWKE'S BAY DISTRICT

The Doctors Waipawa
Tuki Tuki Medical

Our population



163,252

PEOPLE ENROLLED
WITH HEALTH HAWKE'S BAY

WHICH EQUALS

97.9%

OF HAWKE'S BAY POPULATION
BASED ON STATS NZ POPULATION
PROJECTIONS NOVEMBER 2017

1.6% ^

INCREASE FROM PREVIOUS YEAR



704,825

NURSE AND GP CONSULTS PROVIDED
DURING 2018 - 2019 PERIOD

MĀORI ENROLMENT

2.8% ^

INCREASE TO 42,701
FROM PREVIOUS YEAR

PASIFIKA ENROLMENT

2.7% ^

INCREASE TO 5,946
FROM THE PREVIOUS YEAR

ASIAN ENROLMENT

15.6% ^

INCREASE TO 6,674
FROM THE PREVIOUS YEAR

UNDER 14 YEARS ENROLMENT

1.0% ^

INCREASE TO 32,620
FROM THE PREVIOUS YEAR

65+ YEARS ENROLMENT

2.6% ^

INCREASE TO 30,817
FROM THE PREVIOUS YEAR

Strategic Focus 2018-2021

A SUMMARY

OUR STRATEGIC GOALS

- Improving the health and wellbeing of our people
- Improving health outcomes for Māori, Pasifika and those impacted by social and economic factors, with a focus on addressing inequities in everything that we do
- Empowering our community by supporting individuals, whānau and communities to influence the factors and decisions that shape their health care
- Supporting general practice teams to maximise their capability and capacity to benefit the population
- Working in partnership with the Hawke's Bay health sector to support service integration to strengthen and promote primary care
- Creating sustainability for our people through high quality health services, business excellence and meaningful partnership with funders, providers and the community

OUR DESIRED OUTCOMES

- Establish foundations and commit to equity in health outcomes
- Commit to working better as a health system
- Play a lead role in the evolution of general practice across the network
- Redesign our services to work effectively and have an impact on reducing equity imbalances and be integrated across the Hawke's Bay health sector

He aha te mea nui o te ao.

*He tāngata, he tāngata,
he tāngata*

*What is the most important
thing in the world? It is
people, it is people, it is people.*



About Health Hawke's Bay

Health Hawke's Bay – Te Oranga Hawke's Bay is the region's single Primary Health Organisation (PHO), covering a population of approximately 163,000. We aim to improve health outcomes and life expectancy across Hawke's Bay, particularly for Māori and other under-served groups.

The Health Hawke's Bay Board and Chief Executive Officer (CEO) are passionate about health and Hawke's Bay, and are supported by a dedicated team of professionals in a wide range of roles.

Health Hawke's Bay believes that timely access to high quality health care is fundamental to improving the health of our community.

We aim to improve health outcomes and life expectancy across Hawke's Bay, particularly for Māori and other under-served groups.

WHAT IS A PHO?

A PHO provides primary health services either directly or indirectly through general practice and other health and social care providers. These services are designed to improve and maintain the health of the enrolled PHO population, and eliminate inequities in health outcomes that exist for Māori, Pasifika and high needs populations. The aim is to ensure general practice services are linked with other health and social care services for a seamless continuum of care.

Health Hawke's Bay receives funding from the Government, usually via the Hawke's Bay District Health Board (HBDHB), to subsidise a range of health services. The amount of funding received is based on the numbers and the characteristics (e.g., age, sex, and ethnicity) of their enrolled population.

The funding pays for services to:

- provide care and treatment when people are ill
- help people to stay healthy
- connect with groups in the community who have poor health or who are missing out on primary health care
- provide health promotion

ENROLMENT IN A PHO

Enrolment in a PHO is voluntary. Most New Zealanders are however enrolled through their general practice and gain the benefits associated with belonging to a PHO, which can include cheaper doctors' visits and reduced costs of prescription medicines.



E ngā reo, e ngā mana, e ngā kārangaranga maha tēnā koutou. Kai te tangi i ngā mate maha, he tau nui ngā mate te tau, he tau nui te tangi te tau, nō reira rātou te hunga kua hao nei i te kupenga o Taramainuku, haere atu rā. Tātou te hunga kua mahue mai ki muri, tēnā hoki tātou katoa.

Chair's Report

It is my pleasure to present the 2019 Health Hawke's Bay annual report. The past year has been another year of hard mahi, with Health Hawke's Bay continuing to provide governance and guidance to support improvements in the health and wellbeing of the Hawke's Bay community.

The change of government has seen a keen focus on improving the health of all New Zealanders with a wide-ranging review designed to future-proof our health and disability services to progress transformational change. The Ministry of Health review will include a strong focus on primary and community-based care to make sure people stay well and have also acknowledged that:¹ 'We need to face up to the fact that our health system does not deliver equally well for all. We know our Māori and Pacific peoples have worse health outcomes and shorter lives. That is something we simply cannot accept.'

The year past has seen the PHO recommit to upholding the Treaty of Waitangi obligations in all areas of work, with attention on activity aligned to change the delivery of health care (as outlined in the HBDHB's Clinical Services Plan and Health Hawke's Bay Strategic Focus) to support the continued development of primary care and meet the needs of the communities in Hawke's Bay.

As 2019 unfolded, the PHO implemented a new way of working by supporting a new model of primary care for the community with a commitment made to two key work streams; Flexible Funding Pool value for money review, and the design/implementation strategy for Health Care Home across the general practice network.

The Flexible Funding Pool value for money project is a key piece of work that refocuses the core purpose of the PHO and enables evidence-based decisions to be made in three key programmes: Services to Improve Access (SIA), Care Plus, and Health Promotion.

Pressures within general practice (with an ageing GP workforce and New Zealand's ageing population) have seen many practices across New Zealand implement the Health Care Home Model of Care. Health Hawke's Bay has committed to this model of care and is working with general practice, whānau and community to ensure that this is a Hawke's Bay model underpinned by equity.

Looking forward, Health Hawke's Bay has another big year ahead, redefining its purpose, realigning its work streams, embracing technology and addressing the increasing health and wellness gap for Māori.

My tenure as Health Hawke's Bay Chair has been extended (until post the annual general meeting of Health Hawke's Bay) due to DHB Board elections and a number of Health Hawke's Bay directors tenure

¹ Hauora. Report on Stage one of the Health Services and Outcomes Kaupapa Inquiry. WAI 2575 Waitangi Tribunal Report 2019.

Health Hawke's Bay is committed to improving this picture, but we need all of us on the waka together rowing in the same direction.

being up for rotation. My commitment to improving health outcomes (particularly for Māori) stays firm, as I lead a Board which is focused on and committed to achieving the best possible equitable health outcomes for all in Hawke's Bay.

Along with my role as Chair of Health Hawke's Bay, I have had the privilege of chairing Health Hawke's Bay and HBDHB, Te Pitau Health Alliance (Hawke's Bay). The alliance members represent a cross section of the Hawke's Bay community and are responsible for the governance of transformational health system change, with support from leadership and operational groups.

Te Pitau Health Alliance is progressing well with several service level agreements underway to redesign services, including Mental Health and Addiction (including Ngā Rau Rākau Inpatient Unit), End of Life Care and Rangatahi Youth Services. As chair of the alliance, my expectation is that any alliance redesign will be conducted with appropriate leadership, expertise and discharge of Treaty obligations.

Te Pitau has also agreed to take over the governance responsibility for System Level Measures across the sector. Integration with the HBDHB across primary care will ensure resources are best targeted to populations and communities that have been under-served in the past.

Progress in these areas has been enabled because of good relationships with key decision makers within the health sector. A key challenge for the sector is the implementation of 'He Ngākau Aotearoa' model of care, based on Māori values and tikanga, and builds on lessons learned from the Nuka System of Care in Alaska.

Membership of the alliance is made up of a mix of representation, perspectives, skills and experience and is reviewed annually.

Current Te Pitau governance membership:

- Health Hawke's Bay Board: Bayden Barber (Chair), Jason Ward, Jeremy Harker
- Hawke's Bay District Health Board: Hine Flood, Ana Apatu, Heather Skipworth
- HBDHB Clinical Council: Peter Culham
- HBDHB Consumer Council: Rachel Ritchie

Health Hawke's Bay is working hard to improve the health outcomes of individuals and whānau in our region. We are supporting and developing the capacity and capability of our health provider network to meet the many challenges we face in the health sector. However more needs to be done.

The recent Treaty of Waitangi Tribunal report on Māori Health acknowledged that Māori continue to experience the worst health outcomes of any population group in New Zealand. It also identified that Primary Health care funding has not addressed Māori health need. This cannot continue. Health Hawke's Bay is committed to improving this picture, but we need all of us on the waka together, rowing in the same direction. *Kaua e rangiruatia te hā o te hoe; e kore tō tātou waka e ū ki uta.* Do not lift our paddle out of unison or our canoe will never reach the shore.



Nāku iti noa
Bayden Barber

CEO Report



He hōnore, he kororia ki te atua,
he maungarongo ki te whenua, he
whakaaro pai ki ngā tāngata katoa.
E ngā mate huhua o te wā, moe mai rā.
Tātou te hunga ora e pai nei tēnā hoki
tātou katoa.

**Kia Ora, Kia Orana, Malo, Talofa Lava,
Bula Vananka, Malo e Lelei, Fakaalofa
Lahi atu, Namaste, Talofa Ni and warm
Pasifika greetings to you all!**

The past year has been exciting and challenging, but rewarding for Health Hawke's Bay. The initial year of our Strategic Focus plan realised the completion of the Flexible Funding Pool review and the implementation of the roll out of the Health Care Home model. Both will result in significant change to how Health Hawke's Bay and our provider network provides and supports primary health care delivery in the province.

The Flexible Funding Review took a broad approach, involving a cross-section of providers and whānau across the region to assess the value for money that the PHO receive from its investments. The result of this engagement highlighted the need to take a step back and reflect on who we are (as a PHO) and the considerable variation in efficiency, effectiveness and equity of Flexible Funding investments.

This project is now moving forward as 'Ka Hikitia' with a dedicated project manager working with our whānau, provider network and key stakeholders to implement the recommendations of the review.

A focus of the Ka Hikitia project will be to engage and listen to the wider primary care voice, the result of which will fundamentally change how the PHO operates. This project will fully embrace our responsibilities under the Treaty of Waitangi, align to the Nuka System of Care philosophy and require the energy and full commitment of our team and stakeholders. Your PHO is focused on changing the health statistics for our Māori population. We have made a commitment to listen to the voice of whānau and progress new ways of working to create the change in outcomes for Māori and other priority groups. We cannot do this on our own and will be working in true partnership across the Health Hawke's Bay health network to achieve this goal.

Earlier this year we initiated the roll out of the Health Care Home model in three Hawke's Bay general practices. Health Care Home is a model developed to improve sustainable primary care services by changing the way health care is delivered for our people within general practice.

This change model is a major focus and commitment for our team, and one that we consider to be key to improving quality access and service delivery.

One of the big highlights of the year was the inaugural Hawke's Bay Primary Care Symposium – a weekend of networking learning and collegiality across all spectrums of primary health.

Our rural areas have also undergone significant change during the year, with the PHO working in partnership with the Wairoa community and the Hawke's Bay District Health Board to create a safe, sustainable community-commissioned health service for Wairoa. This initiative is still in the early stages, however, we are already starting to see positive change with the coming together of general practice services.

The PHO has supported the introduction of telehealth to Central Hawke's Bay to link nurse-led clinics (in more remote areas), to general practitioners based in Waipukurau, and is seen as a positive step in broadening the reach of primary care.

To ensure that the PHO is abreast of IT innovation, Health Hawke's Bay has invested in the purchase of a claiming system (Halcyon) and reporting and analytics software (Thalamus). Halcyon will give greater visibility to providers on what and how they are claiming, resulting in better management of the internal processing of budgets and claims and reducing the administration burden from both a funder and a provider perspective. Thalamus will also change the IT landscape by taking information and data from many sources to provide easily accessible, up to date, insightful decision making ability at a practice and regional level. Both of these pieces of software are great enablers of both the Health Care Home and Ka Hikitia programmes.

One of the big highlights of 2018 was the inaugural Hawke's Bay Primary Care Symposium – a weekend of networking learning and collegiality across all spectrums of primary health. This innovative approach to delivering education and training (within the network) is well received with attendee feedback overwhelmingly positive.

The year finished positively, with a smaller deficit than planned resulting in the ability to invest in projects to support our Strategic Focus.

Access to general practice is a one of the key priorities for Health Hawke's Bay, with an enrolled population of approximately 163,000 patients (1.6% increase). This represents 97.9% of the total Hawke's Bay population, which compares favourably to the national average. However, we acknowledge that high enrolment rates can be deceiving and do not always equate to high access levels.

As an organisation, we strive to build strong working relationships with those who undertake the untiring work at the coal face. It is paramount that we work in partnership across the health sector to collectively embrace the change required to make a difference for our people.

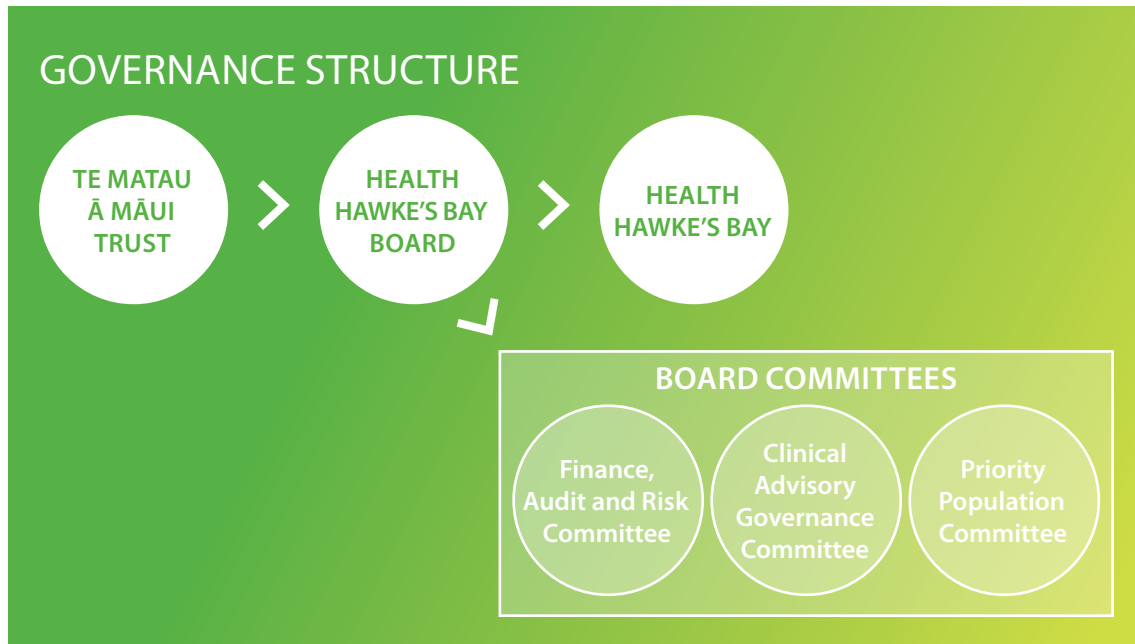
To our general practice teams, your ability to manage demand that exceeds capacity is to be admired as you work through the complexities and politics of health whilst providing the best health care for your patients. You are the listening ear, the voice and the lifeline for so many as they navigate their health journey. Thank you.

To our Board and the team, your commitment to improving the health of our people is visible on a daily basis, as you strive to create opportunities and advocate for those who need a voice. The year ahead will see significant change for all in the health system; a challenge that I am confident you will meet head on.



Nāku iti nei,
Wayne Woolrich

Health Hawke's Bay Governance



ROLE OF THE BOARD

Health Hawke's Bay Board sets the strategic direction of Health Hawke's Bay, establishes the overall policy framework within which the business of Health Hawke's Bay is conducted, provides effective oversight of the activities carried out by management and protects shareholder's interests.

The Board's focus is to ensure the overarching goals of the organisation are met and equitable health services are provided to the community of Hawke's Bay by the PHO.

Having regard to its role, the Board will direct and supervise the management of the business and affairs of the company including:

- Deciding on the steps are necessary to protect the company's financial position
- Ensuring the company's financial statements are true and fair and otherwise conform with the law
- Ensuring the company has appropriate risk management/regulatory compliance policies in place

- Appoint the CEO, set the terms of the CEO's employment contract and, if necessary, terminate the CEO's contract
- Ensure the company has remuneration policies in place for executive management and directors

ROLE OF THE CEO

The Board delegates responsibility for the day-to-day operation and management of Health Hawke's Bay to the CEO in line with Health Hawke's Bay delegated authorities framework.

HEALTH HAWKES' BAY BOARD OF DIRECTORS

Bayden Barber – *Chair*

Dr Mark Peterson – *Deputy Chair*

Jeremy Harker

Dr Sandra Jessop

Chris McKenna

Jason Ward

Dr Kiriana Bird

MEMBERSHIP OF ADVISORY COMMITTEES

ROLE OF THE FINANCE, AUDIT AND RISK COMMITTEE

To support the Board of Health Hawke's Bay in its responsibility for ensuring appropriate and robust financial management, accountability and the identification and mitigation of corporate risk.

FINANCE, AUDIT AND RISK COMMITTEE

Jeremy Harker – *Chair*

Dr Mark Peterson – *Deputy Chair*

Bayden Barber

Lara Truman – *Professional Adviser*

Susie Young – *Professional Adviser*

ROLE OF THE CLINICAL ADVISORY GOVERNANCE COMMITTEE

To support the Board of Health Hawke's Bay in its responsibility for clinical governance by:

- providing leadership that delivers sound strategic and policy advice;
- recommending appropriate systems and processes; and, ensuring organisational accountability for clinical safety and quality improvement that will ensure that our population receives the right care, at the right time, from the right person in a safe, honest, open and caring environment

CLINICAL ADVISORY GOVERNANCE COMMITTEE

Dr Mark Peterson (*Chair*)

Chris McKenna

Julia Ebbett

Maurice King

Dr Raewyn Paku

Dr Kevin Choy

Dr Rachel Monk

Dr Sandra Jessop

Anne McLeod

ROLE OF THE PRIORITY POPULATION COMMITTEE

To support the Board of Health Hawke's Bay in its responsibility for improving health outcomes for Māori, Pasifika and quintile five communities through the development of innovative strategies and health services in order to address known health disparities.

PRIORITY POPULATION COMMITTEE

Dr Kiriana Bird (*Chair*)

Donna O'Sullivan

Charmaine Tuhaka

Hine Flood

Melissa White

Trish Giddens

Beverly Te Huia

Bayden Barber

Jason Ward

Talalelei Taufale

The Board's focus is on ensuring the overarching goals of the organisation are met and equitable health services are provided to the community of Health Hawke's Bay.



Our Team



FRONT ROW LEFT TO RIGHT: Debs Higgins, Stephanie Maggin, Andre Le Geyt, Peter Satterthwaite, Wayne Woolrich, Fiona Thomson, Karyn Bousfield, Charmaine Robinson, Carina Burgess

SECOND ROW LEFT TO RIGHT: Shona Fraser, Trish Freer, Heather Johnson, Sonya Harwood, Deb Fothergill, Lynda Corner, Rochelle Robertson, Ina Graham, Michele McCarthy, Angeline Tangiora, Rebecca Tegg

BACK ROW LEFT TO RIGHT: Fiona Gray, Veronica Shearsby, Wi Ormsby, Stuart Greville, Zoe Gordon, Terrie Spedding, Louise Pattison, Adrian Rasmussen, Sheldon Reddie

ABSENT: Tammy O'Neill, Rebecca Mackenzie, Alana Kohi





Highlights

- 18. MENTAL HEALTH NURSE CREDENTIALING
- 19. RAISING HEALTH KIDS
- 20. PRIMARY CARE SYMPOSIUM 2018
- 21. NATIONAL ENROLMENT SERVICE AND PATIENT EXPERIENCES
- 22. EXTENDING ACCESS TO PRIMARY CARE
- 23. WHĀNAU WELLNESS RESOURCE GROUPS

MENTAL HEALTH NURSE CREDENTIALING

The right care, at the right place and time, by the right health professional.

The clinic is well established now at Hastings Health Centre.

"I get great feedback from the GPs and overwhelmingly positive feedback from clients of the clinic. It is exciting to see a person blossom or feel so much better as a result of coming to wellbeing sessions. There are lots of advantages to having this service in-house and it would be amazing to grow the service and offer it to more people, there is such a great need in our community." Mental Health Credentialed Nurse - Hastings Health Centre.

Working in partnership with the HBDHB and general practice, Health Hawke's Bay has formed a collaborative initiative to support practice nurses in delivering mental health services in general practice. It is anticipated that this innovative service will support in addressing the projected tsunami of mental health need.

Consumers receiving nurse led mental health services in general practice fits well with Health Hawke's Bays strategic outcomes.

Commit to working better as a health system, Play a lead role in the evolution of general practice across the network and redesign our services.

This training is delivered under the umbrella of Te Ora Maramatanga New Zealand College of Mental Health Nurses and was introduced in Hawke's Bay nearly three years ago. This programme had previously been introduced in other regions with impressive results.

This comprehensive course comprises one-day of training per month for seven months. The aim is to increase nurses skills and confidence to better support the mental health of people, particularly with anxiety and depression, through asking simple questions, listening and letting people talk.

Nurses delivering this service have reflected on how effective the training has been. They feel empowered to work with people to meet their mental, as well as physical wellbeing.

Feedback received from consumers and nurses has been very positive.

To date the region has 12 nurses who have completed the course and are now delivering the Credentialed nurse led services in seven practices. There are another 12 nurses currently in training.

Support general practice teams to maximise their capability and capacity to benefit the population.





RAISING HEALTH KIDS PROGRAMME WINS AWARD AT THE 2018/19 HAWKE'S BAY HEALTH AWARDS FOR 'EXCELLENCE IN CLINICAL CARE'

A collaborative initiative between Health Hawke's Bay and Hawke's Bay District Health Board has supported the delivery of effective health intervention to address and reduce child obesity.

The Raising Health Kids target ensures all eligible four-year-olds are offered a referral to a health professional. The target is delivered through the B4 School Check Programme which, amongst other checks, aims to prevent and manage obesity in children and young people. Health professionals work with the at-risk child and whānau on early referral and interventions. Whānau are supported to be active and make healthier lifestyle choices.

Health Hawke's Bay and general practice have achieved well above the national target, with 97% of all children identified as obese referred to a health professional for support.

Obesity rates have increased across all ages, genders, and ethnic groups over the last 30 years, overtaking tobacco as the leading risk to health in New Zealand.

Obesity is particularly concerning in children, as it is associated with a wide range of health conditions and increased risk of premature onset of illness. It can also affect a child's immediate health, educational attainment and quality of life. New Zealand has the third largest percentage of overweight and obese children in the OECD, after Greece and Italy.

Improving health outcomes for Māori, Pasifika and those impacted by social and economic factors, with a focus on addressing inequities in everything we do.



PRIMARY CARE SYMPOSIUM 2018 – RARANGA TE TIRA

Hawke's Bay's general practice workforce receive most of its continuing medical education and continuing nursing education from Health Hawke's Bay.

Traditionally these education sessions have been provided through after-hours sessions throughout the year, one topic at a time. In the last few years enthusiasm and participation in these sessions has been waning and feedback indicated the education was not meeting the needs of practitioners.

A dramatic change was needed to reinvigorate and re-engage the workforce and make education and quality improvement a priority. After feedback was received, it was agreed to consolidate education sessions into a weekend-long symposium. It would include the entire general practice workforce (including non-clinical front line staff) and provide a wide variety of topics to ensure the workforce gained diverse and unique knowledge and educational development.

The inaugural Hawke's Bay Primary Care Symposium was held over a weekend in September 2018. The goal for the symposium – a first-time collaboration between a PHO and the Royal NZ College of GPs – was to bring innovation in clinical education and training to Hawke's Bay's general practice workforce to better meet their needs, improving training attendance and feedback, with the long-term goal of improving community health, especially among high needs families.

Over 300 delegates attended the Symposium which included clinical and non-clinical people from Primary Care locally, as well as others from around the country. Feedback from delegates was overwhelmingly positive. In a survey completed post the event, 95% of respondents said they would attend another symposium like this in Hawke's Bay, and 82% said they preferred to receive their professional development via a Symposium like this.

The symposium would not have been possible without the team that put this together. Health Hawke's Bay's Rochelle Robertson and Stephanie Maggin led the project alongside our medical advisors Dr Kerry Lum, Dr David Rogers and Dr KJ Patel. A huge thanks to these five and everyone else who supported them to take a risk and bring about a dramatic change to primary care continuing education in Hawke's Bay.

The Primary Care Symposium is now on the calendar and will be repeated on a regular basis.

Play a lead role in the evolution of general practice across the network.

NATIONAL ENROLMENT SERVICE AND PATIENT EXPERIENCES

The National Enrolment Service (NES) has seen a move to real-time enrolment and a monthly calculation of capitation funding.

The NES has benefits for consumers and whānau, general practice and Health Hawke's Bay alike. Increasing access to enrolment for the people of Hawke's Bay, in particular Māori, Pacific Island and those impacted by social and economic factors, is a key focus area for Health Hawke's Bay and the NES supports this.

General practice is to be congratulated for the huge amount of work undertaken; it made Hawke's Bays transition one of the smoothest in the country. Health Hawke's Bay worked tirelessly to support general practice in this transition.

Alongside the NES, has been the introduction of the National Primary Care Patient Experience Survey (PES). People who visit their general practice at key times of the year receive a survey either by email or txt.

Practices and Health Hawke's Bay now have access to current feedback from our most important people - consumers and whānau

Empowering our community by supporting individuals, whānau and communities to influence the factors and decisions that shape their health care.



EXTENDING ACCESS TO PRIMARY CARE

FUNDING CHANGES FROM 1 DECEMBER 2018

The PHO Services Agreement Amendment Protocol (PSAAP) reached agreement nationally on changes in funding which came into effect on 1 December, 2018. Local General Practitioner and PHO Board member Dr Mark Peterson was instrumental in these negotiations as a Contracted Provider Appointed Agent on PSAAP.

COMMUNITY SERVICES CARDS

From 1 December 2018, all Hawke's Bay practices are offering lower cost visits for Community Services Card (CSC) holders and their dependents (aged 14 to 17 years) at their usual general practice. From 1 July 2019 the maximum co-payment for a standard consultation is \$19 for adults with a CSC and \$13 for their dependents aged 14-17 years.

CHILDREN UNDER 14 VISIT FOR FREE

All practices in Hawke's Bay also opted to make standard GP and Nurse consultations, at their enrolled general practice, free for children aged 13 (previously only available to under 13s).

These are really positive changes that increase access to primary care, as cost prevents a lot of people from accessing care for early, preventative interventions.

Play a lead role in the evolution of general practice across the network.





WHĀNAU WELLNESS RESOURCE GROUPS

The Whānau Wellness resource programme provides at-risk whānau with opportunities to improve their health by enhancing the pathways to their general practice and other primary care services.

This year we have 253 whānau on the programme which is above the target. This means that more whānau have improved access to health care.

Five education sessions were held in Wairoa, Napier, Hastings (x2) and Central Hawke's Bay. The presenters spoke on:

- Immunisation
- Asthma and respiratory illness
- Rheumatic fever
- Healthy homes

Māori and Pacific people in the Whānau Wellness Programme have higher rates of screening and immunisation than the rest of Hawke's Bay.

As part of the immunisation topic, we were able to immunise whānau for influenza directly at the education session. Next year will see Health Hawke's Bay exploring ways of expanding the programme.

Empowering our community by supporting individuals, whānau and communities to influence the factors and decisions that shape their health care.





Strategic Activity

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- 30. REFOCUSING HEALTH HAWKE'S BAY FLEXIBLE FUNDING REVIEW
- 31. PARTNERSHIP WITH IWI
- 32. CONSUMER LISTENING PROJECT WITH TOTARA
- 33. TE PITAU HEALTH ALLIANCE

HEALTH TARGETS

Health targets are a set of national performance measures specifically designed to improve the performance of health services. The targets reflect significant public and government priorities and provide a focus for action.

	Target	Total	Māori	Pasifika
8-month Immunisations	95% of infants aged eight months will have completed their primary course of immunisation	93%	91%	92%
Better Help for Smokers to Quit	90% of PHO enrolled patients who smoke have been offered help to quit smoking by a health care practitioner in the last 15 months	79.4%	76.4%	74.6%
Raising Healthy Kids	95% of children identified as obese at their B4 School Check offered a referral to a health professional for clinical assessment and whānau based nutrition, activity and life style interventions achieved.	99%	97%	100%

Commit to working better as a health system.





SYSTEM LEVEL MEASURES

The System Level Measures (SLM) is a national framework of high-level aspirational goals for the health system. The SLM align very closely to the refreshed National Health Strategy. SLM give a good indication of how well the health system is working locally and drives both primary and secondary sectors to work together towards common goals. Whilst locally we have struggled to meet the high-level measures, we have seen some exciting pieces of work come to fruition as we continue to improve how we work in partnership with our stakeholders and integrate services across region.

System Level Measure	Milestone	Target Achieved	Plan Delivered
Keeping children out of hospital	Ambulatory Sensitive Hospitalisation (ASH) rates for 0–4 year olds	Not Achieved	Achieved
Using health resources effectively	Acute hospital bed days per capita	Not Achieved	Achieved
Person-centred care	Patient experience of care	Not Achieved	Achieved
Early detection and intervention	Amenable mortality rates	Not Achieved	Achieved
Youth are Healthy, Safe and Supported	Youth access to and utilisation of youth-appropriate health services	Not Achieved	Achieved
Healthy Start	Babies living in smokefree homes	Not Achieved	Achieved

CHANGING MODELS OF CARE – HEALTH CARE HOME – THE JOURNEY HAS BEGUN

Trends in New Zealand and overseas have shown that in order to have sustainable general practice that is customer centred, focused on whānau and drives equity in health outcomes, we need to change how we deliver services. We expect that Health Care Home will make a significant difference in the primary care landscape, contributing to providing services to our community that are more person-and whānau-centred, sustainable and operationally efficient.

Health Care Home has been on Health Hawke's Bay's radar for some time. An expression of interest document was sent out to general practices in early May. By the end of June 2019 we were in discussion with the seven practices which had submitted expressions of interest. Approval was received from the oversight group to contract initially with three, and to plan to on-board another three in the second half of 2019.

In the 2019/20 year we expect to see the implementation of the first six practices covering 10 sites and a second expression of interest process.

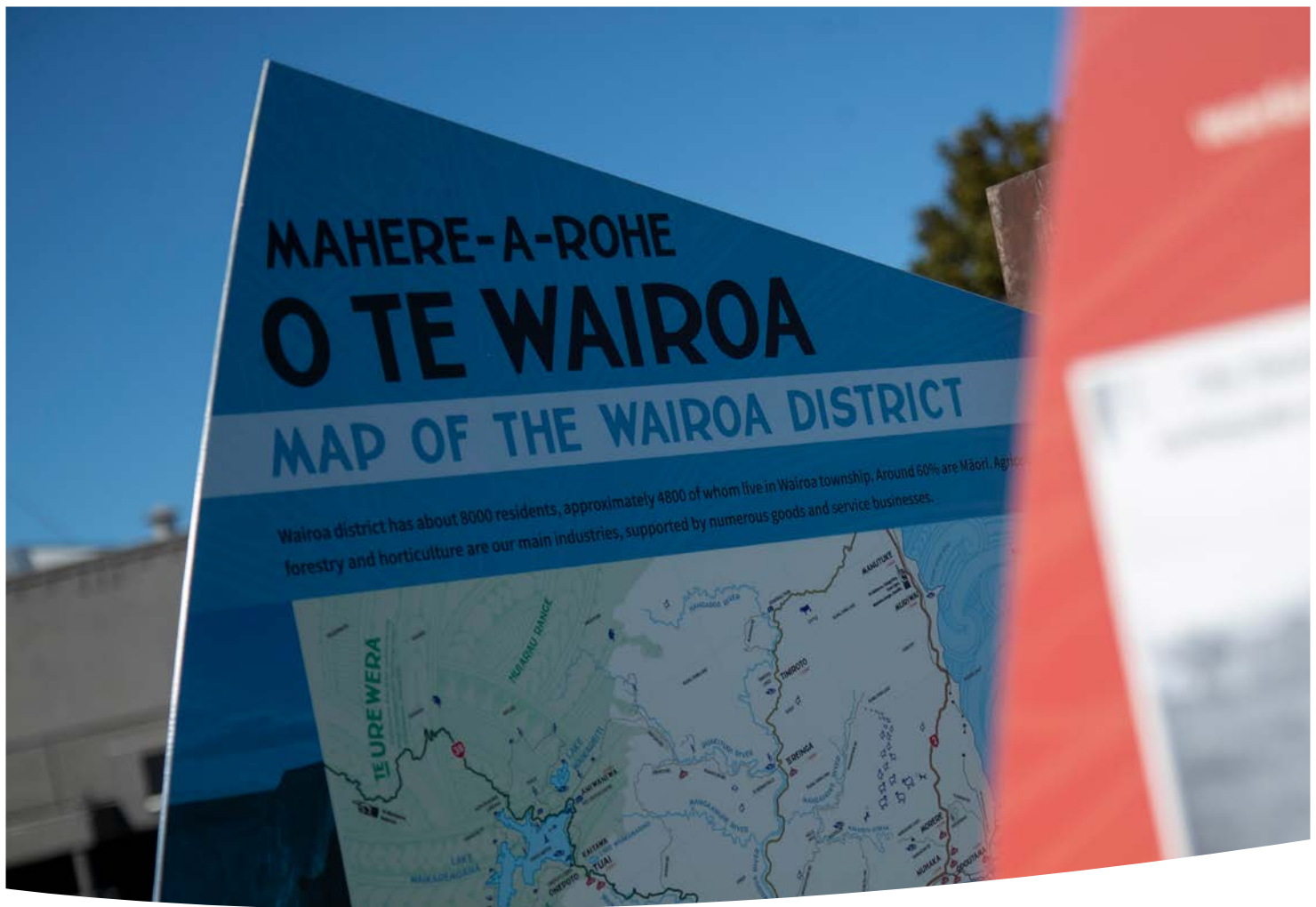
HAUORA HERETAUNGA HAS ALREADY STARTED ON THE HEALTH CARE HOME JOURNEY AND SHARES THE FOLLOWING STORY -

He waka eke noa - A vehicle on which everyone may embark. There remains stark health inequities for Māori in some parts of our community, with some groups having better health outcomes than others. For Hawke's Bay to have the best future we need solutions that collectively eliminate and resolve these health inequities.

The model of care used by a typical general practice is no longer fit for purpose. It is not sufficiently responsive or adaptive to meet the exponentially changing need. Changing the model, improving customer and provider satisfaction, and developing an agile response to consistent unmet need is a compelling reason for a call to action. One of the enablers we recognised some time ago was Health Care Home. It seemed the only model; well evidenced, highly considered, and trialled, that would support better organisation of general practice. A 'no-brainer' in fact, to reorganise how we frame teams around whānau. With hand-holding, courage and elbow-grease, we launched into the unknown at the beginning of 2019. We were not entirely sure where the horizon was, but we were clear about the management/clinical shared journey ahead of us. Whole-of-team meetings, daily huddles, gem sharing, scheduling, check-ins, shout-outs and consumer groups have become our norm. Held together by our korowai of morning karakia, waiata and organisational values (ngā uaratanga), the foundation is right for the intrepid journey ahead. Our waka left the shore headed to a better place. As a team, we set forth into some turbulent seas but also enjoyed some calmer oceans. We're not there yet, but we're enjoying the ride.

"Worked out really well... had seen on Facebook so knew to phone instead of coming in... my gp phoned back within 30 minutes and booked baby in with the Nurse Practitioner... Came in, no wait and sorted ... it was good. Consumer - Hauora Heretaunga."





VIRTUAL GENERAL PRACTICE CLINIC

2018 saw the implementation of the region's first virtual general practice clinics.

The service has been a collaboration between Tuki Tuki Medical, the communities of Porongahau and Takapau, as well as Health Hawke's Bay, and Vodafone. The service is designed to make access to care easier for people who would otherwise struggle to travel to their general practice. People can receive virtual consultations wherever their doctor or nurse is via a secure cloud-based suite of digital phone services. There were some barriers to overcome, such as slower broadband speeds in rural areas making video transmission difficult. This is now up and running in Takapau and in development in Porongahau. This exciting initiative will pave the way for other services to be offered to more isolated communities.

Play a lead role in the evolution of general practice across the network.

WAIROA INTEGRATION

Work has begun to support the development of the model of care and service design with and for Wairoa.

The gathering of whānau and patient stories has initiated a process for system enhancement that will include whānau voice, co-design and clinician engagement. Health Hawke's Bay and the District Health Board are working together to support this process, with a goal to have a service that reflects the priorities of the Wairoa community.



REFOCUSING HEALTH HAWKE'S BAY FLEXIBLE FUNDING REVIEW

In July 2018, Health Hawke's Bay, partnered with KPMG, kicked off a process to co-design an approach to evaluate the value for money delivered by the Flexible Funding Pool (FFP).

The FFP includes Services to Improve Access (SIA), Health Promotion, Care Plus and Management Services funds which are received through the PHO Services Agreement. The purpose of the FFP review was to provide Health Hawke's Bay with an assessment of value for money in terms of economy, efficiency, effectiveness and equity which could be used to:

- Make evidence-based decisions about what to invest in under the FFP
- Understand what value current investments have delivered for the Hawke's Bay community
- Determine which of the current investments should be continued, which need to be changed, and which should be discontinued
- Identify how Health Hawke's Bay could use the FFP differently moving forward

The evaluation resulted in five key recommendations:

- Re-define the core business of the PHO
- Establish best practice programme and investment logic
- Put in place best practice approaches to contracting
- Seek approval to pool FFP funding
- Review the current suite of FFP investments

The first of these recommendations significantly broadens the scope of the FFP Review project. In parallel with our FFP review work is the published outcome of the Waitangi Tribunal Stage One Health Services and Outcomes Kaupapa Inquiry (Wai 2575) which finds that the organisation and funding of primary care within New Zealand is not consistent with Treaty principles and has resulted in substantial inequity of outcomes for Māori.

In recognition of Wai 2575 and the broadening of the scope of the FFP Review project, we felt it was appropriate to re-name the FFP Review project to capture the essence of a new beginning and a lift in our commitment to partner with Māori and achieve equity of health outcomes for Māori. The name we have chosen is "Ka Hikitia." Ka is the start of a new action or state, and Hikitia is to lift up or elevate.

We are now in the implementation phase of the Ka Hikitia programme which will include partnering with key stakeholders to implement these recommendations in the coming year.

Redesign our services.

PARTNERSHIP WITH IWI

In 2015, Health Hawke's Bay entered a 'high trust relationship' with Ngati Kahungunu Iwi Incorporated (NKII), via a 'Collaborative Partnership Agreement' based on the Treaty of Waitangi Principles of Partnership, Participation and Protection.

The nomination of a NKII representative on Health Hawke's Bay Priority Population Advisory Committee, whānau representation on various Health Hawke's Bay working groups (as required), and Health Hawke's Bay support for NKII health programmes, where possible, were the mechanisms through which this relationship was operationalised. Following the expiry of this agreement in 2018, Health Hawke's Bay and NKII would like to move to a Treaty of Waitangi-based Strategic Partnership Agreement, realised through Health Hawke's Bay's governance and operational structure. Both parties see a Treaty 'partnership' as the foundation of Māori

health development. This desire is consistent with the Waitangi Tribunal Health Services and Outcomes Inquiry (WAI2575 Stage One). It also aligns well with a work-stream under Health Hawke's Bay's new Ka Hikitia Project – 'defining the desired role of governance and reviewing current practice to ensure it aligns with expectations'. This offers the opportunity for Health Hawke's Bay and NKII to work in partnership in the governance, design, delivery and monitoring of health and disability services for Māori and achieve health equity.

Improving health outcomes for Māori, Pasifika and those impacted by social and economic factors, with a focus on addressing inequities in everything we do.



CONSUMER LISTENING PROJECT WITH TOTARA

PATIENT VOICE

Health Hawke's Bay and Totara Health have worked in partnership to undertake the "Patient Voice" project. This innovative project is aimed at developing an iterative and ongoing dialogue between Totara Health and their enrolled people. The patient voice will inform and shape Totara Health's model of care and integrated services, now and in the future as well as giving their

consumers a sense of ownership over the organisation and its services and service delivery, in the nature of the Nuka System of Care. The potential for this project is considerable, with an opportunity to share this whānau engagement framework across the Hawke's Bay general practice network.

Empowering our community by supporting individuals, whānau and communities to influence the factors and decisions that shape their health care.









Financials

- 36. STATEMENT OF RESPONSIBILITY
- 39. STATEMENT OF COMPREHENSIVE REVENUE AND EXPENSES
- 40. STATEMENT OF CHANGES IN EQUITY
- 41. STATEMENT OF FINANCIAL POSITION
- 42. STATEMENT OF CASH FLOW
- 43. SIGNIFICANT ACCOUNTING POLICES
- 48. NOTES TO THE FINANCIAL POSITION
- 56. REPORT ON THE AUDIT OF THE FINANCIAL STATEMENTS

HEALTH HAWKE'S BAY LIMITED

Statement of Responsibility

FOR THE YEAR ENDED 30 JUNE 2019

The Directors are responsible for the preparation of the Health Hawke's Bay Limited financial statements and ensuring that they comply with generally accepted accounting practice in New Zealand, give a true and fair view of the financial position of the company as at 30 June 2019 and the results of its operations for the year ended on that date.

The Directors consider that the financial statements of the Company have been prepared using appropriate accounting policies, consistently applied and supported by reasonable judgements and estimates and that all relevant financial reporting and accounting standards have been followed.

The Directors believe that proper accounting records have been kept which enable, with reasonable accuracy, the determination of the financial position of the Company and facilitate compliance with generally accepted accounting practice in New Zealand.

The Directors consider that they have taken adequate steps to safeguard the assets of the Company, and to prevent and detect fraud and other irregularities. Internal control procedures are also considered to be sufficient to provide a reasonable assurance as to the integrity and reliability of the financial statements.

The Directors are pleased to present the financial statements of Health Hawke's Bay Limited for the year ended 30 June 2019.

For and on behalf of the Board:



Director
Date: 07/10/2019



Director
Date: 07/10/2019

HEALTH HAWKE'S BAY LIMITED

Annual Report

FOR THE YEAR ENDED 30 JUNE 2019

The Board of Directors present their Annual Report including the financial statements of the Company for the year ended 30 June 2019.

The shareholders of the Company have exercised their right under section 211(3) of the Companies Act 1993 and unanimously agreed that this annual report need not comply with any paragraphs (a) and (e)-(j) of section 211(1) of the Act.

For and on behalf of the Board:



Director
Date: 07/10/2019



Director
Date: 07/10/2019

HEALTH HAWKE'S BAY LIMITED

Directory

AS AT 30 JUNE 2019

DATE OF INCORPORATION:	11 August 2003
INCORPORATION NUMBER:	1370539
REGISTERED OFFICE:	First Floor 100 McLeod Street Camberley Hastings 4120
NATURE OF BUSINESS:	Primary Health Services
DIRECTORS:	Bayden BARBER Dr Mark PETERSON Christine MCKENNA Jason WARD Jeremy HARKER Dr Sandra JESSOP Dr Kiriana BIRD
SHAREHOLDER:	Te Matau a Maui Health Trust – 100 shares
BANKERS:	BNZ
SOLICITORS:	Langley Twigg Law NAPIER
Auditors:	PricewaterhouseCoopers NAPIER

HEALTH HAWKE'S BAY LIMITED

Statement of Comprehensive Revenue and Expenses

FOR THE YEAR ENDED 30 JUNE 2019

	NOTE	2019 (\$)	2018 (\$)
REVENUE			
Contract revenue	1	43,446,492	39,414,051
Total revenue		43,446,492	39,414,051
EXPENSES			
Contract payments	2	40,675,118	36,436,810
Fees paid to auditors for:			
Annual audit of financial statements		20,899	18,953
Advisory committee fees		38,340	32,092
Directors fees		123,700	122,600
Director meeting expenses		11,742	42,220
Gain/Loss on disposal of plant and equipment		108	1,483
Depreciation	8	61,656	58,165
Amortisation	9	10,637	10,586
Occupancy costs		72,322	75,190
Other costs		647,331	676,642
Salaries and wages	4	2,408,235	2,328,785
Total expenses		44,070,087	39,803,526
Operating surplus/(deficit) before financing		(623,595)	(389,475)
Finance costs		-	-
Finance revenue	3	222,923	240,823
Net finance revenue		222,923	240,823
Gain/(Loss) on disposal of available for sale financial assets		(16,840)	(22,516)
Net other gains		(16,840)	(22,516)
Surplus/(deficit) for the period		(417,512)	(171,168)
OTHER COMPREHENSIVE REVENUE AND EXPENSE			
<i>Item that will be reclassified to surplus/(deficit)</i>			
Gain/(loss) on revaluation of available-for-sale financial assets		(3,602)	(6,426)
Other comprehensive revenue and expense for the period		(3,602)	(6,426)
Total comprehensive revenue and expense for the period attributable to owners		(421,115)	(177,595)

HEALTH HAWKE'S BAY LIMITED

Statement of Changes in Equity

FOR THE YEAR ENDED 30 JUNE 2019

2019

	NOTE	SHARE CAPITAL	AVAILABLE FOR SALE REVALUATION RESERVE	RETAINED EARNINGS	TOTAL EQUITY
Balance as at 1 July 2018		1	74,196	3,689,923	3,764,119
Surplus/(deficit) for the period				(417,512)	(417,512)
Other comprehensive revenue and expense			(3,602)		(3,602)
Total comprehensive revenue and expense for the period attributable to owners		-	(3,602)	(417,512)	(421,115)
Balance as at 30 June 2019		1	70,594	3,272,411	3,343,005

2018

	NOTE	SHARE CAPITAL	AVAILABLE FOR SALE REVALUATION RESERVE	RETAINED EARNINGS	TOTAL EQUITY
Balance as at 1 July 2017		1	80,622	3,861,091	3,941,714
Surplus/(deficit) for the period				(171,168)	(171,168)
Other comprehensive revenue and expense			(6,426)		(6,426)
Total comprehensive revenue and expense for the period attributable to owners		-	(6,426)	(171,168)	(177,595)
Balance as at 30 June 2018		1	74,196	3,689,923	3,764,119

HEALTH HAWKE'S BAY LIMITED

Statement of Financial Position

FOR THE YEAR ENDED 30 JUNE 2019

	NOTE	2019 (\$)	2018 (\$)
ASSETS			
Cash and cash equivalents	5	3,032,846	2,095,591
Trade and other receivables	6	1,615,859	1,885,931
Other investments	7	1,080,267	1,885,797
Total Current Assets		5,728,972	5,867,319
Plant and equipment	8	262,494	197,648
Intangible assets	9	29,870	40,506
Other investments	7	1,356,247	1,811,168
Total Non-Current Assets		1,648,610	2,049,322
Total Assets		7,377,583	7,916,642
LIABILITIES			
Trade and other payables	10	2,034,014	1,473,051
GST Payable		27,448	119,301
Employee benefits	11	187,700	131,841
Reserve funding		1,725,708	2,312,260
Revenue in advance		59,711	116,073
Total Current Liabilities		4,034,577	4,152,522
EQUITY			
Share Capital	13	1	1
Available for sale revaluation reserve		70,594	74,196
Retained Earnings		3,272,411	3,689,923
Total Equity		3,343,006	3,764,120
Total Equity and Liabilities		7,377,583	7,916,642

HEALTH HAWKE'S BAY LIMITED

Statement of Cash Flows

FOR THE YEAR ENDED 30 JUNE 2019

	NOTE	2019 (\$)	2018 (\$)
CASHFLOWS FROM OPERATING ACTIVITIES			
Receipts from contracts		43,028,779	38,366,253
Payments to suppliers		(43,335,994)	(39,115,578)
GST paid		(91,853)	122,135
Net cashflows from/(used in) operating activities		(399,068)	(627,190)
CASHFLOWS FROM INVESTING ACTIVITIES			
Net Cash Flows from investments		1,240,010	261,000
Acquisition of plant & equipment		(126,610)	(29,789)
Disposal of plant & equipment		-	-
Acquisition of intangible assets		-	(3,432)
Interest received		222,923	240,823
Net cashflows from/(used in) investing activities		1,336,323	468,602
Net increase/(decrease) in cash and cash equivalents		937,255	(158,588)
Cash and cash equivalents at the beginning of the year		2,095,591	2,254,179
Cash and cash equivalents at the end of the year	5	3,032,846	2,095,591
RECONCILIATION TO PROFIT/(LOSS) FOR THE PERIOD			
Surplus/(deficit) for the period		(421,115)	(177,595)
Adjustments for non-cash items;			
Depreciation		61,656	58,165
Amortisation		10,637	10,586
Gain/Loss on sale of plant and equipment		108	1,483
Gain/Loss on sale of investments		16,840	22,516
Movement in available for sale revaluation reserve		3,602	6,426
Adjustments for non operating items;			
Interest Received		(222,923)	(240,823)
Adjustments for movements in;			
Decrease/(Increase) in trade and other receivables		270,073	(1,049,314)
Increase/(Decrease) in GST		(91,853)	122,135
Increase/(Decrease) in trade and other payables		560,963	595,266
Increase/(Decrease) in employee entitlements		55,859	12,828
Increase/(Decrease) in prepaid revenue		(56,362)	(36,702)
Increase/(Decrease) in reserve funding		(586,552)	47,838
Net cashflows from/(used in) operating activities		(399,068)	(627,191)

HEALTH HAWKE'S BAY LIMITED

Significant Accounting Policies

FOR THE YEAR ENDED 30 JUNE 2019

REPORTING ENTITY

Health Hawke's Bay Limited ("the Company") is a limited liability company incorporated and registered under the Companies Act 1993. It is a registered charity under the Charities Act 2005 (Registration number CC20380). It is a New Zealand domiciled public benefit entity for the purposes of the Financial Reporting Act 2013. The entity's registered address is First Floor, 100 McLeod Street, Camberley, Hastings 4120.

These financial statements for the year ended 30 June 2019 comprise the individual entity of Health Hawke's Bay Limited.

The company's principal activity during the period was payment of primary health funding to general practitioners and provision of primary health services to the enrolled population in Hawke's Bay.

These financial statements were authorised for issue by the Company's Board of Directors on the date specified on page 1.

BASIS OF PRESENTATION

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

STATEMENT OF COMPLIANCE

These financial statements have been prepared in accordance with New Zealand Generally Accepted Accounting Practice ("NZ GAAP"). They comply with Public Benefit Entity International Public Sector Accounting Standards ("PBE IPSAS") and other applicable Financial Reporting Standards, as appropriate for Tier 1 not-for-profit public benefit entities.

MEASUREMENT BASIS

The financial statements have been prepared on a historical cost basis, except for available-for-sale financial assets, which have been measured at fair value.

The financial statements are presented in New Zealand dollars and all values are rounded to the nearest dollar, unless otherwise stated.

STANDARDS ISSUED BUT NOT YET EFFECTIVE

The following standard has been issued but is not yet effective - PBE IPSAS 41 Financial Instruments. This is effective from 1 Jan 2022 (for Health Hawke's Bay Limited, this will be the 30/06/2023 year). PBE FRS 48 Service Performance Reporting which is effective from 1 Jan 2021 (for Health Hawke's Bay Limited, this will be the 30/06/2022 year). Management has not yet assessed the impact of this standard but will do so in due course.

USE OF JUDGEMENTS AND ESTIMATES

The preparation of financial statements requires management to make judgements, estimates and assumptions that effect the reported amounts of assets and liabilities at the date of the financial statements and the reported amounts of the income and expenses during the period. Actual results could differ from these estimates.

Judgements are made by management in the application of PBE Standards that have a significant effect on the financial statements. Significant judgements include the recording of a reserve funding liability for revenue received that has not yet been spent on the project it relates to because there is a 'use or return' requirement in the contracts.

The directors do not believe there are any key assumptions concerning the future and other key sources of estimation uncertainty at the reporting date, that have a significant risk of causing a material adjustment to the carrying amounts of assets and liabilities within the next financial year.

SIGNIFICANT ACCOUNTING POLICIES

The principal accounting policies applied in the preparation of these financial statements are set out below. These policies have been consistently applied to all the periods presented, unless otherwise stated.

REVENUE

Revenue is recognised to the extent that it is probable that the economic benefits or service potential will flow to the company and the revenue can be reliably measured, regardless of when the payment is being made.

Revenue is measured at the fair value of the consideration received or receivable, taking into account contractually defined terms of payment and excluding taxes or duty.

The specific recognition criteria described below must also be met before revenue is recognised.

HAWKE'S BAY DISTRICT HEALTH BOARD (HBDHB) POPULATION-BASED REVENUE

The company receives annual funding from the HBDHB, which is based on enrolled patient levels within the Hawkes Bay Region.

HBDHB population-based revenue for the financial year is recognised based on the funding entitlement for the year.

DHB CONTRACT REVENUE

The revenue recognition approach for DHB contract revenue depends on the contract terms. Those contracts where the amount of revenue is substantively linked to the provision of quantifiable units of service are treated as exchange contracts and revenue is recognised as the company provides the services. For example, where funding varies based on the quantity of services delivered, such as number of annual checks performed.

Other contracts are treated as non-exchange and the total funding receivable under the contract is recognised as revenue immediately, unless there are substantive conditions in the contract. If there are substantive conditions, revenue is recognised when the conditions are satisfied. A condition could include the requirement to provide services to the satisfaction of the funder to receive or retain funding. Revenue for future periods is not recognised where the contract contains substantive termination provisions for failure to comply with the service requirements of the contract. Conditions and termination provisions need to be substantive, which is assessed by considering factors such as the past practice of the funder.

Judgement is often required in determining the timing of revenue recognition for contracts that span a balance date and multi-year funding arrangements. Amounts received under the contracts but not considered to be earned because the conditions of the contract have not been met are recorded as revenue in advance (where the amount relates to a specific time period) or reserve funding (where the amount relates to expenditure yet to be incurred).

FINANCE REVENUE

Interest revenue is recognised using the effective interest method.

FINANCIAL INSTRUMENTS

The company recognises a financial instrument when the company becomes a party to the contractual provisions of the instrument.

The company derecognises a financial asset when the contractual rights to the cash flows from the asset expire or if the company transfers the financial asset to another party without retaining control or substantially all the risks and rewards of the asset.

The company derecognises a financial liability when the contractual obligations are discharged, cancelled or expire.

The company classifies financial assets into the categories of either loans and receivables or available-for-sale.

The company classifies financial liabilities at amortised cost.

Financial instruments are initially recognised at cost, plus directly attributable transaction costs.

LOANS AND RECEIVABLES

Loans and receivables are non-derivative financial assets with fixed or determinable payments that are not quoted in an active market. They arise when the company provides money, goods or services directly to a debtor with no intention of selling the receivable.

After initial measurement, such financial assets are subsequently measured at amortised cost using the effective interest rate method, less impairment. Amortised cost is calculated by taking into account any discount or premium on acquisition and fees or costs that are an integral part of the effective interest rate. The effective interest rate amortisation is included in finance revenue in the statement of comprehensive revenue and expense.

The loans and receivables category applies to cash and cash equivalents and trade and other receivables.

CASH AND CASH EQUIVALENTS

Cash and cash equivalents in the statement of financial position comprise cash in hand and deposits held at call with banks. Term deposits are considered to be cash and cash equivalents regardless of their maturity timeframe because they are held for liquidity purposes. Bank overdrafts are included within interest-bearing loans and borrowings in current liabilities on the statement of financial position.

For the purposes of the statement of cash flows, cash and cash equivalents consist of cash and cash equivalents as defined above, net of outstanding bank overdrafts.

TRADE AND OTHER RECEIVABLES

Short-term receivables are recorded at their face value, less any provision for impairment.

A receivable is considered impaired when there is evidence that the company will not be able to collect the amount due. The amount of the impairment is the difference between the carrying amount of the receivable and the present value of the amounts expected to be collected.

AVAILABLE-FOR-SALE FINANCIAL ASSETS

Available-for-sale financial assets are non-derivative financial investments including equity investments and debt securities that are designated in this category or not classified in any of the other categories.

After initial measurement, available-for-sale financial assets are subsequently measured at fair value with unrealised gains or losses recognised in other comprehensive revenue and expense and accumulated in the available-for-sale reserve. Upon derecognition, the cumulative gain or loss is recognised in other operating revenue.

Available-for-sale financial assets comprise debt securities and are disclosed in the Statement of Financial Position as other investments.

AMORTISED COST FINANCIAL LIABILITIES

Financial liabilities classified as amortised cost are non-derivative financial liabilities not classified as fair value through surplus and deficit.

Financial liabilities classified as amortised cost are subsequently measured at amortised cost using the effective interest method.

Financial liabilities classified as amortised cost comprise trade payables.

TRADE PAYABLES

Short-term payables are recorded at their face value.

IMPAIRMENT OF FINANCIAL ASSETS

Financial assets are assessed annually at reporting date to determine whether there is objective evidence that the asset is impaired. A financial asset is assessed as impaired if there is objective evidence as a result of one or more events that occurred subsequent to initial recognition of the asset that had an impact on the estimated future cash flows of the asset that can be estimated reliably.

Objective evidence of impairment may include indications that the debtor is experiencing significant financial difficulty, default or delinquency in interest or principal payments, the probability that they will enter bankruptcy or other financial reorganisation and observable data indicating that there is a measurable decrease in the estimated future cash flows, such as changes in arrears or economic conditions that correlate with defaults.

FINANCIAL ASSETS CLASSIFIED AS LOANS AND RECEIVABLES

The company assesses financial assets measured at amortised cost at both a specific asset level where individually significant and the collective level. Trade receivable collectability is assessed on an ongoing basis. Impairment is recognised immediately when there is objective evidence that the company will not be able to collect the receivable. Financial difficulties of the debtor, default payments or debts more than 60 days overdue are considered objective evidence of impairment.

Assets not individually significant are collectively assessed by grouping together assets with similar risk characteristics.

The amount of any impairment loss identified is measured as the difference between the asset's carrying amount and the present value of estimated future cash flows (excluding future expected credit losses that have not yet been incurred). The present value of the estimated future cash flows is discounted at the financial asset's original effective interest rate. The carrying amount of the asset is reduced through the use of an allowance account and the loss is recognised in surplus or deficit.

Interest revenue (recorded as finance revenue in the statement of comprehensive revenue and expense) continues to be accrued on the reduced carrying amount and is accrued using the rate of interest used to discount the future cash flows for the purpose of measuring the impairment loss.

FINANCIAL ASSETS CLASSIFIED AS AVAILABLE-FOR-SALE

The company assesses financial assets classified as available-for-sale investments at each reporting date whether there is objective evidence that an investment or a group of investments is impaired.

Impairment of debt securities classified as available for sale is assessed based on the same criteria as financial assets carried at amortised cost. However, the amount recorded for impairment is the cumulative loss measured as the difference between the amortised cost and the current fair value, less any impairment loss on that investment previously recognised in surplus or deficit.

Future interest revenue continues to be accrued based on the reduced carrying amount of the asset, using the rate of interest used to discount the future cash flows for the purpose of measuring the impairment loss. The interest revenue is recorded as part of finance revenue.

If, in a subsequent year, the fair value of a debt instrument increases and the increase can be objectively related to an event occurring after the impairment loss was recognised in surplus or deficit, the impairment loss is reversed through surplus or deficit.

EMPLOYEE BENEFITS

Liabilities for wages and salaries, including employer KiwiSaver contributions, non-monetary benefits and annual leave are recognised when the company has a legal or constructive obligation to remunerate employees for services provided. The company is obligated to remunerate all recognised employee benefits within 12 months of reporting date, therefore they are recognised as current and measured on an undiscounted basis and expensed in the period in which employment services are provided.

PROPERTY, PLANT AND EQUIPMENT

RECOGNITION AND MEASUREMENT:

Items of property, plant and equipment are measured at cost, less accumulated depreciation and impairment losses.

The cost of an item of property, plant and equipment includes expenditure that is directly attributable to bringing it to the location and condition necessary for it to operate as intended and the initial estimate of dismantling and removing the item and restoring the site on which it is located. The cost of an item of property, plant and equipment is recognised only when it is probable that future economic benefit or service potential associated with the item will flow to the company and if the item's cost or fair value can be measured reliably.

All of the company's items of property, plant and equipment are subsequently measured at cost less any accumulated depreciation.

SUBSEQUENT EXPENDITURE:

Subsequent expenditure is capitalised only when it is probable that the future economic benefits associated with the expenditure will flow to the company. Ongoing repairs and maintenance are expensed as incurred.

DEPRECIATION:

Depreciation is charged on a straight-line basis over the useful life of the asset. Depreciation is charged at rates calculated to allocate the cost or valuation of the asset less any estimated residual value over its remaining useful life:

Furniture and fittings:	5-15 years	(10%- 20%)
Computer Equipment:	3 years	(33.3%)
Leasehold improvements:	15 years	(6.67%)

Depreciation methods, useful lives and residual values are reviewed at reporting date and adjusted if appropriate.

IMPAIRMENT:

The company does not hold any cash generating property, plant and equipment assets. Cash generating assets are those assets held for the primary objective to generate a commercial return.

The company's property, plant and equipment are all non-cash generating assets. They are reviewed for impairment when an event or change in circumstance indicate impairment may be necessary. An impairment is recognised for an asset if the carrying value of the asset exceeds the higher of the fair value less cost to sell the asset or the value in use of the asset. Value in use is calculated by determining the remaining service potential of the asset, discounted to present value.

INTANGIBLE ASSETS

Intangible Assets are measured at cost, less accumulated amortisation.

The cost of an intangible asset includes expenditure that is directly attributable to bringing it to the condition necessary for it to operate as intended. The cost of an intangible asset is recognised only when it is probable that future economic benefit or service potential associated with the item will flow to the company, and if the item's cost or fair value can be measured reliably.

OPERATING LEASES

An operating lease is a lease that does not transfer substantially all the risks and rewards incidental to ownership of an asset. Lease payments under an operating lease are recognised as an expense on a straight-line basis over the lease term. Lease incentives received are recognised in surplus or deficit as a reduction of lease expense over the lease term.

EQUITY

Equity is the residual interest in the company, measured as the difference between total assets and total liabilities.

Equity is made up of the following components:

SHARE CAPITAL

Ordinary shares are classified as equity. Incremental costs directly attributable to the issue of new shares are shown in equity as a deduction from the proceeds

AVAILABLE-FOR-SALE REVALUATION RESERVE

This reserve is for the revaluation of available for sale financial assets, which are measured at fair value through other comprehensive revenue and expense after initial recognition.

RETAINED EARNINGS

Accumulated comprehensive revenue and expense is the company's accumulated surplus or deficit since the formation of the company, adjusted for transfers to/from specific reserves.

HEALTH HAWKE'S BAY LIMITED

Notes to the Financial Statements

FOR THE YEAR ENDED 30 JUNE 2019

01. CONTRACT REVENUE

	2019 (\$)	2018 (\$)
Capitation	30,206,383	26,434,714
Care Plus	2,853,552	2,650,140
Services to Improve Access	2,771,004	3,038,339
Health Promotion	342,000	473,103
Coordinated Primary Options	1,357,168	1,359,622
System Level Measures	698,123	889,549
Mental Health	1,032,738	911,531
Before School Checks	439,422	457,478
Management services revenue	1,271,771	1,057,722
Rural Health	499,275	591,421
Other contracts	1,975,055	1,550,432
Total contract revenue	43,446,492	39,414,051

As noted in the significant accounting policies, the company's contract revenue is determined on a contract by contract basis to be either exchange or non-exchange revenue. Due to the nature of the contracts, the distinction between exchange and non-exchange revenue does not impact the recognition of revenue for the company so the company has presented revenue by contract or contract grouping rather than disclosing exchange and non-exchange contracts separately.

02. CONTRACT PAYMENTS

	2019 (\$)	2018 (\$)
Capitation	30,206,377	26,434,714
Care Plus	2,591,745	2,153,444
Services to Improve Access	2,771,004	2,530,573
Health Promotion	342,000	325,090
Coordinated Primary Options	1,453,004	1,194,886
System Level Measures	698,123	575,486
Mental Health	1,089,911	715,158
Before School Checks	440,619	332,151
Rural Health	499,276	591,421
Other contracts	583,060	1,583,887
Total contract payments	40,675,118	36,436,810

03. FINANCE REVENUE

	2019 (\$)	2018 (\$)
INTEREST REVENUE		
Loans and receivables	88,816	67,300
Available-for-sale financial assets	134,107	173,523
Total finance revenue	222,923	240,823

04. EMPLOYEE BENEFIT EXPENSE

	2019 (\$)	2018 (\$)
Wages and Salaries	2,344,288	2,266,520
Other employee benefits	63,947	62,265
Total employee benefit expense	2,408,235	2,328,785

05. CASH AND CASH EQUIVALENTS

	2019 (\$)	2018 (\$)
Current accounts	1,149,374	206,612
Term deposits	1,882,971	1,888,479
Petty cash	502	500
Total cash and cash equivalents	3,032,846	2,095,591

06. TRADE AND OTHER RECEIVABLES

	2019 (\$)	2018 (\$)
Trade receivables	1,446,487	1,364,288
Other receivables	145,721	425,318
Prepayments	23,652	96,325
Total trade and other receivables	1,615,859	1,885,931

07. OTHER INVESTMENTS

	2019 (\$)	2018 (\$)
Current fixed interest bonds	1,080,267	1,885,797
Non-current fixed interest bonds	1,356,247	1,811,168
Total other investments	2,436,514	3,696,965

The current fixed interest bonds include an Unlisted Portfolio Investment Entity -Nikko AM NZ Cash Fund which had a balance of 612,932 as at the end of the year. (2018: 709,926).

08. PLANT AND EQUIPMENT

	MOTOR VEHICLES	LEASEHOLD IMPROVEMENTS	COMPUTER EQUIPMENT	FURNITURE & FITTINGS	TOTAL
Balance as at 1 July 2018	-	129,128	53,812	14,708	197,648
Acquisitions	97,906	-	21,322	7,383	126,610
Disposals	-	-	(108)	-	(108)
Depreciation Expense	(8,919)	(9,425)	(39,509)	(3,804)	(61,656)
Depreciation Recovered					-
Balance as at 30 June 2019	88,987	119,704	35,516	18,287	262,494
Cost	97,906	141,297	176,811	62,542	478,556
Less: Accumulated Depreciation	(8,919)	(21,593)	(141,296)	(44,256)	(216,063)
Balance as at 30 June 2019	88,987	119,704	35,516	18,287	262,494

	LEASEHOLD IMPROVEMENTS	COMPUTER EQUIPMENT	FURNITURE & FITTINGS	TOTAL
Balance as at 1 July 2017	125,978	83,029	18,500	227,507
Acquisitions	12,497	16,201	1,091	29,789
Disposals	-	-	(1,483)	(1,483)
Depreciation Expense	(9,347)	(45,418)	(3,400)	(58,165)
Depreciation Recovered	-	-	-	-
Balance as at 30 June 2018	129,128	53,812	14,708	197,649
Cost	141,297	167,529	55,160	363,985
Less: Accumulated Depreciation	(12,168)	(113,716)	(40,452)	(166,337)
Balance as at 30 June 2018	129,128	53,812	14,708	197,648

09. INTANGIBLE ASSETS

	2019 (\$)	2018 (\$)
BALANCE AS AT 1 JULY	40,506	47,662
Acquisitions	-	3,430
Amortisation Expense	(10,636)	(10,586)
Total intangible assets	29,870	40,506
Cost	53,601	53,601
Less: Accumulated Amortisation	(23,731)	(13,095)
Balance as at 30 June	29,870	40,506

10. TRADE AND OTHER PAYABLES

	2019 (\$)	2018 (\$)
Trade payables	1,562,562	668,833
Sundry payables	471,452	804,218
Total trade and other payables	2,034,014	1,473,051

11. EMPLOYEE BENEFIT LIABILITY

	2019 (\$)	2018 (\$)
Wage accrual	87,163	47,196
Liability for annual leave	100,537	84,645
Total employee benefit liability	187,700	131,841

12. FINANCIAL INSTRUMENT CLASSIFICATION

2019

	LOANS AND RECEIVABLES (\$)	AVAILABLE FOR SALE (\$)	OTHER AMORTISED COST (\$)	TOTAL CARRYING AMOUNT (\$)
ASSETS				
Cash and cash equivalents	3,032,846	-	-	3,032,846
Trade and other receivables	1,592,207	-	-	1,592,207
Other investments	-	1,080,267	-	1,080,267
Total current financial assets	4,625,054	1,080,267	-	5,705,320
Other investments	-	1,356,247	-	1,356,247
Total non-current financial assets	-	1,356,247	-	1,356,247
Total financial assets	4,625,054	2,436,514	-	7,061,567
LIABILITIES				
Trade and other payables	-	-	2,034,014	2,034,014
Total current financial liabilities	-	-	2,034,014	2,034,014

2018

	LOANS AND RECEIVABLES (\$)	AVAILABLE FOR SALE (\$)	OTHER AMORTISED COST (\$)	TOTAL CARRYING AMOUNT (\$)
ASSETS				
Cash and cash equivalents	2,095,591	-	-	2,095,591
Trade and other receivables	1,789,606	-	-	1,789,606
Other investments	-	1,885,797	-	1,885,797
Total current financial assets	3,885,197	1,885,797	-	5,770,994
Other investments	-	1,811,168	-	1,811,168
Total non-current financial assets	-	1,811,168	-	1,811,168
Total financial assets	3,885,197	3,696,965	-	7,582,162
LIABILITIES				
Trade and other payables	-	-	1,473,051	1,473,051
Total current financial liabilities	-	-	1,473,051	1,473,051

FAIR VALUE DISCLOSURES

Assets and liabilities are recorded at fair value according to the fair value hierarchy as follows:

- Level 1: Quoted unadjusted prices, in active markets.
- Level 2: Level 1 quoted prices are not available but fair value is based on observable market data.
- Level 3: Inputs that are not based on observable market data.

The fair value estimates were determined by the following methodologies and assumptions:

- Trade and other receivables: The reported amount approximates fair value because they are assessed for impairment and all amounts are receivable within three months.
- Cash and cash equivalents: Available on demand or within a short period. They are at market interest rates and therefore, carrying value approximates fair value.
- Trade and other payables: Considered short-term and therefore, carrying value approximates fair value.

12. FINANCIAL INSTRUMENT CLASSIFICATION (CONTINUED)

OTHER INVESTMENTS

The PHO's other investments comprise non-derivative debt securities (bonds) that are quoted in an active market. Fair value is based on level one input, New Zealand Debt exchange as at reporting date.

OVERALL RISK MANAGEMENT FRAMEWORK

The company has a Statement of Investment Policy and Objectives (SIPO) which details the objectives, personnel duties and responsibilities and investment policy.

A) RISK MANAGEMENT

Risks arising from the Company's financial assets and liabilities are inherent in the nature of the Company's activities and are managed through an ongoing process of identification, measurement and monitoring. The Company is exposed to credit risk, liquidity risk and market risk (including interest rate and pricing risks).

The Company's investment income is generated from its financial assets. Liabilities which arise from its operations are met from cash flows provided by these assets.

Information regarding the fair value of assets and liabilities exposed to risk is regularly reported to the Company's management, the Company's Finance, Audit & Risk Committee and ultimately the Board. The Investment Portfolio is rebalanced, as necessary, to ensure that the asset classes remain within the strategic asset allocation policies as set out in the Company's Statement of Investment Policy and Objectives (SIPO). The Board regularly review the Company's SIPO.

The SIPO sets out the Company's primary investment objectives. These can be summarised as to:

- ensure that the investment fund is invested prudently;
- provide inter-generational equity with regard to distribution levels over time;
- ensure money is available for distribution, as required, to meet the needs and distribution policies of the Company;
- to maintain the value of the investment fund's capital base in real terms and to grow such capital value at a level equal to the population base growth of the region.
Real in this context relates to changes in the Consumer Price Index (CPI);
- maximise the funds available for donations.

The Company manages its Investment Portfolio in terms of its SIPO. The SIPO is monitored on a regular basis by the Board and amended as necessary. Bank of New Zealand (BNZ) assists both management and the Board with investment advice and portfolio management.

B) CREDIT RISK

Credit risk represents the risk that a counter party to a financial asset fails to discharge an obligation which will cause the Company to incur a financial loss. With regard to the credit risk arising for financial assets, the Company's credit risk arises from any default by a counter party. There is no security held over these assets.

Concentrations of risk arise when a number of financial instruments or contracts are entered into with the same counterparty or where a number of counterparties are engaged in similar business activities, geographic regions, or similar economic features that would influence their ability to meet their contractual obligations by reason of changes in economic, political or other conditions.

The Company manages credit concentration risks through:

- a diversified and non-correlated basket of investments;
- ensuring compliance with the individual mandate requirements of each investment.

The maximum exposure to credit risk for bonds, cash with bonds manager and cash and cash equivalents is detailed in the table below. The credit quality is classified using Standard and Poor's rating categories.

12. FINANCIAL INSTRUMENT CLASSIFICATION (CONTINUED)

2019

	NZ BONDS	CASH & CASH EQUIVALENTS	TOTAL
AAA to AA-	43%	100%	
A+ to A-	40%		
BBB+ to BB+	17%		
Unrated			
Funds Invested	\$1,823,582	\$3,032,344	\$4,855,926

2018

	NZ BONDS	CASH & CASH EQUIVALENTS	TOTAL
AAA to AA-	61%	100%	
A+ to A-	27%		
BBB+ to BB+	12%		
Unrated			
Funds Invested	\$2,987,039	\$2,095,091	\$5,082,130

C) MARKET RISK

Market risk embodies the potential for both loss and gains and includes interest risk and price risk. The Company's investment strategy and the management of the market risk are detailed in the SIPO. The Company's investments are diversified across a range of asset classes, entities, investment ratings and maturities. Within each asset class there are defined policies and mandates to ensure diversification, to minimise investment risk and to limit exposure to any one investment. Each asset class has a defined target allocation and is managed within a defined allocation range.

13. CAPITAL AND RESERVES

	2019 (\$)	2018 (\$)
ORDINARY SHARES		
Opening Balance	1	1
Issue of ordinary shares for cash	-	-
Closing Balance	1	1

SHARE CAPITAL

At 30 June 2019 share capital comprised 100 ordinary fully paid shares (2018:100).

These shares have no par value. The holders of the ordinary shares have equal voting rights and share equally in dividends and any surplus on liquidation.

AVAILABLE-FOR-SALE REVALUATION RESERVE

Available-for-sale revaluation reserve is comprised of the fair value movement of currently held financial instruments classified as available for sale. Upon sale of a financial instrument, any fair value movement is transferred to other comprehensive revenue and expenses.

CAPITAL MANAGEMENT

The capital of the Company is the equity as shown in the Statement of Financial Position. The capital is managed indirectly by managing the credit, liquidity and market risks of the financial assets and liabilities of the Company as outlined in note 12. When managing capital, the objective is to ensure the Company continues as a going concern.

14. OPERATING LEASE COMMITMENTS

The Company has entered into commercial leases on motor vehicles, office equipment and leased office space. One motor vehicle lease is due to expire in the next financial year. The remaining motor vehicle lease and equipment lease have an average life of between one and three years, with no renewal option included in the contracts. There are no restrictions placed upon the Company by entering into these leases. The leased office space is for a term of two years with two rights of renewal contained within the lease but does not extend the term of the lease beyond the final expiry date (January 2025). There is no rent payable for the leased office space but the company is responsible for the operating expenses. The operating expenses are not included in the table below.

Future minimum rentals payable under non-cancellable operating leases as at 30 June are, as follows;

	2019 (\$)	2018 (\$)
Less than one year	25,272	38,096
Between one and five years	29,196	49,432
More than five years	-	-
	54,468	87,528

During the year ended 30 June 2019, \$38,096 was recognised as an expense in the Statement of Comprehensive Revenue and Expenses in respect of operating leases (2018: \$53,652).

15. RELATED PARTY TRANSACTIONS

Identity of Related Parties

PARENT AND ULTIMATE CONTROLLING PARTY

The immediate parent and ultimate controlling party of Health Hawke's Bay Limited is Te Matau a Maui Health Trust, which controls 100% of the voting shares in the company. Trustees of Te Matau a Maui Health Trust include general practitioners who are recipients of funds allocated by the Hawke's Bay District Health Board via the Company. These transactions have been carried out at arms length.

PAYMENTS MADE

During the period the Company made payments totalling \$7,165 (2018:\$6,528) to the Trustees of the Te Matau a Maui Trust in shareholder meeting attendance fees. These have been included in advisory committee fees.

KEY MANAGEMENT PERSONNEL

The PHO classifies its key management personnel into two classes;

Members of the governing body

Members of the senior management team

Members of the governing body are paid a Director's fee based on their position on the Board (\$38,500 for the Chairperson, \$19,200 for the Deputy-Chairperson and \$13,200 for other Directors per annum). Directors can also claim meeting fees for being on a sub-committee or advisory committee and mileage.

The aggregate remuneration paid to members of the governing body and to the senior management team is presented below:

	2019 (\$)	2018 (\$)
Director's fees paid to members of the governing body	123,700	123,700
Directors expenses paid to members of the governing body	11,742	42,220
Meeting attendance fees paid to members of the governing body	16,389	9,030
Members of the senior management team	562,415	431,009

The governing body was made up of seven individuals as at 30 June 2019 (2018: seven).

The senior management team was made up of five FTEs as at 30 June 2019 (2018: three and a half).

OTHER RELATED PARTIES

Directors of the company include general practitioners and other related parties who hold relationships with companies who receive capitation and other payments from the company. These transactions have been carried out at arms length. All outstanding amounts at balance date are expected to be settled within one month of balance date.

	2019 (\$)	2018 (\$)
Dr Sandra Jessop, a director of the company, is also a director, shareholder and general practitioner of Totara Health Ltd. Totara Health Ltd received capitation and other payments during the financial year of:	4,185,404	3,875,118
At balance date they had the following outstanding balances:	25,773	26,465

Dr Mark Peterson, a director of the company is also a director and shareholder of Taradale Medical Centre Ltd (TMCL) & City Medical Ltd (CML).

Taradale Medical Centre Ltd received capitation and other payments during the financial year of:

The company made payments to TMCL of	2,539,251	2,261,111
The company made payments to CML of	76,160	
The company received from TMCL of:	391	
The company received from CML of:	4,595	
As at balance date the company had funds owing to the TMCL of:	16,923	
As at balance date the company had funds owing to the CML of:	2,919	15,969
As at balance date the company had funds owing from the TMCL of:	450	
As at balance date the company had funds owing from the CML of:	2,984	

Dr Mark Peterson and Christine McKenna are directors of the company and also key management personnel of the Hawke's Bay District Health Board (HBDHB).

The company received total funding from HBDHB of:	41,602,132	37,967,062
The company made payments to HBDHB of	765,840	337,733
As at balance date the company had funds owing from the HBDHB of:	1,397,599	1,276,304
As at balance date the company had funds owing to the HBDHB of:	825,802	9,586
As at balance date the company had reserve funding on hand of:	1,725,708	2,389,370
As at balance date the company had revenue in advance of:	59,711	116,073

Jason Ward is a director of the company and is the Chairman of the Takapau Community Health Centre. The company made contract payments to the Takapau Community Health Centre during the financial year of:

At balance date they had the following outstanding balances:	19,471	16,076
Jason is also married to Joanne Ward. The company made contractor payments to Joanne Ward during the financial year of:	80	281
	200	505

INDEPENDENT AUDITOR'S REPORT TO THE DIRECTORS OF HEALTH HAWKE'S BAY LIMITED

Report on the Audit of the Financial Statements

We have audited the financial statements which comprise:

- the statement of financial position as at 30 June 2019;
- the statement of comprehensive revenue and expense for the year then ended;
- the statement of changes in equity for the year then ended;
- the statement of cash flows for the year then ended; and
- the notes to the financial statements, which include a summary of significant accounting policies.

OUR OPINION

In our opinion, the accompanying financial statements of Health Hawke's Bay Limited (the Company), present fairly, in all material respects, the financial position of the Company as at 30 June 2019, its financial performance and its cash flows for the year then ended in accordance with Public Benefit Entity International Public Sector Accounting Standards (PBE IPSAS)

BASIS FOR OPINION

We conducted our audit in accordance with International Standards on Auditing (New Zealand) (ISAs (NZ)) and International Standards on Auditing (ISAs). Our responsibilities under those standards are further described in the Auditor's responsibilities for the audit of the financial statements section of our report.

We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion.

We are independent of the Company in accordance with Professional and Ethical Standard 1 (Revised) Code of Ethics for Assurance Practitioners (PES 1) issued by the New Zealand Auditing and Assurance Standards Board and the International Ethics Standards Board for Accountants' Code of Ethics for Professional Accountants (IESBA Code), and we have fulfilled our other ethical responsibilities in accordance with these requirements.

Other than in our capacity as auditor we have no relationship with, or interests in, the Company.

INFORMATION OTHER THAN THE FINANCIAL STATEMENTS AND AUDITOR'S REPORT

The Directors are responsible for the annual report. Our opinion on the financial statements does not cover the other information included in the annual report and we do not express any form of assurance conclusion on the other information.

In connection with our audit of the financial statements, our responsibility is to read the other information and, in doing so, consider whether the other information is materially inconsistent with the financial statements or our knowledge obtained in the audit, or otherwise appears to be materially misstated. If, based on the work we have performed on the other information that we obtained prior to the date of this auditor's report, we conclude that there is a material misstatement of this other information, we are required to report that fact. We have nothing to report in this regard.



RESPONSIBILITIES OF THE DIRECTORS FOR THE FINANCIAL STATEMENTS

The Directors are responsible, on behalf of the Company, for the preparation and fair presentation of the financial statements in accordance with Public Benefit Entity International Public Sector Accounting Standards, and for such internal control as the Directors determine is necessary to enable the preparation of financial statements that are free from material misstatement, whether due to fraud or error.

In preparing the financial statements, the Directors are responsible for assessing the Company's ability to continue as a going concern, disclosing, as applicable, matters related to going concern and using the going concern basis of accounting unless the Directors either intend to liquidate the Company or to cease operations, or have no realistic alternative but to do so.

AUDITOR'S RESPONSIBILITIES FOR THE AUDIT OF THE FINANCIAL STATEMENTS

Our objectives are to obtain reasonable assurance about whether the financial statements, as a whole, are free from material misstatement, whether due to fraud or error, and to issue an auditor's report that includes our opinion. Reasonable assurance is a high level of assurance, but is not a guarantee that an audit conducted in accordance with ISAs (NZ) and ISAs will always detect a material misstatement when it exists. Misstatements can arise from fraud or error and are considered material if, individually or in the aggregate, they could reasonably be expected to influence the economic decisions of users taken on the basis of these financial statements.

A further description of our responsibilities for the audit of the financial statements is located at the External Reporting Board's website at:

<https://www.xrb.govt.nz/standards-for-assurance-practitioners/auditors-responsibilities/audit-report-8/>

This description forms part of our auditor's report.

WHO WE REPORT TO

This report is made solely to the Directors, as a body. Our audit work has been undertaken so that we might state those matters which we are required to state to them in an auditor's report and for no other purpose. To the fullest extent permitted by law, we do not accept or assume responsibility to anyone other than the Company and the Directors, as a body, for our audit work, for this report or for the opinions we have formed.

The engagement partner on the audit resulting in this independent auditor's report is Maxwell John Dixon.

For and on behalf of:

Chartered Accountants
7 October 2019



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