



HEALTH HAWKE'S BAY

Te Oranga o Te Matau-a-Māui

Ripoata ā-Tau Annual Report

Health Hawke's Bay Limited

2022



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Our vision

Whānau ora, hāpori ora
**Family wellbeing,
community wellbeing**

Within the context of the values
of the Hawke's Bay Health Sector.

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 Purpose

To support communities, whānau and providers
to achieve sustainable health gains, and equitable
health outcomes with Māori.



Our Population



167,520

PEOPLE ENROLLED
WITH HEALTH HAWKE'S BAY

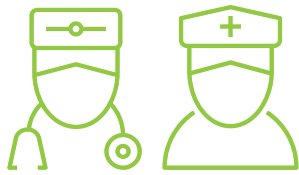
WHICH EQUALS

92.0%

OF HAWKE'S BAY POPULATION
BASED ON 2018 CENSUS DATA

0.0%

MOVEMENT FROM
PREVIOUS YEAR



666,078

NURSE AND GP CONSULTS
PROVIDED DURING
2021 - 2022 PERIOD

MĀORI ENROLMENT

0.1% \downarrow

DECREASE TO 43,411
FROM PREVIOUS YEAR

PASIFIKA ENROLMENT

1.5% \downarrow

DECREASE TO 5,996
FROM THE PREVIOUS YEAR

ASIAN ENROLMENT

6.8% \wedge

INCREASE TO 8,398
FROM THE PREVIOUS YEAR

UNDER 14 YEARS ENROLMENT

2.1% \downarrow

DECREASE TO 33,790
FROM THE PREVIOUS YEAR

65+ YEARS ENROLMENT

2.3% \wedge

INCREASE TO 33,635
FROM THE PREVIOUS YEAR

Data from Thalamus Enrolment Dashboard July 1st 2021 to June 30th 2022:
Hawke's Bay population estimates from Stats NZ as at April 2022, sourced via
Ministry of Health Hawke's Bay Enrolled data as of 1st July 2022.



Wairoa

NGO Partner:
Kahungunu Executive

Ahuriri (Napier)

NGO Partners:
Ahuriri District Health
Roopū-A-Iwi Trust
Te Kupenga Hauora

Heretaunga (Hastings)

NGO Partners:
Āwhina Whānau Service
Hikoī 4 Life
Choices: Kahungunu Health Services
Te Rangihaeata Oranga Trust
Te Taiwhenua o Heretaunga

Tamatea (Central Hawke's Bay)

NGO Partners:
Takapau Health Centre
Te Taiwhenua o Heretaunga

Our Practices and Partners

Wairoa Practice Partners

Queen St Practice

Ahuriri Practice Partners

Carlyle Medical Centre
Central Medical Centre
Dr Robert Harris's Practice
Eastcott Medical
Greendale Family Health Centre
Hawke's Bay Wellness Centre
Maraenui Medical Centre
Shakespeare Rd Medical Centre
Tamatea Medical Centre
Taradale Medical Centre
The Doctors Ahuriri
The Doctors EIT Health Centre
The Doctors Greenmeadows
The Doctors Napier

Heretaunga Practice Partners

Clive Medical Centre
Hauora Heretaunga
Mahora Medical Centre
Medical + Injury
Te Mata Peak Practice
The Doctors Gascoigne
The Doctors Hastings
The Hastings Health Centre
The Havelock North Health Centre
Totara Health (Flaxmere)
Totara Health (Nelson Street)

Tamatea Practice Partners

The Doctors Waipawa
Tuki Tuki Medical

He pitopito kōrero mō Te Matau-a-Māui About Health Hawke's Bay

Health Hawke's Bay – Te Oranga o Te Matau-a-Māui is the region's single Primary Health Organisation (PHO), covering a population of approximately 167,500. 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.

What is a Primary Health Organisation (PHO)?

As a PHO we provide primary health services either directly or indirectly through our general practices and other health and social care providers. Our services are designed to improve and maintain the health of our enrolled population, and eliminate inequities in health outcomes that exist for Māori. Our 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 Te Whatu Ora Te Matau a Māui, 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 our 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
- Support general practices and other providers to deliver high quality primary health care and improve equity.

People can access a range of benefits through enrolment with their chosen general practice. These benefits include reduced fee doctor and nurse visits and a range of health and wellness services.





Te Ripoata a te Tiamana Chair's Report

Kei te tangi kei te karanga kei te hotuhotu manawa mo nga mate o te tau ... haere atu koutou ki te kahui Rangatira, ki te taha katau o te Atua ... e nga mate haere haere okioki! Ki te whānau pani e ora nei – e kore mutu te aroha mo koutou I tenei wa – kia kaha kia maia kia manawanui!

Our first thoughts are to those that have returned to world of our forebears – we wish you all a well-earned peace and to your whānau we say remain strong in the absence of loved ones.

Tena tatau e te whānau

I am pleased to present my Chair report for the 2021–2022 year and ask, on behalf of all Health Hawke's Bay staff and whānau, for your continued support. I have highlighted some of the key aspects of our mahi this year.

Covid – post recovery

The predicted long tail of Covid has put unrelenting pressure on the health network in the last year, and along with seasonal illnesses in the community, has seen many health workers at, or close to burn out, with some practices facing the extra challenge of limited staff to deliver services.

We must not sugar-coat these challenging times, with demands layered on what could be argued as an already struggling health system. The sector is acutely aware of the impact on the real needs of our whānau including unmet health needs and an unfair equity gap.

However, we have noticed that the workforce has dug deep and in fact are leading a fight back taking on Covid and making it a BAU rather than letting it dictate our lives. This I believe is the right approach and we mihi to all the workforce for standing up and leading the charge.

Network sustainability

The sustainability of our provider network is an ongoing concern. The high number of GP vacancies has exacerbated the demands from Covid and other illnesses to place extreme pressure on both primary and secondary care. Health Hawke's Bay has been innovative in our response to this. Our medical workforce strategy looks to recruit more GPs and grow our GP pipeline with activities targeting registrars and junior doctors. To date we have recruited four new GPs and have discussions underway with many more.

We have also invested in an extensive nursing strategy that is growing and supporting the pipeline of nurses into primary care and then into the more senior roles of Nurse Prescriber and Nurse Practitioner.

Te Whatu Ora (Health New Zealand) and Te Aka Whai Ora (Māori Health Authority)

With July 1 as the start date for the health reforms, Health Hawke's Bay has been cognisant of the need to ensure that as an entity within the reforms we are well positioned and appropriately resourced to operate as a coordinated, effective, and professional support for localities and provider networks.

Whilst changes are yet to become evident, Health Hawke's Bay is taking a regional approach working hard to ensure that Health Hawke's Bay is well placed to provide high quality, reliable support to providers, leveraging off the various strengths across the Central Region, with scale and best use of technology.

As a high point of the reforms Te Whatu Ora and Te Aka Whai Ora have recognised Te Wairoa as one of nine locality prototypes. Prototypes are designed to pilot the various elements involved in Locality design and implementation, which includes the process for Locality determination of needs and priorities and the associated planning and commissioning processes.

The Board is excited about the opportunity for Te Wairoa and will continue to support leaders to not only develop the Te Wairoa prototype but also to support the development of Localities across the rest of Te Matau ā Māui.

Financial

The financial results for the year ending June 2022 reflect the ongoing prudent use of funds. The Board continues to encourage the team to develop innovative ways to utilise surplus funds and reinvest back into practices and community providers lifting capability for whānau to access wellness-based services.

Mihi

To the team at Health Hawke's Bay, who year on year continue to stand tall and strong, working hard to deliver health success for our whānau, I thank you. Your tireless support across the network knows no bounds, as you continually focus outward striving to improve health outcomes for our whānau.

To the shareholder Te Matau ā Māui Health Trust, my deepest gratitude for your skill and expertise in strengthening the board with the recruitment of new directors. Each of these appointees has their own Mana and they bring expertise and enthusiasm to our mahi. To the new directors Ana Apatu, Adri Isbister, Di Koti, David Clapperton and Jonathan Bell nau mai haere mai.

To retiring directors Andrew Lesperance, Jeremy Harker, Leigh White, Dr Kiriana Bird and Bayden Barber, I thank you for your wisdom and contribution at the Board table and wish you well. He mihi nui kia korua. May we also congratulate Bayden Barber on being elected to the position of Chairman for Ngāti Kahungunu Iwi Incorporated. He Rangatira koe mo tatau o te rohe nei!

To my fellow directors, and staff of Health Hawke's Bay, it is an absolute privilege to work on your behalf and I am humbled by the opportunity to do so. We are all in this together each of us contributing to the overall goal to "improve the health and wellbeing of the population in Hawke's Bay."

Korero whakamutunga – conclusion

Kaati ra e hika kei te mihi tonu ki nga kaimahi katoa Ahakoa he mahi uaua, he mahi taumaha kia kaha tonu ki te awhina te whānau katoa – kei te mihi tonu.

On that note I again thank all those who work in the health arena. Although the work is hard and the load heavy – stay strong, be resolute and please accept our gratitude.

Ma te Atua tatau e manaaki e tiaki I nga wa katoa!

May the lord bless and nurture us in our efforts for the people.



Na Raihania
Tiamana
Health Hawke's Bay Limited



Ripoata a te Pou Whakarae Chief Executive Officer's Report

I orea te tuatara ka patu ki waho

A problem is solved by continuing to find solutions. This whakatauki refers to the need for creative thinking, adaptability and perseverance. In order to solve a problem you need to have all of these.

This is a time of transition for Health Hawke's Bay and also for the providers and communities we serve, across both arms of our business.

The future

Our teams that support our network of general practices are funded and contracted to do this via the PHO Services Agreement which also includes the main funding mechanisms for general practice. Te Whatu Ora (Health NZ) is working with the sector to redesign this model to one that would see the commissioning of Network Support Services within an overarching Comprehensive Primary Care funding and contracting model. As well as continuing to support general practice in the ways that PHOs currently do, these Network Support Services would support the wider network of primary care providers that sit around and alongside general practice.

The other arm of our business provides clinical services and programmes as critical components of comprehensive primary care that sit within and alongside general practices, including our Te Uru Matai and other mental health and wellbeing services.

We expect our future to be as a provider of clinical services and programmes and a provider of network support services, which are likely to include:

- Supporting the implementation of Locality Plans;
- Service development and integration of Provider Networks.
- Providing infrastructure and support services;
- Facilitating workforce development.
- Clinical governance and leadership.
- Data and digital capability.
- Back-office services and infrastructure.
- Quality improvement and change management.
- Workforce capacity planning and development.

It is unlikely that our future will include the commissioning work that we currently do, but we expect to partner with commissioners, providers, Tihei Takitimu Iwi Māori Partnership Board and Te Aka Whaiora (Māori Health Authority) to support in areas such as service design, implementation and change management.

Te Whatu Ora and Te Aka Whaiora are building a regional approach to service provision and commissioning. The Central Region PHOs are working together to identify opportunities to drive efficiency and effectiveness through collaboration across the region.

Our laser focus on improving our support for and service to practices

We have had an absolute focus on ensuring that we are providing a responsive, reliable service to our network of practices. The feedback we get tells us that we are making good progress but we know we still have a way to go to meet the expectations we have set ourselves. Key to this has been the recruitment of a highly skilled GM with a solid primary care background to establish a Provider Networks Team, and the recruitment of great people to other new roles. This includes two Provider Network Managers with an account management type focus to ensure that practices have an identified key contact person who can truly add value to their work.

The team has worked hard to support all practices to develop Priority Population Plans that capture the key focus areas for each practice. Quarterly meetings are now established to discuss progress and further support needs. It is very exciting to see the great innovation and quality improvement work underway in practices.

We have extended our provider support capability and processes out to our network of Māori providers, with a dedicated role established within the Provider Networks team, working in partnership with the Māori Health Team.

We implemented a new support request system (SysAid) to make it easier for practices to lodge and track support requests, and for us to monitor responsiveness.

New and expanded services and support

We have been successful in securing significant additional funding for new or expanded services.

Our Māori Health Team worked with Te Kahui Whaiora (Māori Health Providers) to secure funding to for Rongoa services.

This funding increased significantly for this next year, with a focus on supporting whānau with long term conditions, and discussions are now underway with Māori providers about implementation.

Our CPO (Coordinated Primary Options) programme enables whānau to receive care in the community that would previously have required admission to hospital. The Hawke's Bay General Practice Faculty leaders worked with Health Hawke's Bay to agree priorities for increased funding, which has enabled considerable expansion of the programme.

We have invested heavily in our primary care workforce to address the sustainability of our practice network, as detailed in the Network Sustainability Strategy section in this report. Also detailed in this report is our investment in Manu Taupua, our programme to support our most vulnerable population groups to enrol with a general practice.

A Team Effort

I am constantly in awe of the work, dedication and achievements of my team at Health Hawke's Bay. And increasingly our providers are also giving that feedback. I am similarly in awe of the resilience and dedication of our general practice colleagues and our Māori Health provider colleagues. It has been another very difficult year in primary care, but the people in this sector never fail to rise to the challenge, and I thank them all most sincerely for that.

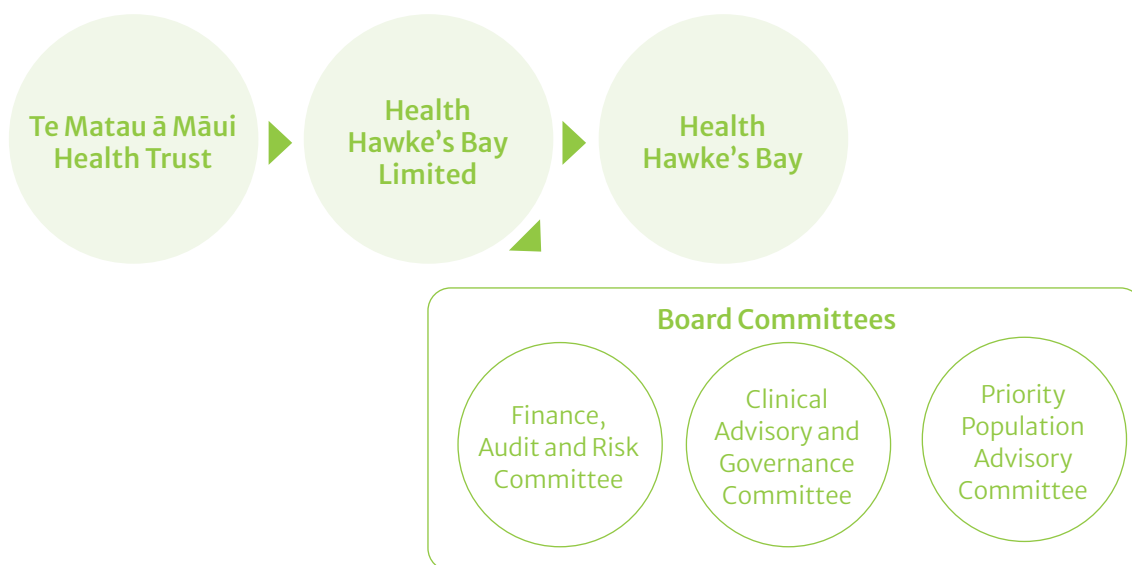
We farewelled five of our directors during the year, Andrew Lesperance, Jeremy Harker, Leigh White, Kiri Bird and Bayden Barber. I thank them for their contribution to health in Hawke's Bay.

I extend my very sincere welcome to our five new directors. I very much look forward to the significant contribution they will clearly all make. And I thank our continuing directors for their wisdom and guidance.



Phillipa Blakey
Chief Executive Officer

Governance Structure



Role of the Board

Health Hawke's Bay Board sets the strategic direction of Health Hawke's Bay Limited, 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.

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 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.
- 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 Limited to the CEO in line with Health Hawke's Bay delegated authorities framework.

Board of Directors

Na Raihania	Director / Chair
Dr Nicky Toynton	Director / Deputy Chair
Dr Kiriana Bird	Director
Dr Darran Lowes	Director
Chrissie Hape	Director
Leigh White	Director
Hine Flood	Director
Bayden Barber	Director
Andrew Lesperance	Director
Jeremy Harker	Director

Committees

Finance, Audit and Risk (FAR) Committee

Objective

To support the Health Hawke's Bay Board in its responsibility for:

- Ensuring appropriate and robust financial management, accountability and the identification and mitigation of corporate risk.

Members:

Jeremy Harker	Director / Chair
Bayden Barber	Director / Chair
Darran Lowes	Director
Dr Nicky Toynton	Director
Susie Young	Professional Advisor
Lara Truman	Professional Advisor
Jess Ellerm	Professional Advisor



**Top to bottom,
left to right:**
 Na Raihania
 Dr Nicky Toynton
 Dr Kiriana Bird
 Dr Darran Lowes
 Chrissie Hape
 Leigh White
 Hine Flood
 Bayden Barber
 Andrew Lesperance
 Jeremy Harker

Priority Population Advisory (PPC) Committee

Objective

To support the Health Hawke’s Bay Board in its responsibility for governing equity for priority populations by:

- Providing leadership that supports the provider network to achieve equitable health outcomes for Māori and other priority populations.
- Supporting and monitoring the implementation of the Health Hawke’s Bay Strategy and Annual Plan.
- Delivering sound strategic and policy advice that ensures providers are well equipped to serve Māori and other priority populations.

Members:

Dr Kiriana Bird	Director / Chair
Chrissie Hape	Director / Deputy Chair
Hine Flood	Director
Trish Giddens	Director
Luke Tihema	Director
Tuhakia Keepa	Director
Tineka Hall	Director
Ian Graham	Director

Clinical Advisory and Governance (CAG) Committee

Objective

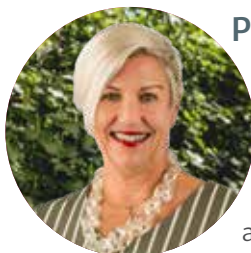
To support the Health Hawke’s Bay Board in its responsibility for clinical governance by:

- Providing Clinical leadership that supports the provider network to achieve equitable health outcomes for Māori.
- Recommending appropriate clinical governance systems and processes.
- Supporting and monitoring the implementation of Ka Hikitia across the network by delivering sound strategic and policy advice that ensures providers are well equipped to serve Māori, and care provided to Māori is of high quality.

Members:

Leigh White	Director / Chair
Dr Nicky Toynton	Director
Dr Raewyn Paku	
Dr Kevin Choy	
Dr Rachel Monk	
Rowan Platter	
Diane Redding	
Michelle McCarthy	
Andy Phillips	Allied Health

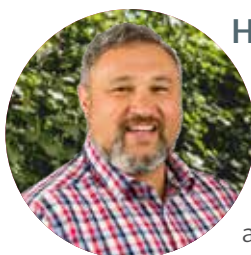
Executive Leadership Team



Phillipa Blakey

CHIEF EXECUTIVE OFFICER

Phillipa grew up in Central Hawke's Bay and now resides in Napier, following 18 years working in senior health leadership roles in both private and public organisations in Australia and the United Kingdom. Prior to heading overseas, she worked for Te Whatu Ora Te Matau a Māui for many years, initially as a nurse and then with various executive responsibilities in the latter years. Phillipa considers Hawke's Bay 'home' and enjoys spending time with her whānau, particularly the four mokopuna, as well as gardening, yoga, exploring cycleways and connecting with friends over good food and wine.



Henry Heke

GM MĀORI HEALTH

Henry joined Health Hawke's Bay in the role of Group Manager Māori Health in mid-2020. Henry, a descendant of the Waikato Ngāti Wairere tribes, was raised in Taranaki and is now based in Te Matau a Māui with his wife of Ngāti Kahungunu, Te Whānau-ā-Apanui, and Ngāti Porou descent. With a BA Māori and Criminology and a post grad Diploma in Māori Business, Henry spent 15 years with Te Puni Kokiri as the Business Growth Manager for Takitimu. Henry spent 5 years teaching Te Reo Māori and Kapa Haka at Napier Intermediate School and still provides Kapa haka support at his children's primary school in Flaxmere. The Māori Health team's purpose is to improve the cultural responsiveness of primary health care in Te Matau a Māui, including through 'Te Kura Nui', Health Hawke's Bay's Cultural Responsiveness Programme. Henry and the Māori Health team lead the Tihei Mauri Ora Emergency Response to the COVID-19 Pandemic, one of the manifestations of the close partnership between Ngāti Kahungunu Iwi Inc., Health Hawke's Bay and Hawke's Bay DHB.



Hayley Anderson

GM PROVIDER NETWORKS – FROM DECEMBER 2021

Hayley hails from Alexandra in Central Otago and has spent over 30 years supporting the Hawke's Bay health system in various roles. These have included clinical, project, and general management roles at Te Whatu Ora Te Matau a Māui, a long tenure as CEO of The Hastings Health Centre, a National role with Hōhepa Homes Trust Board, and another long association with Cranford Hospice. Hayley has served on the governance boards of the Hawke's Bay Primary Health Organisation, Te Matau a Maui, Cranford Hospice, and HBDHB. She has also had a health consultancy business for many years. Hayley is excited about the opportunity to work alongside communities supporting the establishment of extended primary care networks in the region. She also has a deep interest in Pasifika Health, in closing the equity gap for Māori, and in supporting women in leadership.



Tammy O'Neill

GM FINANCE AND COMMERCIAL

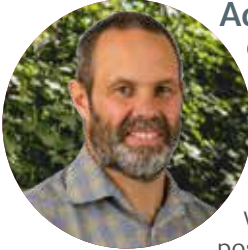
Tammy is a Chartered Accountant and manages the finance function at Health Hawke's Bay. She is responsible for the company's monthly financial reporting, statutory annual reporting and assists the wider team with financial analysis for our various programmes as required.



Dr Peter Satterthwaite

GM HEALTH SERVICES AND INNOVATION

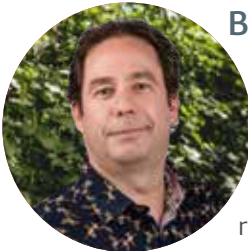
Peter is a medical practitioner with fellowships in General Practice, Public Health Medicine and Medical Management. From 1996 to 2008 Peter worked in a range of senior management roles in New Zealand then moved to Australia and worked as Executive/Director Medical Services in Darwin, Adelaide and Melbourne. Peter returned to New Zealand to live and work in Hawke's Bay in 2018



Adrian Rasmussen

GM DATA & DIGITAL

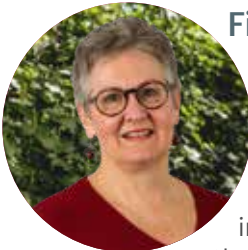
Adrian has more than fifteen years' experience in business intelligence, working in reporting, analytical and leadership roles which focus on providing robust insight to support strategic and operational business solutions. This experience in both the public (Spark and Fly Buys) and private sectors provides a wealth of knowledge which leads to an understanding that timely, actionable insights can make a huge positive impact to an organisation. In short, Adrian loves finding nuggets of gold within the data. Outside of work hours, Adrian loves spending time with his wife and two children and when he gets spare time, he enjoys swimming and surfing.



Brendan Duck

CLINICAL DIRECTOR PRIMARY CARE

Brendan grew up in Rotorua, moving to Hawke's Bay in 2011 to take up an innovative role in general practice as a clinical pharmacist, becoming a director of the practice in 2015. Brendan studied Pharmacy at Otago University, with post graduate study in Clinical Pharmacy, Primary Healthcare and Pharmacist Prescribing. His most recent roles included being a pharmacist prescriber in long term conditions and an ongoing role as System Lead for Medicines at Te Whatu Ora, Te Matau a Māui. Brendan has widespread experience across primary care and pharmacy, prior to coming to Hawke's Bay, Brendan owned a community pharmacy in Taranaki for 8 years. The innovative work in general practice Brendan has been involved with, has received recognition nationally for its integrated approach, medicine safety and equity of health outcomes. Brendan has a strong interest in enhancing health and wellbeing through interprofessional collaboration, with a particular focus of working alongside Māori and Pacific to help them achieve Pae ora – healthy futures.



Fiona Thomson

GM PRACTICE PARTNERSHIPS – UNTIL DECEMBER 2021

Fiona has a background in accounting, financial services and information systems and has been in executive management positions within primary care for 20 years. Other industries she has worked in include finance, pulp and timber, meat processing and local government. Fiona has a particular interest in the information platforms underpinning clinical service delivery and integrated care. She was influential in the development of the GP2GP electronic file transfer service, the Integrated Performance and Incentive Framework (now Systems Level Measures), the NZ ePrescription Service and the National Enrolment Service. She was a founding Director of Patients First Ltd, the NZ quality and information programme for integrated care and a former chair of the NZ Primary Care Patient Experience Survey governance group.

Ka Hikitia – Our Priority Strategy

Our Ka Hikitia strategy is our core strategy for achieving equitable health outcomes with Māori (our Priority Population). It is a programme of work intended to support practices to prioritise Māori within service planning and provision.

Health Hawke's Bay programme activity is focussed around the four Ka Hikitia outcome pou as described below.

Three key elements of the Ka Hikitia Strategy implementation are the development of a cultural responsiveness framework (Te Kura Nui), targeting funding based on our Priority Population and the development of a partnership-based contracting model.



PROVIDERS ARE WELL-EQUIPPED TO SERVE MĀORI

Kei ngā kaiwhakarato ngā āheinga katoa hei tautoko tika i te iwi Māori.

Portrayed here is a korowai. Beyond its immediate denotation, it has a connotative and symbolic power of warmth, skill, honour, among many other [attributes]. The use of the korowai here is to portray that a korowai will be wrapped around GP practices, reflecting that they are equipped to serve Māori with a dual purpose of reflecting their cultural responsiveness. In this sense, the korowai can also be used as a symbol of culture.



SERVICES ARE ACCESSIBLE WHERE AND WHEN MĀORI NEED THEM

E wātea ana ngā ratonga ki a Ngāi Māori ā mea wā, ki mea wāhi.

Hoe are used in waka. It is used here to symbolise the direction in which we are heading, and also reflects "partnership" in that we are all in the waka, each holding a hoe, to reach our destination and to move forward together as one. "He waka eke noa" – "We're all in this together" both HHB, GPs and the public.



CARE PROVIDED TO MĀORI IS OF HIGH QUALITY

He kounga te manaakitia o te iwi Māori.

The huia feather is revered as a symbol of rangatiratanga and were worn as head adornments to represent this status. The use of the huia feathers here aim to suggest that Māori will be cared for as rangatira, or in a high-quality manner. It also has references to reaching rangatiratanga.



RESOURCES ARE AVAILABLE FOR MĀORI TO MANAGE THEIR HEALTH AND WELLBEING

E wātea ana ngā rauemi ki te iwi Māori e taea ai tōna anō hauora me tōna anō orange te whakahaere.

Kete are ancient symbols of knowledge and wisdom derived from the story of Tāne-te-wānanga who obtained these things from the heavens for all mankind. The use of the kete here reflects the availability of resources (tangible and non alike – knowledge, wisdom) made available to Māori.



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Te Kura Nui

The Māori Health team at Health Hawke's Bay have worked hard to ensure that our priority population and whānau pounamu remain at the forefront of delivering of health care services in the community.

Te Kura Nui, our flagship Cultural Responsiveness Curriculum, moved from development to implementation. The first series of workshops included 41 participants representing 13 general practices and Māori providers from across Hawke's Bay who have committed to the first year of training.

The curriculum was co-designed with general practice and whānau using Māori kawa and tikanga as the framework. Two teaching modalities have been introduced, on-line and in-person workshops also known as wānanga. Demand for Te Kura Nui from general practice has been high and a second cohort has commenced Level 1, Pine Pine te kura.

The need to increase the number of Māori working in primary health care saw the development and launch of E Hao, E Pao – the Rangatahi Internship programme.

“Ka pū te ruha, ka hao te rangatahi”

“The old fishing net is replaced with a new one”

“Ka whati ko te tai, ka pao te torea”

“When the tide recedes the tōrea (oystercatcher) strike”

E Hao, E Pao

E Hao, E Pao gives Māori and Pasifika Year 12 and 13 students the opportunity to experience working in primary health care and kindle the desire to pursue primary health care career opportunities.

The internship is held for a week during each of the school term holidays. The Eastern Institute of Technology (EIT) is supporting the internships by profiling health career pathways and providing a hands-on training day.

The remainder of the internship week is spent with a provider. Fourteen rangatahi have completed E Hao, E Pao to date.

E Hao, E Pao teaches our rangatahi invaluable life skills and they undertake an application and interview process before being selected as an intern. E Hao, E Pao has been foundational in the creation of Te Kāhui Rangatahi a council for rangatahi to come together and highlight and guide Health Hawke's Bay and our providers on health issues impacting rangatahi.

Priority Population Partnership Programme

A newly formed Provider Networks Team has focussed on partnering with general practice to agree and support the delivery of a programme of work focussed on closing the equity gap.

All practices have now transitioned to our new partnership-based contracts, Priority Population Partnership (PPP) Agreements. PPP Agreements are designed to support practices to meet the vision of our shared Ka Hikitia strategy – achieving equitable health outcomes with Māori. PPP Agreements are underpinned by Priority Population Partnership (PPP) Plans co-developed with each practice. PPP Plans outline the specific services we will undertake within our partnership to achieve the Ka Hikitia outcome pou.

High trust, bulk funding agreements have been implemented across all general practices following extensive co-design work with providers. The funding is flexible and allocated to practices based on their enrolled population numbers. Funding is weighted for Māori enrolled, Māori Quintile 5 and those with a Community Service Card in recognition of the investment required to achieve equitable health outcomes with Māori. The next step is to implement quarterly meetings with all practices to help them to achieve health gains in the areas they have targeted.

“The PPP meeting was amazing, the right people were there, and the ball was rolling within days on everything. Big commitment of time for PPP meeting but most worthwhile 2 hours for a very long time”

PPP Plans include:

- service models around the Priority Conditions of Diabetes, Asthma, COPD, Cardiovascular Disease and Mental Health
- how we enhance cultural responsiveness
- how whānau co-design and consumer engagement will be embedded in service planning
- how Kaupapa Māori service provider partnerships will be developed
- how Māori will be supported and encouraged to engage in Patient Experience Survey
- agreed targets associated with each of the outcome measures

Practices are actively encouraged and supported to be innovative in the application of their flexible funding to achieve equitable health outcomes with Māori.

“We feel like PPP meetings are going to pull us back together with Health Hawke’s Bay”

PPP Plans include a range of quantitative and qualitative measures. Reporting is automated and presented to practices within a web-based Thalamus reporting portal. PPP plans are “living” documents with progress reviewed and updated at quarterly partnership meetings.

“We recently had the PPP meeting which was two-way. It was mutually respectful”

Network Sustainability

Health Hawke's Bay recognises that a strong and sustainable health workforce is a critical investment that contributes not only to improving the health and well-being of our population, but also to provider business and service model viability.

Health Hawke's Bay has developed a Network Workforce Sustainability strategy which includes the training, recruitment, retention and ongoing development of our medical, nursing and other workforce.

Medical Workforce Recruitment

Analysis of our workforce data shows that more GPs are retiring early resulting in a skill vacuum that is growing every year. We rely on a flow of International Medical Graduates and the global pandemic cut off that supply – the combination of these factors has resulted in high GP vacancy rate.

Health Hawke's Bay is investing in supporting and subsidising the recruitment and retention of our GP workforce.

Health Hawke's Bay has partnered with Medrecruit who are undertaking a large-scale, multi-channel market campaign in New Zealand, Australia, United Kingdom, Europe and Ireland promoting Hawke's Bay as the premium destination for health care professionals to "live, work and play".

Health Hawke's Bay provides a local liaison service between Medrecruit and member practices and heavily subsidises the recruitment service. We also fund video "walk-throughs" highlighting the attributes of participating practices, testimonial videos and an overarching promotional video presenting the benefits of living and working in the Hawke's Bay region.

The medical recruitment service has been fully operational for six months and has already secured four international GPs with a further four GP and Urgent Care candidates in the pipeline.

Medical Workforce Pipeline

Medical recruitment has been our immediate priority but we also recognise the need to be continuously training GPs if we are to retain a front line health care workforce for our enrolled population.

Medical education can be one of the most rewarding areas of general practice but Health Hawke's Bay recognises that the cost of providing space and supervision of trainee doctors can be a barrier to providers taking on medical education roles.

Health Hawke's Bay is proactively supporting practices and candidates in GP Registrar placements (the pathway to vocational registration) and RMO Community-based Clinical Attachments (CBAs) to ensure we have a continuous supply of GPs in the medium and long term.





Nursing Workforce

The Hawke's Bay nursing strategy was developed with the region's primary care nurse leaders. The strategy reflects nurses' perceptions of the risks and barriers faced by the nursing workforce and their aspirations for the future of the workforce.

The key purpose and principles of the nursing strategy align with Health Hawke's Bay's Ka Hikitia strategy and is structured in two distinct categories:

- A category designed to attract people to primary care nursing as a career, with a focus on Māori and Pacific peoples.
- A category designed to encourage nurses to remain within primary care by pursuing advanced scopes and career progression.

The establishment of the new nursing roles, Nurse Lead, Nurse Educator, and Nurse Practitioner Advisor, together with the Workforce Development Lead, provides the necessary clinical expertise, mentorship, and professional leadership to deliver on local strategic workstreams.

Key initiatives to develop a pipeline workforce included engaging rangitahi, enabling student nurses into clinical placements, and mentoring new graduate nurses through Nurse Entry to Practice (NEtP). Extending registered nurses into prescribing roles to increase access to treatment for whānau through the Registered Nurse Prescribing in Community Health (RNPCH) training has seen our first cohort of nine registered nurses from primary care enrolled.

We continue to maintain close collegial relationships with professional nursing forums and key stakeholders, including the EIT School for Nursing. This enables Health Hawke's Bay to have an active influence on undergraduate nurse education, ensuring the best possible outcome for our nurses and for the health of our community.

Health Hawke's Bays' investment in the nursing workforce and nursing leadership, and utilisation of existing knowledge and skill of all nurses to the full, aims to ensure nursing in Hawke's Bay will meet the health needs and improve the health outcomes for the community it serves.

Data and Digital Solutions were at the forefront of the successful management of Covid-19 in Hawke's Bay

Data and Digital provides solutions and recommendations across the COVID-19 landscape from enabling mobile testing data collection to providing feedback on national self-service contact tracing user engagement, claims and payments solutions and use of our business intelligence platform, Thalamus, to produce daily reporting and patient acuity scores to general practices.

The Ministry of Health developed technical solutions (The National Contact Tracing Solution (NCTS) and The Border Control Management System (BCMS) for the management of COVID-19 in New Zealand. Data and Digital engaged at national and regional levels to ensure that Hawke's Bay was informed and accessing the resources required to minimise the impact on regional hubs and providers.

Among the NCTS features was the use of dynamic lists to streamline service provision and patient management, allowing hubs to assign tasks to teams without the need for external manual workflows or less secure communication. BCMS was developed to support the clinical management of individuals affected by the virus as they entered New Zealand and was later expanded to offer a solution for community care. BCMS was integrated with NCTS and captured provider engagement while also protecting patient privacy. Welfare support could be flagged in the system delivering requests straight to the teams in a timely manner. The data flowed through to the working lists within NCTS, building a complete picture of the individual and their journey. The BCMS was later delivered to primary care via existing technologies within Patient Management Systems (PMS) connecting national and regional resources directly to providers at the frontline of care.

Funding for primary care is facilitated by fee-for-service claims in Halcyon, the claiming system developed by Karo Data Management and implemented by Health Hawke's Bay in 2020.

Many PHOs worked collectively with Karo to develop Halcyon claiming forms that were updated as swiftly as the funding frameworks changed. As the pandemic progressed seven new vaccination forms and two community care forms were developed to fund clinical care and medicines and ensure there was no cost to the patient.

Health Hawke's Bay's supported our general practices with risk stratification of their enrolled patients. The aim was to prioritise those patients at highest risk of COVID-19 complications and, therefore, increase the timeliness and overall delivery of care they receive.

Initially the Data and Digital team used a statistical model predicting hospitalisation with COVID-19, which demonstrated the predictive power of age, vaccination status, ethnicity, and lung disease among other variables. The model was developed by Waitematā Te Whatu Ora in consultation with Northern Region Health Coordination Centre, using Delta outbreak data from August 2021 – January 2022.

As case numbers continued to rise with Omicron the need for prioritisation became more urgent and we opted to develop a simple implementation that reused some of the grouping of risk factors for acuity and deliver this through our online business intelligence platform, Thalamus. Alongside the secure list of patients, we were able to provide charts to understand distribution at a population level across each risk score.

We pre-filtered to those patients currently with COVID-19 and connected with NCTS, which would be the source of truth for active cases and developed a custom report from NCTS to serve as the input and established a daily process to retrieve the latest cases and upload to Thalamus each morning. Importantly, with unique user logins and the end-to-end security of Microsoft's Power BI software, we were assured that sensitive data was protected.

HealthPathways

Use of the Hawke's Bay HealthPathways clinical website has grown significantly since the local team was established in January 2021. The website is password protected and the users are clinical and allied health professionals. Page views for the local site have climbed from over 5,000 in the first six months of its inception, to 57,000 page views in the twelve months to end of June 2022. An increase of 1,040 percent.

The HealthPathways community is a collaborative community as evidenced with COVID-19. The pandemic accelerated collaboration across the entire HealthPathways

Community. A similar approach has been implemented in developing a new suite of diabetes pathways, and is also being used to develop a sexual health suite of pathways for all regions to adopt and add their local processes to.

The Hawke's Bay team have successfully localised and published over 170 pages to date. This includes pathways from several primary categories. Tranche work is currently underway (or planned), in Older Person Health, Neurology and Urology to name a few. The team are currently focused on Diabetes, Mental Health and conditions linked to Coordinated Primary Options (CPO) pathways.



Covid-19

Health Hawke's Bay responded quickly to the development of Covid-19 illness in Hawke's Bay, by establishing a General Practice Covid Coordination Unit (GPCCU) with funding support from Te Whatu Ora. The GPCCU developed the processes to notify GPs of cases, support remuneration for services, deliver pulse oximeters and keep GPs up to date with the latest policy and processes.

The GPCCU established a daily huddle that evolved to include multiple agencies working collaboratively to coordinate the clinical and welfare processes needed to keep individuals with Covid and the rest of the community safe.

When case numbers increased to the level that clinical prioritisation was needed, Health Hawke's Bay Data and Digital team developed a daily report that provided each practice with a list of their patients along with each patient's clinical risk. This allowed GPs to support those patients at highest risk first.

Health Hawke's Bay partnered with Ngati Kahungunu Iwi to establish a welfare support hub: Tihei Mauri Ora (TMO) that provided and facilitated delivery of welfare to whānau isolating in their homes.





Pharmacy

COVID-19 continued to require a dynamic workforce able to quickly adjust workflow to adapt to COVID-19 level changes. The Care of Covid in the Community Pharmacy Service was led by the Population Health Clinical Pharmacist team. This fostered relationships between Health Hawke's Bay and all of the Hawke's Bay community pharmacies, as our team created resources, training and safe patient-centered pathways for COVID-19 services to be delivered by pharmacies.

The introduction of COVID-19 antivirals in the community showcased an example of strong collaboration between community pharmacy and general practice. To facilitate this the Population Health Clinical Pharmacist Team

developed supporting information and advice around the use of COVID-19 antivirals and delivered a workshop on practical advice to manage patients on medications which interact with COVID antivirals. This reached 75 health professionals in the extended care team.

The team continue to provide Best Practice messaging to general practice prescribers. These messages are based on Hawke's Bay specific data, around equity, efficacy and safety. A strong focus on respiratory conditions was continued from previous years with a focus on Asthma therapy and the equity of preventative therapy which was well received. There was also a focus on new diabetes medications which has seen consistent growth in Hawke's Bay.

Manu Taupua: Supported Enrolment Programme

Health Hawke's Bay has recently implemented Manu Taupua, a Supported Enrolment Programme that aims to facilitate enrolment for some of the estimated 12,400 Hawke's Bay residents who are not currently enrolled in a local general practice.

Referral into the programme is via Hawke's Bay's two Urgent Care providers, and Te Whatu Ora – Hawke's Bay Emergency Department, which for many unenrolled whānau, is where they access health services in the absence of an enrolment relationship with a general practice.

A strong component of the programme is based on support from the Poutoko – Health Coach Supported Enrolment (HCSE) who walks alongside the patient and household whānau to facilitate enrolment with an enrolling general practice, and improve engagement with a community pharmacy, as nominated by the patient.

Once enrolled with a general practice, on-going cultural and emotional support along with providing information in navigating the health care system is offered by the general practice Poutoko in caring for the whānau's health needs

Throughout the first year of enrolment Health Hawke's Bay funds up to six consultations, along with the co-payment for general practice and dentist generated prescriptions for the patient/s and household whānau to their nominated pharmacy.

The benefits of enrolling in Manu Taupua include:

- Improved engagement with health services on-going care for patients and their household whānau
- Subsidised consultations in general practice for the first 12 months
- Subsidised prescription fees
- Introduction to a Clinical Advisory Pharmacist
- Support to access free services such as childhood immunisations and screening.





Te Uru Matai: Talking Based Therapy – Pōukorero Rongoā

Following a review of the Primary Mental Health Initiative in 2021, Health Hawke's Bay began implementation of a Health Hawke's Bay employed Talking Based Therapy Service, with the recruitment of 2.4 FTE of Talking Based Therapists (Pōukorero Rongoā)

The service is designed to provide brief intervention for tangata whaiora free of charge in locations where there has previously been

a high un-met need. Health Hawke's Bay is currently providing services in Central Hawke's Bay, Flaxmere, Hastings and Napier, with an aim to extend to Wairoa in the coming year.

It is hoped that having accessible interventions within the community will support additional pathways for those experiencing moderate to severe mental health distress to better access appropriate services.

Te Uru Matai: Integrated Primary Mental Health and Addictions Service (IPMHAS)

Te Uru Matai is an integrated approach to supporting wellness and puts mental health and wellbeing at the heart of general practice. This free service has been available in a number of practices in Napier, Hastings and Wairoa since 2021.

The service aims to provide quick accessible support for anybody experiencing thoughts, feelings, and behaviours that are impacting their health and wellbeing. This is achieved via access to Health Improvement Practitioners (Pouora) and Health Coaches (Poutoko) who work within the general practice team.

They are supported by a network of Non-Government Organisation (NGO) employed Community Support Workers (Poumāhū). Our Health Improvement Practitioners (HIPs) and Health Coaches (HCs) are actively working with practices to identify pathways to support people with new and long-term condition diagnoses. Health Hawke's Bay's goal is to ensure HIPs and HCs are available in all Hawke's Bay general practices over the next year including new HIPs and HCs to central Hawke's Bay, Havelock North and Taradale.





Financials

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Health Hawke's Bay Limited Statement Of Responsibility

for the year ended 30 June 2022

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 2022 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 2022.

For and on behalf of the Board:



Director:

Dated: 14/10/2021



Director:

Dated: 14/10/2021

Health Hawke's Bay Limited

Annual Report

for the year ended 30 June 2022

The Board of Directors present their Annual Report including the financial statements of the Company for the year ended 30 June 2022.

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:

Dated: 14/10/2021



Director:

Dated: 14/10/2021

Health Hawke's Bay Limited Directory

for the year ended 30 June 2022

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 Jeremy HARKER (resigned 31 August 2021) Dr Kiriana BIRD (resigned 31 March 2022) Christina HAPE Andrew LESPERANCE (resigned 30 November 2021) Darran LOWES Na Rongowhakaata RAIHANIA Nicola TOYNTON Leigh WHITE Hine FLOOD (appointed 6 October 2021)
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 2022

	NOTE	2022	2021
REVENUE			
Contract revenue	1	90,900,321	58,152,210
Total revenue		90,900,321	58,152,210
EXPENSES			
Contract payments	2	85,579,189	54,447,208
Fees paid to auditors for:			
Annual audit of financial statements		35,175	21,000
Advisory Services		59,122	-
Advisory committee fees		57,031	31,966
Directors fees		148,133	156,468
Director meeting expenses		138,220	62,453
Gain/Loss on disposal of plant and equipment		2	87
Depreciation	8	117,517	70,602
Occupancy costs		99,620	91,161
Other costs		761,214	642,188
Salaries and wages	4	4,696,599	3,045,735
Total expenses		91,691,822	58,568,866
Operating surplus/(deficit) before financing		(791,501)	(416,657)
Finance revenue	3	31,419	60,497
Net finance revenue		31,419	60,497
Gain/(Loss) on disposal of available for sale financial assets		(8,256)	1,642
Net other gains		(8,256)	1,642
Surplus/(deficit) for the period		(768,340)	(354,517)
OTHER COMPREHENSIVE REVENUE AND EXPENSE			
Item that will be reclassified to surplus/(deficit)			
Gain/(loss) on revaluation of available-for-sale financial assets		(156,745)	(32,160)
Other comprehensive revenue and expense for the period		(156,745)	(32,160)
Total comprehensive revenue and expense for the period attributable to owners		(925,085)	(386,677)

Health Hawke's Bay Limited

Statement of Changes in Equity

for the year ended 30 June 2022

2022

	NOTE	SHARE CAPITAL	AVAILABLE FOR SALE REVALUATION RESERVE	RETAINED EARNINGS	TOTAL EQUITY
Balance as at 1 July 2021		1	26,091	3,520,172	3,546,264
Surplus/(deficit) for the period				(768,340)	(768,340)
Other comprehensive revenue and expense			(156,745)		(156,745)
Total comprehensive revenue and expense for the period attributable to owners		-	(156,745)	(768,340)	(925,085)
Balance as at 30 June 2022		1	(130,654)	2,751,832	2,621,179

2021

	NOTE	SHARE CAPITAL	AVAILABLE FOR SALE REVALUATION RESERVE	RETAINED EARNINGS	TOTAL EQUITY
Balance as at 1 July 2020		1	58,251	3,874,689	3,932,939
Surplus/(deficit) for the period				(354,517)	(354,517)
Other comprehensive revenue and expense			(32,160)		(32,160)
Total comprehensive revenue and expense for the period attributable to owners		-	(32,160)	(354,517)	(386,677)
Balance as at 30 June 2021		1	26,091	3,520,172	3,546,264

Health Hawke's Bay Limited

Statement of Financial Position

for the year ended 30 June 2022

	NOTE	2022	2021
ASSETS			
Cash and cash equivalents	5	1,985,209	1,729,847
Trade and other receivables	6	6,242,134	3,161,132
Other investments	7	191,159	236,239
Total Current Assets		8,418,502	5,127,218
Plant and equipment	8	355,072	281,300
Other investments	7	1,983,854	2,133,223
Total Non-Current Assets		2,338,926	2,414,523
Total Assets		10,757,428	7,541,742
LIABILITIES			
Trade and other payables	9	4,459,279	1,838,310
GST Payable		260,718	205,231
Employee benefits	10	492,796	281,881
Reserve funding		2,516,851	1,505,026
Revenue in advance		406,605	165,033
Total Current Liabilities		8,136,249	3,995,478
EQUITY			
Share Capital	12	1	1
Available for sale revaluation reserve		(130,654)	26,091
Retained Earnings		2,751,832	3,520,172
Total Equity		2,621,179	3,546,264
Total Equity and Liabilities		10,757,428	7,541,742

Health Hawke's Bay Limited

Statement of Cash Flows

for the year ended 30 June 2022

	Note	2022 \$	2021 \$
CASHFLOWS FROM OPERATING ACTIVITIES			
Receipts from contracts		89,063,544	58,610,365
Payments to suppliers		(88,733,242)	(59,067,888)
GST received (paid)		55,487	78,952
Net cashflows from/(used in) operating activities		385,789	(378,571)
CASHFLOWS FROM INVESTING ACTIVITIES			
Net Cash Flows from investments		29,446	(436,078)
Acquisition of plant & equipment		(191,291)	(66,078)
Disposal of plant & equipment		-	-
Acquisition of intangible assets		-	-
Interest received		31,419	60,497
Net cashflows from/(used in) investing activities		(130,426)	(441,659)
Net increase/(decrease) in cash and cash equivalents		255,363	(820,230)
Cash and cash equivalents at the beginning of the year		1,729,847	2,550,077
Cash and cash equivalents at the end of the year	5	1,985,210	1,729,847
RECONCILIATION TO PROFIT/(LOSS) FOR THE PERIOD			
Surplus/(deficit) for the period		(925,085)	(386,677)
Adjustments for non-cash items;			
Depreciation		117,517	70,602
Amortisation		-	-
Gain/Loss on sale of plant and equipment		2	87
Gain/Loss on sale of investments		8,256	(1,642)
Movement in available for sale revaluation reserve		156,745	32,160
Adjustments for non operating items;			
Interest Received		(31,419)	(60,497)
Adjustments for movements in;			
Decrease/(Increase) in trade and other receivables		(3,090,138)	(438,636)
Increase/(Decrease) in GST		55,487	78,952
Increase/(Decrease) in trade and other payables		2,630,126	(594,561)
Increase/(Decrease) in employee entitlements		210,915	24,851
Increase/(Decrease) in prepaid revenue		241,558	51,447
Increase/(Decrease) in reserve funding		1,011,825	845,344
Net cashflows from/(used in) operating activities		385,788	(378,571)

Health Hawke's Bay Limited

Significant Accounting Policies

for the year ended 30 June 2022

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 2022 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

In April 2021, the New Zealand Government announced substantial changes will be made to the structure of the health system. All District Health Boards (DHBs) were disestablished on 30 June 2022 and replaced by one national organisation, Te Whatu Ora – Health New Zealand (Te Whatu Ora).

Prior to 30 June 2022, DHBs were required to commission general practice services through Primary Health Organisations (PHOs) like Health Hawke's Bay Limited; this will not be the case in the future health system. However, many of the services provided by PHOs – such as coordinating multidisciplinary teams and supporting clinical improvement – will be all the more important in the future health system. Te Whatu Ora will be responsible for determining how best to deliver these services in each locality, including whether there is a role for an organisation to coordinate locality networks.

On the basis that primary health services will continue with a greater emphasis under the health reforms, Health Hawke's Bay Limited is best placed to continue to provide many of the services it currently provides and any changes are expected to take longer than 12 months from the date of these financial statements, these financial statements have been prepared on a going concern basis. 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 2022 (for Health Hawke's Bay Limited, this will be the 30/06/2023 year).

Management has assessed the impact of this standard and additional disclosures will be provided outlining why the Company exists, what it intends to achieve, how it goes about doing this and what we have done in the period to achieve this.

Use of Judgements and Estimates

The preparation of financial statements requires management to make judgements, estimates and assumptions that affect 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.

Te Whatu Ora (Health NZ) Population Based Revenue

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

Te Whatu Ora population-based revenue for the financial year is recognised based on the funding entitlement for the year.

Te Whatu Ora contract revenue

The revenue recognition approach for Te Whatu Ora 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 return 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 as amortised cost.

Financial instruments are initially recognised at fair value, 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.

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.

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

Note to the Financial Statements

for the year ended 30 June 2021

1 Contract revenue

	2022 \$	2021 \$
Capitation	37,496,875	35,594,736
Care Plus	3,392,977	3,180,235
Services to Improve Access	2,909,848	2,849,590
Health Promotion	685,318	443,971
Health Pathways	253,403	253,403
Coordinated Primary Options	1,610,979	1,314,859
System Level Measures	835,526	819,340
Mental Health	1,090,393	1,061,454
Integrated Primary Mental Health and Addiction Services	3,072,911	1,554,114
Before School Checks	469,954	384,070
Management services revenue	4,867,763	1,260,582
Rural Health	888,271	407,990
Other Contracts	1,790,709	2,217,804
Provider Partnership	5,969,600	2,533,897
COVID-19	25,565,794	4,276,164
Total contract revenue	90,900,321	58,152,210

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.

2 Contract payments

	2022 \$	2021 \$
Capitation	37,496,875	35,594,736
Care Plus	3,311,709	3,031,225
Services to Improve Access	3,080,765	2,938,920
Health Promotion	586,011	216,390
Health Pathways	253,403	253,403
Coordinated Primary Options	1,610,979	1,314,859
System Level Measures	835,526	819,340
Mental Health	1,039,673	1,010,456
Primary Mental Health Initiative	50,720	50,997
Integrated Primary Mental Health and Addiction Services	1,833,351	1,191,042
Before School Checks	469,954	384,070
Provider Partnership	5,969,600	2,794,465
Rural Health	888,271	407,990
Other Contracts	2,585,243	139,236
COVID-19	25,567,109	4,300,076
Total contract payments	85,579,189	54,447,208

3 Finance revenue

	2022 \$	2021 \$
INTEREST		
Loans and receivables	1,536	17,787
Available-for-sale financial assets	29,883	42,710
Total finance revenue	31,419	60,497

4 Employee benefit expense

	2022 \$	2021 \$
Wages and Salaries	4,608,171	2,969,316
Other employee benefits	88,428	76,419
Total employee benefit expense	4,696,599	3,045,735

5 Cash and cash equivalents

	2022 \$	2021 \$
Current accounts	1,984,238	1,728,875
Petty cash	971	972
Total cash and cash equivalents	1,985,209	1,729,847

6 Trade and other receivables

	2022 \$	2021 \$
Trade receivables	5,992,811	2,514,054
Other receivables	208,824	597,422
Prepayments	40,500	49,657
Total trade and other receivables	6,242,134	3,161,132

7 Other investments

	2022 \$	2021 \$
Current fixed interest bonds	191,159	236,239
Non-current fixed interest bonds	1,983,854	2,133,223
Total other investments	2,175,013	2,369,462

8 Plant and equipment

	MOTOR VEHICLES	LEASEHOLD IMPROVEMENTS	COMPUTER EQUIPMENT	FURNITURE AND FITTINGS	TOTAL
			\$	\$	\$
Balance as at 1 July 2021	49,771	100,829	61,592	69,107	81,300
Acquisitions	-	-	181,730	11,452	193,182
Disposals	-	-	(1,893)	-	(1,893)
Depreciation Expense	(19,581)	(9,425)	(74,842)	(13,669)	(117,517)
Balance as at 30 June 2022	30,190	91,404	166,587	66,890	355,072
Cost	97,906	141,297	428,980	146,112	814,295
Less: Accumulated Depreciation	(67,716)	(49,892)	(262,392)	(79,222)	(459,223)
Balance as at 30 June 2022	30,190	91,404	166,587	66,890	355,072

	MOTOR VEHICLES	LEASEHOLD IMPROVEMENTS	COMPUTER EQUIPMENT	FURNITURE AND FITTINGS	TOTAL
			\$	\$	\$
Balance as at 1 July 2020	69,352	110,254	31,701	74,517	285,824
Acquisitions	-	-	60,835	10,022	70,857
Disposals	-	-	(4,780)	-	(4,780)
Depreciation Expense	(19,581)	(9,425)	(26,164)	(15,431)	(70,602)
Balance as at 30 June 2021	49,771	100,829	61,592	69,107	281,300
Cost	97,906	141,297	249,143	134,661	623,006
Less: Accumulated Depreciation	(48,135)	(40,468)	(187,550)	(65,553)	(341,706)
Balance as at 30 June 2021	49,771	100,829	61,592	69,107	281,300

9 Trade and other payables

	2022 \$	2021 \$
Trade payables	3,739,692	1,172,975
Sundry payables	719,587	665,336
Total trade and other payables	4,459,279	1,838,310

10 Employee benefit liability

	2022 \$	2021 \$
Wage accrual	205,063	118,842
Liability for annual leave	287,733	163,039
Total employee benefit liability	492,796	281,881

11 Financial instrument classification

2022

	LOANS AND RECEIVABLES \$	AVAILABLE FOR SALE \$	OTHER AMORTISED COST \$	TOTAL CARRYING AMOUNT \$
ASSETS				
Cash and cash equivalents	1,985,209	-	-	1,985,209
Trade and other receivables	6,201,634	-	-	6,201,634
Other investments	-	191,159	-	191,159
Total current financial assets	8,186,842	191,159	-	8,378,001
Other investments	-	1,983,854	-	1,983,854
Total non-current financial assets	-	1,983,854	-	1,983,854
Total financial assets	8,186,842	2,175,013	-	10,361,855
LIABILITIES				
Trade and other payables	-	-	4,459,279	4,459,279
Total current financial liabilities	-	-	4,459,279	4,459,279

2021

	LOANS AND RECEIVABLES \$	AVAILABLE FOR SALE \$	OTHER AMORTISED COST \$	TOTAL CARRYING AMOUNT \$
ASSETS				
Cash and cash equivalents	1,729,847	-	-	1,729,847
Trade and other receivables	3,111,475	-	-	3,111,475
Other investments	-	236,239	-	236,239
Total current financial assets	4,841,322	236,239	-	5,077,561
Other investments	-	2,133,223	-	2,133,223
Total non-current financial assets	-	2,133,223	-	2,133,223
Total financial assets	4,841,322	2,369,462	-	7,210,784
LIABILITIES				
Trade and other payables	-	-	1,838,310	1,838,310
Total current financial liabilities	-	-	1,838,310	1,838,310

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.

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;

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. The company moved from Bank of New Zealand (BNZ) to Stewart Group in May 2021, who 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 exposure to 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.

2022	GLOBAL BONDS	NZ BONDS	CASH & CASH EQUIVALENTS	TOTAL
AAA to AA-	73%	0%	100%	
A+ to A-	15%	100%		
BBB+ to BB+	11%			
Unrated				
Funds Invested	\$1,783,954	\$391,181	\$1,984,238	\$4,159,373

2021	GLOBAL BONDS	NZ BONDS	CASH & CASH EQUIVALENTS	TOTAL
AAA to AA-	86%	0%	100%	
A+ to A-	9%	86%		
BBB+ to BB+	6%	14%		
Unrated				
Funds Invested	\$1,717,965	\$651,497	\$1,728,875	\$4,098,337

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.

12 Capital and Reserves

	2022	2021
Ordinary shares	\$	\$
Opening Balance	1	1
Issue of ordinary shares for cash	-	-
Closing Balance	1	1

Share capital

At 30 June 2022 share capital comprised 100 ordinary fully paid shares (2021:100). 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.

13 Operating Lease Commitments

The Company has entered into commercial leases on office equipment. 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;

	2022 \$	2021 \$
Less than one year	8,956	9,711
Between one and five years	20,758	-
More than five years	-	-
	29,714	9,711

During the year ended 30 June 2022, \$15,642 was recognised as an expense in the Statement of Comprehensive Revenue and Expenses in respect of operating leases (2021: \$20,205).

14 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 \$42,181 (2021: \$17,416) 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 (\$31,000 for the Chairperson, \$23,200 for the Deputy-Chairperson and \$15,500 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:

	2022 \$	2021 \$
Director's fees paid to members of the governing body	148,133	156,468
Directors expenses paid to members of the governing body	138,220	62,453
Meeting attendance fees paid to members of the governing body	2,850	5,900
Members of the senior management team	1,031,965	839,127

The governing body was made up of 10 individuals as at 30 June 2022 (2021: nine).

The senior management team was made up of seven FTEs as at 30 June 2022 (2021: six).

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.

	2022	2021
Darran Lowes, 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 & City Medical Ltd received capitation and other payments during the financial year of:		
The company made payments to TMCL of	3,951,083	2,958,822
The company made payments to CML of	175,179	148,550
The company received from TMCL of:	2,506	2,506
The company received from CML of:	-	199
As at balance date the company had funds owing to the TMCL of:	152,437	33,795
As at balance date the company had funds owing to the CML of:	12,367	7,267

Nicola Toynton, a Director of the company, is also a Director, shareholder (ceased as a Director and shareholder on 23 February 2022) and general practitioner of Clive Medical Centre Ltd (CMCL). CMCL received capitation and other payments during the financial year of:

The company made payments to CMCL of	431,760	556,169
As at balance date the company had funds owing to the CMCL of:		5,972

Andrew Lesperance is a Director of the company and also key management personnel of the Hastings Health Centre Ltd (HHCL).

The company made payments to HHCL of	15,809,774	9,214,462
The company received from HHCL of	1,292	-
As at balance date the company had funds owing to the HHCL of:	870,654	200,231

Hayley Anderson is a senior management employee of the company and also a director of the Hawke's Bay District Health Board (HBDHB) .

The company made payments to the HBDHB of	44,269	-
The company received from the HBDHB of	75,906,753	-
As at balance date the company had funds owing from the HBDHB of:	5,987,717	-

The company transacts with other related parties in the normal course of their business. These entities include those companies in which the Trustees of Te Matau a Maui Health Trust are related by virtue of common governance or management personnel. The aggregate of the capitation received and other payments during the financial year was:

	2022	2021
The company made payments	6,237,260	4,551,138
The company received	3,401	3,951
As at balance date the company had funds owing to	269,303	94,347
As at balance date the company had funds owing from	412	72

15 Impact of Coronavirus (COVID-19)

The ongoing economic effects, supply chain disruption and COVID-19-related illnesses have continued to create a challenge to the company's operating environment as well as for its stakeholders. The company continues to monitor developments and initiate plans to mitigate adverse impacts and maximise opportunities.

While actual results achieved in the 30 June 2022 financial statements have been better than expected in the COVID-19 environment, residual market uncertainty regarding the economic impact of the pandemic remains. Due to the ongoing presence and impacts of the COVID-19 pandemic, volatility is expected in the valuation of the company's investments during the next financial year. The impact of this is uncertain but management have taken appropriate steps throughout the year to update and adapt policies to minimise risk.

It is not possible to estimate the full impact of the COVID-19 pandemic's short and long-term effects. As at the date of the signing of these financial statements, all reasonably known and available information with respect to the COVID-19 pandemic, has been taken into consideration and all reasonably determinable adjustments have been made in preparing these financial statements.



Independent Auditor's Report

To the Directors of Health Hawke's Bay Limited

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 2022, 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).

What we have audited

The financial statements comprise:

- the statement of financial position as at 30 June 2022;
- 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 significant accounting policies and other explanatory information.

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.

Independence

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

Our firm carries out other services for the Company in the areas of annual Budget assistance and new financial system support. The provision of these other services has not impaired our independence as auditor of the Company.

Other information

The Directors are responsible for the other information. The other information comprises the information included in the Annual Report but does not include the financial statements and our auditor's report thereon.

Our opinion on the financial statements does not cover the other information and we do not and will not express any form of audit opinion or assurance conclusion thereon.

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 consistent 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 (PBE IPSAS), 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/assurance-standards/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:

A handwritten signature in black ink that reads 'Maxwell John Dixon'.

Chartered Accountants

Napier

14 October 2022



HEALTH HAWKE'S BAY

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