



HEALTH HAWKE'S BAY

Te Oranga o Te Matau-a-Māui

Rīpoata ā-Tau Annual Report

Health Hawke's Bay Limited

2023



Rārangi Take

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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), serving a population of approximately 168,000. In 2022, 92% of Hawke's Bay's population was enrolled with Health Hawke's Bay.

The Health Hawke's Bay Board, CEO and team are passionate about improving health outcomes and wellbeing of our communities, with a particular focus on Māori health. Our vision has the primary goal being to elevate and provide resources for Māori that enables them — no matter where or when — to be empowered and achieve wellbeing. We believe that timely access to high quality health care is fundamental to improving the health of our region.

We aim to improve health outcomes and wellbeing 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 general practice and other health and social care providers. These services are designed to improve and maintain the health of the enrolled PHO population and achieve equity in health outcomes that exist for Māori, Pasifika and vulnerable populations.

Health Hawke's Bay receives funding from the government 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

These services aim to ensure that general practice is connected with other health services and providers to ensure a seamless continuum of care.

Enrolment in a PHO is voluntary.

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





*Kanohi ki te kanohi,
pakihiwi ki te pakihiwi
**Through unity we
will face adversity***

He Whakakitenga – Our Vision

Whānau ora, hāpori ora

Family wellbeing, community wellbeing

Ngā Mātāpono – Our Values

HeART: He Kauuananu, Ākina, Rāranga te tira, Tauwhiro

He Kauuananu – **Respect**

Showing respect for each other, our staff, patients and consumers.
We actively seek to understand what matters to you.

Ākina – **Improvement**

Continuous improvement in everything we do.
We actively seek to improve our service.

Rāranga te tira – **Partnership**

Working together in partnership across the community.
We will work with you and your whānau on what matters to you.

Tauwhiro – **Care**

Delivering high quality care to patients and consumers.
We show empathy and treat you with care, compassion and dignity.

WAKA: Whakamana, Aroha, Kotahitanga, Auaha

Whakamana – **Empowerment**

We empower others to reach their highest potential.

Aroha – **Compassion**

We care and provide a cloak of support.

Kotahitanga – **Collaboration**

We work together towards shared goals and visions.

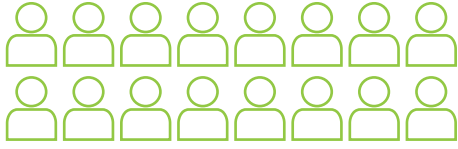
Auaha – **Innovation**

We are inquisitive and seek improvement.

He Whāinga – Our Purpose

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

He Taupori Our Population



167,823

PEOPLE ENROLLED
WITH HEALTH HAWKE'S BAY

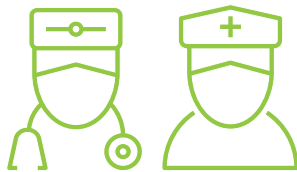
WHICH EQUALS

91.6%

OF HAWKE'S BAY POPULATION
BASED ON 2018 CENSUS DATA

-0.1%

MOVEMENT FROM
PREVIOUS YEAR



757,933

NURSE AND GP CONSULTS
PROVIDED DURING
2022-2023 PERIOD

MĀORI ENROLMENT

0.5% ^

INCREASE TO 43,696
FROM THE PREVIOUS YEAR

PASIFIKA ENROLMENT

2.9% ^

INCREASE TO 6,164
FROM THE PREVIOUS YEAR

ASIAN ENROLMENT

5.3% ^

INCREASE FROM THE
PREVIOUS YEAR TO 8,795

UNDER 14 YEARS ENROLMENT

2.2% v

DECREASE TO 30,796
FROM THE PREVIOUS YEAR

65+ YEARS ENROLMENT

2.0% ^

INCREASE TO 34,212
FROM THE PREVIOUS YEAR

Data from Thalamus Enrolment Dashboard July 1st 2022 to June 30th 2023:
Hawke's Bay population estimates from Stats NZ as at April 2023, sourced via
Ministry of Health Hawke's Bay Enrolled data as of 1st July 2023.



Wairoa

NGO Partner:
Kahungunu Executive

Ahuriri (Napier)

NGO Partners:
Roopū-A-Iwi Trust
Te Kupenga Hauora

Heretaunga (Hastings)

NGO Partners:
Choices: Kahungunu Health Services
Te Taiwhenua o Heretaunga

**Tamatea
(Central Hawke's Bay)**

NGO Partner:
Te Taiwhenua o Heretaunga

Ngā Hoa Kōtuitui Our Practices and Partners

Wairoa Practice Partners

Queen St Practice

Ahuriri Practice Partners

Carlyle Medical Centre
Central Medical Centre
Eastcott Medical
Greendale Family Health Centre
Hawke's Bay Wellness Centre
Maraenui 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 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

Te Koiora Kotahi Tau A Year in the Life

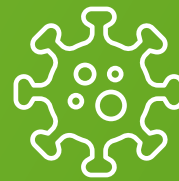


757,933

GENERAL PRACTICE & NURSE
CONSULTATIONS

FLU VACCINATIONS
GIVEN

47,341



IMMUNISATIONS
GIVEN



63%

CERVICAL
SCREENING



CARDIOVASCULAR DISEASE
RISK ASSESSMENT

75%



6,666

HBA1 DIABETES
AND GLYCATED
HAEMOGLOBIN
TESTS GIVEN



B4 SCHOOL
CHECK

88%

Percentages are of those people eligible.

87%

MĀORI REPORT
BEING INVOLVED
IN DECISIONS
ABOUT THEIR CARE
AND TREATMENT



MĀORI WHO
REPORT THEIR
CULTURAL NEEDS
WERE MET

91%

92%

MĀORI WHO REPORTED
THINGS WERE EXPLAINED
IN A WAY THEY COULD
UNDERSTAND

Te Rīpoata ā te Tiamana Chair's Report

Introduction

It is my pleasure to present my Chair report for the 2022–2023 year, outlining the activities and achievements of Health Hawke's Bay – Te Oranga o Te Matau a Māui.

I would like to acknowledge Na Raihania and Chrissie Hape as former Board Chairs for their leadership of the organisation through the challenges of Covid-19 and Cyclone Gabrielle. Chrissie stepped down from the Board in June to focus on her mahi as Chief Executive of Ngāti Kahungunu Iwi Incorporated, where she continues to play an important role in the cyclone recovery effort. Na decided to step down from the Board in September. On behalf of the Board, I would like to wish both Na and Chrissie all the best for the future and have no doubt we will continue to work closely together.

I have been appointed Chair of the Board at a challenging time for the health system as a whole, and for the region of Hawke's Bay. I will detail some of these challenges and our response to them in this report, but I want to acknowledge the incredible response of our general practices, Iwi providers, pharmacies, aged-residential care, NGOs, and the wider Hawke's Bay community to the challenges of recent years. These organisations work every day to better the health of our whānau, and continue to step up when the community needs. It isn't possible to acknowledge every individual and organisation, but please know that your mahi is valued.

I would also like to acknowledge the Health Hawke's Bay team who work incredibly hard to respond to the needs of our provider network. I continue to be impressed with your commitment and focus on achieving equitable outcomes, and it is a privilege to work with you.

Lastly I would like to thank my fellow directors on the Board, and the Te Matau a Māui Trust for your support and guidance.

Cyclone Gabrielle

Cyclone Gabrielle wrought significant destruction throughout Northland, Tairāwhiti and Hawke's Bay, with rural areas of Hawke's Bay particularly affected. With transport and communication networks severely disrupted, and power outages affecting most of the region, our provider network

stepped up to provide vital care, supporting our communities and the satellite clinics, sharing facilities and performing outreach in remote areas. The Health Hawke's Bay team also stepped up in challenging circumstances, working with Te Whatu Ora to fund fee-free services and prescriptions, facilitating emergency dispensing of medications, and advocating at a national level for support. The Health Hawke's Bay kaimahi also contributed significantly to the Tihei Mauri Ora response. We continue to work with providers on updating business continuity plans and disaster response planning.

Covid-19

As our national Covid-19 pandemic response comes to an official end, it is important to reflect on how we responded to the pandemic as individuals, practices, a provider network and a nation. After rapidly developing entirely new ways of working, it is difficult to imagine general practice fully returning to pre-Covid 'business as usual'. Some great innovations will be carried forward, such as our ability to offer a range of appointment modalities to suit our patients, our expertise in phone triaging, and the appropriate use of PPE in general practice to protect staff. Covid-19 is not going away though, and significant challenges remain such as the management of long Covid, increased polarisation around vaccines, and the end of Covid-19-associated funding which helped to support our providers. For many people, particularly those with disabilities or health conditions which increase their vulnerability to Covid, the end of Covid protection measures may be a stressful period. Our Health Improvement Practitioners and Health Coaches may be able to help these people manage this period.

Pae Ora health reforms and Health Hawke's Bay's strategy

The Pae Ora (Healthy Futures) legislation has established a new framework for the health system through the establishment of Te Whatu Ora (Health New Zealand), Te Aka Whai Ora (the Māori Health Authority) and the ongoing process of locality formation.

The reforms are being undertaken in recognition that the health system has been fragmented and inconsistent, and has not delivered equitable

care for everyone, particularly leading to inequities in health outcomes for Māori, Pacific peoples, people with disabilities and people who live rurally.

The Health Hawke's Bay strategy, Ka Hikitia, fits well within the Pae Ora framework and we are continuing to develop our implementation of this in the new system.

Health Hawke's Bay is engaging with national and local leaders to establish our position within the reforms. With the disestablishment of District Health Boards, there will be an ongoing need for local provider network support systems. Health Hawke's Bay is looking forward and planning ahead. We are focused on continuing to add value for providers, expanding our provision of network support services, and collaborating with other Primary Health Organisations throughout the region.

Network sustainability

The primary care workforce is under significant pressure, and this is an area of concern for Health Hawke's Bay. As our long-serving GPs look towards retirement, and our remaining GPs manage increasingly complex patients and report high levels of burnout, we must ensure a sustainable and healthy workforce. Health Hawke's Bay have invested in a recruitment strategy to attract new GPs to the region, and have successfully recruited six GPs to date. We boosted funding for local GP trainees before the College managed to secure an equitable pay package, and are working with local training organisations to place more nursing students in primary care. We have implemented support roles in practices such as clinical pharmacists, and will continue to look at other investments where we can reduce providers' workloads.

Other initiatives

Health Hawke's Bay continues to implement several other initiatives, including:

- Te Kura Nui, our leading cultural safety programme, is being made even more available to practitioners through more flexible delivery modalities.
- Expanding access to Manu Taupua, our supported enrolment scheme for unenrolled people in priority populations.
- Rolling out the ACC GP MRI programme, allowing GPs to directly request advanced imaging for certain injuries.



- Continuing to develop the Te Uru Matai programme of Health Improvement Practitioners and Health Coaches, with a recent review of the programme showing that Health Hawke's Bay is performing well nationally.
- Fully funding access to primary and urgent care services for rangatahi aged 14-25.
- Increasing the breadth of services provided through the CPO programme.
- Piloting a Clinical Assistant programme for inbox result management.
- Expanding our Clinical Pharmacist and Pharmacist Prescriber workforces.
- Broadening the scope of our primary care network.

Financial

The financial results for the year ending June 2023 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.

Korero whakamutunga – conclusion

We have had an extraordinary year on top of the challenges of the preceding three years. Although the health reforms bring uncertainty, they also provide new opportunities to truly achieve Pae Ora with our community.

I am excited to lead this organisation through this process, and once again would like to thank our Health Hawke's Bay staff and the wider primary care providers for their work.

Dr Darran Lowes
Director/Deputy Chair/Chair

Rīpoata ā te Pou Whakarae Managing Director's Report

Tēnā koutou katoa. Ka whakapono ana ahau ki tētahi kīanga, 'Ehara taku toa he toa takitahi, he toa takitini kē'.

Greetings all. There is a saying that I truly believe in, and this is that 'one of us is not as strong as all of us'.

This is an annual report from 'all of us'. A sincere thanks to the CEOs who have led Health Hawke's Bay in the last year or so. Philippa, who led throughout the Covid-19 pandemic and Hayley, who led through the aftermath of the most severe weather event this region has had in recent history. Thank you.

I want to whakamihī (acknowledge) our Iwi providers, general practices, other providers, the doctors, nurses and allied health teams, our whānau, the people of Te Matau a Māui, our community and our amazing teams for their work during the cyclone response. We had many people who, although impacted themselves, worked tirelessly to respond to the aftermath of this cyclone. I am proud to be part of this wider team that leaned in. What strength, what resilience and the recovery still goes on. Thank you.

Now in our third year of the pandemic, I wish to thank our team and all providers for the effort you have put in to keep our community safe and well over the past three years. You are our first line of defence and at times have risked your own health to care for our community. It has been a challenging time; you are doing such important work.

It is my privilege to report back on the last year, picking up the leadership reins whilst the Board recruits a new CEO. This continues to be a time of transition for Health Hawke's Bay and it will be a time of transformation going forward. The health reforms introduced within the Healthy Futures Bill (Pae Ora) on 1 July 2022 are now set in legislation. The future we seek is of opportunities, reducing disparities for our priority population and improving access to health care. For the General Practices and the providers and communities we serve, across both arms of our business, it is also a time of change.

In 2021, Health Hawke's Bay committed to Ka Hikitia – It will be lifted – and this is closely aligned with Pae Ora. This is a visionary strategy to support our provider network to achieve equitable health outcomes with Māori. The commitment is to prioritise achieving equity with Māori at the heart of how we operate, recognise, and embed our commitment to Te Tiriti o Waitangi, embrace wellbeing as a broader concept than health, and partner with other organisations to increase the value we deliver. This commitment continues into our future.

The now

Our people, the teams that support our network of general practices, Iwi Providers and other providers are currently funded and contracted to do this work via the PHO Services Agreement, which also includes the main funding mechanisms for general practice.

Workforce sustainability remains a priority and ongoing engagement with the RNZCGP Hawke's Bay Faculty has identified further opportunities to support recruitment, retention and attraction of early career health professionals to our region.

Te Whatu Ora is working with the sector to redesign the current model to one that may 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.

Cyclone recovery is an ongoing focus as our health system and communities rebuild. The clinical team continues to support the psychosocial response in collaboration with Te Whatu Ora, supporting primary care and sector business continuity and emergency response.

Health Hawke's Bay also delivers clinical services and programmes that are critical components of comprehensive primary care, these programmes detailed later in this report, sit within and alongside general practices, Iwi providers and other primary care providers including our Te Uru Matai and other mental health and wellbeing services.

The future

As the region's only Primary Health Organisation, we strive with our many programmes to enable everyone in our community to have access to essential primary health care services through general practice teams and other health and social services.

This year, members of the Te Matau a Māui Trust, the Board, and Executive Team have planned strategically for the future. We will focus on eight strategic objectives:

- Supporting providers to improve cultural responsiveness and capability.
- Improving access and health outcomes with Māori.
- Improving our responsiveness and support to providers.
- Enhancing our own, and providers' resilience to emergency events.
- Further developing trusting relationships with general practice, Māori providers and wider primary and community care providers.
- Facilitating engagement with communities and providers in the development of localities and locality provider networks.
- Position ourselves as a highly capable Network Support Service provider.
- Collaborating with other PHOs to ensure Health Hawke's Bay's influence and involvement in the development of the future reformed health system.

Our people and teams within Health Hawke's Bay are committed to the actions that will underpin these objectives.

Our strategic partners and relationships

General Practices, Iwi providers, pharmacies, other Allied Health services, NGOs and most of all the people we serve are our stakeholders.

Health Hawke's Bay has a commissioning, service design and funding relationship with Te Whatu Ora. Much of the funding is passed directly through to our providers as part of the PHO service agreement. We acknowledge the health reforms and the opportunities in front of us and the positive and supportive partnership we have with Te Whatu Ora.



Tihei Takitimu Iwi Māori Partnership Board is critical to our organisation and regular discussions and planning working together are of great value.

Te Aka Whai Ora (Māori Health Authority) – we are in a position to provide support in areas such as service design, implementation and change management. Te Whatu Ora and Te Aka Whai Ora are building a regional approach to service provision and commissioning.

Ngāti Kahungunu Iwi – we are proud to have had the value of both the Chair Bayden Barber and the Chief Executive Chrissy Hape on the Health Hawke's Bay Board, influencing leadership, strategy and actions going forward.

The central region PHOs are working collaboratively and coming together regularly to identify opportunities to drive efficiency and effectiveness through collaboration across the region.

A team effort

I am impressed with the work, dedication and achievements of the team at Health Hawke's Bay and our providers are increasingly 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.

I very much look forward to the significant contribution our teams continue to make and look forward to meeting the challenges and making the most of the opportunities in our future.

Adri Isbister
Managing Director

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's 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 Health Hawke's Bay, 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 oranga 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.



Te Kura Nui Cultural Responsiveness Curriculum

Te Pou Tawa (Māori Health Team) at Health Hawke's Bay has developed three modules of delivery – online, in practice and (offsite) face-to-face.

Te Kura Nui, our flagship Cultural Responsiveness curriculum, has been endorsed by the Royal New Zealand College of GPs for clinical staff to receive Continued Medical Education (CME) and Continued Nursing Education (CNE).

Te Kura Nui has implemented three new modules – Pinepine te Kura, Hau te Kura and Whanake te Kura. Two GP providers have opted to have

Te Kura Nui taught in their practices, noting that there is a minimum of 10 required to activate the course. We thank Te Mata Peak Practice and Taradale Medical Centre.

Te Pou Tawa's next steps are to focus on how can we include community pharmacies and Māori health providers who have indicated an interest in Te Kura Nui. We are currently looking at alternative resources and investments through government agencies including Te Whatu Ora and Te Taura Whiri i Te Reo Māori.

E Hao, E Pao – Rangatahi Internship

E Hao, E Pao gives Māori and Pasifika Year 12 and 13 students the opportunity to experience working in primary health care with a view to inspiring them to pursue a career in the sector.

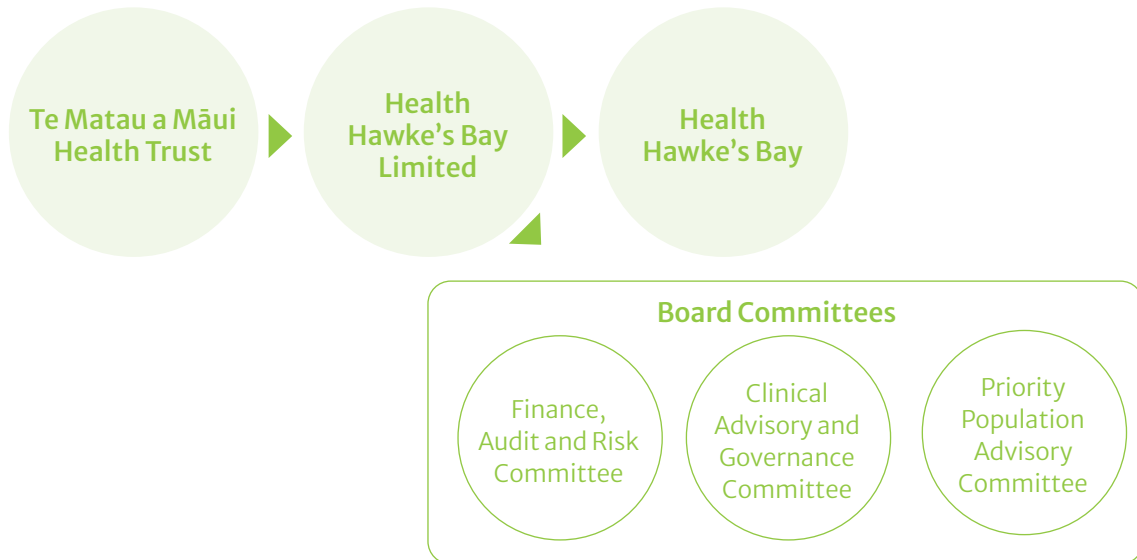
Due to the cyclone, we were unable to host cohort one during the Term 1 and 2 holidays, however, between Term 2 and 3, three rangatahi did our internship within the PHO.

Rangatahi Symposium

This symposium was led by rangatahi for rangatahi, with over 100 students attending. The Symposium showcased a panel of local athletes consisting of a member of the Hawke's Bay Tui, The Magpies and The Hawks. Three sessions were held: Health research led by local rangatahi with Te Pūkenga EIT; Powered by Plants; and Musical Diversity, coordinated by international Māori musician Pere Wihongi. The establishment of the Kāhui Taiohi also came out of the Symposium.

We were unable to complete the first internship due to a heavy workload and the demands on primary health care post-cyclone. However, we're delighted that two students from Te Aute College and Napier Boys' High School have enrolled at Otago University to pursue their health career. We've had huge interest from rangatahi and providers, including pharmacies, for the internship for Terms 3 and 4.

Te Hanganga o te Poari Governance Structure



Board of Directors

Na Raihania	Director/Chair
Chrissie Hape	Director /Deputy Chair/Chair
Dr Nicola (Nicky) Toynton	Director/ Deputy Chair
Dr Darran Lowes	Director/Deputy Chair/Chair
Ana Apatu	Director/Deputy Chair
Bayden Barber	Director/Chair
Hine Flood	Director
Adri Isbister	Director
David Clapperton	Director
Di Koti	Director
Jonathan Bell	Director
Dr Louise Haywood	Director



Na Raihania



Chrissie Hape



Dr Nicky Toynton



Dr Darran Lowes



Ana Apatu



Bayden Barber



Hine Flood



Adri Isbister



David Clapperton



Di Koti



Jonathan Bell



Dr Louise Haywood

Committees

Finance, Audit and Risk (FAR) Committee

Members:

Adri Isbister	Director/Chair
Jonathan Bell	Director/Deputy Chair
Ana Apatu	Director
Jessica Ellerm	Professional Advisor
David Pearson	Professional Advisor
Bayden Barber	Director/Chair
Dr Darran Lowes	Director

Priority Population Advisory (PPC) Committee

Members:

Chrissie Hape	Director/Chair
Hine Flood	Director/Deputy Chair/Chair
Trish Giddens	Member
Luke Tihema	Member
Tuhakia Keepa	Member
Tineka Hall	Member
Ian Graham	Member
Rizwaana Latiff	Member
Na Raihania	Member
David Clapperton	Member

Clinical Advisory and Governance (CAG) Committee

Members:

Leigh White	Director/Chair
Dr Nicky Toynton	Director/Deputy Chair
Dr Darran Lowes	Director/Chair
Dr Louise Haywood	Director/Chair
Di Koti	Director
Dr Raewyn Paku	Member
Dr Kevin Choy	Member
Dr Rachel Monk	Member
Rowan Platter	Member
Diane Redding	Member
Michelle McCarthy	Member
Andy Phillips	Member (Allied Health)

Health Hawke's Bay Poutāhū – Executive Leadership team

Adri Isbister	Managing Director – Pou Whakare
Brendan Duck	Clinical Director – Poutāhū Rongoā
Ken Renz	General Manager Data & Digital – Poutāhū Uru Kahikatea
Sherryl Parkin	Interim General Manager Provider Networks – Poutāhū Matihiko
Deb Fothergill	Interim General Manager Clinical Services – Poutāhū Rau Kawakawa
Fiona Thomson	Medical Recruitment Manager – Poutāhū Kimi Rata
Henry Heke	General Manager Māori Health – Poutāhū Ahurea Māori
Jude McRae	Executive Assistant – Pouārahi Whakarae
Tammy O'Neill	General Manager Finance & Commercial – Poutāhū Arumoni



Adri Isbister



Brendan Duck



Ken Renz



Sherryl Parkin



Deb Fothergill



Fiona Thomson



Henry Heke



Jude McRae



Tammy O'Neill

Priority Population Partnership (PPP) Programme

Last year we reported on the newly formed Provider Networks team and the work completed to engage and transition all practices to our new partnership-based contracts, Priority Population Partnership (PPP) agreements. These high trust, bulk funded agreements have seen a variety of new approaches from providers to the management of our priority populations in general practice. It is acknowledged that providers know and understand their practice population best, and as such are in a prime position to deliver services using new approaches, with whānau input.

PPP agreements are aligned to our Ka Hikitia strategy which focuses on achieving equitable health outcomes for Māori. The four Pou or outcomes are:

- Providers are well-equipped to serve Māori
- Services are accessible where and when Māori need them
- Care provided to Māori is of high quality
- Resources are available for Māori to manage their health and wellbeing.

In partnership with each of the practices, our Provider Network team develops and maintains its individual PPP 'plan' focusing on clinical and cultural responsiveness measures, and ensuring patient voice is captured and heard through the Patient Experience Survey (PES), and that enabling systems are in place. The Provider Network team assists practices to set achievable targets each quarter with a focus on closing the equity gap between Māori and non-Māori, and offers support to achieve these targets.

Clinical and quality of care measures: the clinical measures are based around priority health conditions of diabetes, asthma and COPD and cardiovascular disease screening and also include health screening measures such as childhood and influenza immunisations and cervical screening.

Cultural responsiveness curriculum: with the support of our Māori Health Team, practices are supported to enhance their cultural responsiveness through engagement with Te Kura Nui. We have been able to support the development of relationships with Kaupapa Māori service providers, therefore ensuring practices are aware of options for their patients/whānau and fostering patient choice.

The Patient Experience Survey (PES) process is managed by the Te Tahū Hauoro Health and Safety Quality Commission and is one tool to measure patient satisfaction with the care they receive. We include the response rate to several key questions within the survey which are aligned with Ka Hikitia outcomes and include patients experience with feeling their cultural and individual needs were met, whether they felt respected, and things were explained to them in a way they could understand.

Enabling systems include, but are not limited to, implementation of Halcyon claiming and reporting system, enhancements to our Thalamus reporting platform which provides monthly data containing within the PPP plan and the Shared eHealth Record (SeHR).

A year on, we are in the process of completing a formal evaluation of this programme. This has been completed with internal and external stakeholders using a variety of tools to engage and listen, including face to face meetings, telephone and virtual conversations and an electronic survey.

This evaluation will provide us with the opportunity to robustly review the PPP programme, identify opportunities for improvements, including proposed development measures to better identify the programme's impact on health outcomes.

“Regular team meetings and communication endorses our goal. We discuss not only our goals, but our culture as a practice – so we can achieve equitable treatment that isn’t measured in the PPP targets.”

“I like the concise layout, we can share it with other members of the team and can make plans of how to meet goals – bring up in nurse meetings and practice meetings. This has been really helpful for us when doing the equity model to reduce barriers and where we need to reduce the equity gaps. Gives us accountability and it is nice to hear that we are doing well. We try and make it achievable.”

“The PPP process has definitely given focus, time for reflection and focus on specific services.”

“It has opened up the ability to offer things to people that we might not been able to before and generally having the opportunity to offer and ask more than before.”

He Kohinga Toitū Network Sustainability

Investment in our current and future workforce is key to the sustainability of our health network and our ability to deliver high quality health and wellness services for our enrolled population.

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

Medical workforce recruitment

Health Hawke's Bay relies on a flow of International Medical Graduates (IMG) and we are competing for IMGs in a highly competitive international market. We have made significant investment in supporting and subsidising the recruitment and retention of our GP workforce.

Our partnership with the global medical recruitment organisation Medrecruit has brought six IMG GPs to Hawke's Bay in the last year and this has been achieved within the context of a global pandemic and Cyclone Gabrielle.

Medical workforce pipeline

Health Hawke's Bay recognises the need to be proactively 'growing' our future GP workforce if we are to retain a frontline health care workforce for our enrolled population. We have invested in supporting practices and GP Registrar placements (the pathway to vocational registration). In 2023, we secured placements for ten candidates in the first year of the GP Education Programme (GPEP1) and majority of GPEP1s have indicated they are staying on within the Hawke's Bay network for GPEP2 and beyond.

Nursing workforce pipeline

Health Hawke's Bay continues to work closely with Eastern Institute of Technology (EIT) on our future nursing workforce, developing nursing student knowledge and skills for primary care nursing. We have supported 20 third-year nursing student placements and four Nurse Entry to Practice (new graduates) places into general practices.

In partnership with Te Whatu Ora, Health Hawke's Bay supports the development of advanced nursing roles within primary care, including the Registered Nurse Prescribing in Community Health (RNPCH) programme and National Nurse Practitioner Training Programme (NPTP). We welcomed nine RNPCH nurses to general practice at the end of 2022 and our Nurse Practitioner Advisor is supporting three Nurse Practitioner candidates to complete the NPTP in 2023.





Huripari Kaperiere Cyclone Gabrielle

The impact of Cyclone Gabrielle on our communities has been immense. Health Hawke's Bay contributed significantly to the cyclone's health response through Te Whatu Ora CIMS, presence on the ground at Civil Defence in multiple capacities, and Tihei Mauri Ora.

Our response was supported by an internal CIMS structure and an Incident Management Team. Losing communication to our providers and staff created an unprecedented challenge, alongside isolation from Napier, Wairoa, and our rural communities.

The Health Hawke's Bay CIMS structure included leadership that supported primary care and pharmacies to get up and running as soon as possible to minimise the impact of our communities not being able to access to health services. Health Hawke's Bay's response focused on continuity of practice services through workforce support, co-ordinated psychosocial services, public health messaging, practice messaging, and collaborating with Te Whatu Ora and Civil Defence to deliver health services.

Highlights:

- Collaborating with Te Whatu Ora to improve access to health services through removal of co-payment for primary care services and medicines
- Co-ordinated approach to psychosocial services to whānau impacted by the cyclone

- Lead for supply of medicines to displaced whānau or those living in isolated communities
- Extension of the emergency supply of medicines from pharmacies without a prescription to 14 days
- Clinical support of pharmacies for the emergency supply of medicine
- Co-ordination of the supply of medicines to isolated communities and health flight teams
- Collaboration with Te Whatu Ora to develop standing orders to enable RNs to have medical supplies in isolated communities
- Tihei Mauri Ora support to ensure medicines, welfare supplies and health services were available to displaced and vulnerable whānau or those living in isolated communities
- Co-ordinating workforce support for primary care, pharmacies, and psychosocial services into vulnerable communities.
- Health liaison role within Civil Defence, assisting to streamline the process for delivering health services to Civil Defence Centres and isolated communities.
- Supporting the operation of the community-led health clinic in Bay View.

Workforce Support

Our practices, despite being impacted by the cyclone, continued to deliver vital care and support to communities throughout this difficult time. Health Hawke's Bay identified early in the response the significant mahi practices were

undertaking to support communities and their teams, and recognised they would begin to tire over the weeks following.

Through GPNZ, offers of assistance for workforce support were received from several PHOs and practices across the motu. With 21 requests from practices for workforce relief, Health Hawke's Bay worked with Te Whatu Ora nationally to engage with NZ Locums to bring relief workforce into Hawke's Bay. Health Hawke's Bay facilitated the placement of seven doctors (including two rural hospital specialists), three nurse practitioners and two registered nurses.

The Health Hawke's Bay Te Uru Matai and Te Whatu Ora Mental Health and Addictions teams collaborated to respond to the growing

need for psychosocial support for displaced whānau. To support the psychosocial response, Health Hawke's Bay facilitated the placement of six health improvement practitioners (HIPs) from outside of Hawke's Bay, some even staying overnight in isolated areas to ensure the community was able to benefit from spending time with them.

We identified early in the cyclone response there was a need for support of community pharmacies. Hawke's Bay pharmacies supported whānau and communities with medicine, first aid and hygiene products in the days after the cyclone, despite many being without power and often for extended hours.



Te Uru Kahikatea Data and Digital

A year of consolidation, cyber security uplift, and collaboration

The last 12 months have seen Data and Digital involved in taking all Health Hawke's Bay's ageing on-premise architecture and moving it to a cloud environment. This helps future-proof the organisation for scalability (as we grow), geographical availability (access anywhere, anytime) and enhances the security of the data and information we hold on behalf of others.

Cloud adoption also requires new skills and roles, including cloud architects and engineers required to optimise, maintain, and define standards for configuration and security in association with Health Hawke's Bay's partners. This has provided the opportunity for development and changes in responsibilities across the team.

At the start of the year, Health Hawke's Bay undertook an evaluation of its cyber security position to provide a baseline of how well it is prepared to manage and repel cyber security attacks. This included testing the technology infrastructure for how, and if, it can be penetrated by online cyber criminals. Following on from this baseline audit, the first tranche of enhancements was implemented, including the introduction of two-factor authentication for access to our systems.

Communication and access to information are always a priority and the rollout of Mokowhiti (Heartbeat), our SharePoint intranet, will enable staff to 'put their finger' on the information they are seeking much more efficiently, as well as enabling teams to contribute content to their specific areas. A great feature is the inclusion of team member photos and roles as with so many of the team spread across the motu, they don't all get a chance to meet face to face. So knowing who to go to and what they look like is a bonus.

In terms of practical application, the integration of information packets into Health Hawke's Bay's reporting portal, Thalamus, has significantly improved the ability to securely share files with its affiliated practices. This feature marks the first step in providing practices with a centralised platform where they can conveniently access various types of information such as clinical guides, contracts, reports, and other relevant materials all in one place.

In response to feedback from practices, Thalamus has also been the gateway for delivering ongoing improvements to Priority Population Partnership (PPP) measures. In every case, the key to driving benefits has been collaborating closely with the Provider Networks Team to dive into the detail behind measures. By acquiring a deep understanding of each coded response and question, Data and Digital rectified the accuracy of Patient Experience Survey (PES) measures, which provide an important qualitative measure of Ka Hikitia outcomes.

Data and Digital also developed a method with greater sensitivity for determining childhood immunisation statuses at eight months and two years. The new method overcomes complexity caused by changes to the National Immunisation Schedule and variation in dose configuration across Patient Management Systems (PMS). As a reflection of the complexity being grappled with, one of the main drivers of the new Aotearoa Immunisation Register (AIR), scheduled for launch late 2023, is to enable efficient and accurate adoption of schedule changes.

To empower practices with insight and detail, Data and Digital created patient lists for all PMS-derived measures directly linked and exportable from the PPP dashboard on Thalamus. Building the equivalent queries or reports in their PMS is sometimes not functionally possible and often only suited for advanced users. Therefore, the pre-built reports democratise the ability to identify and correct data issues and offers a user-friendly layout that can support the practice workload with screening and recall activities. Since the addition in April, practice staff have visited the Thalamus report and lists over one hundred times every month, which is almost double the average monthly visits prior.

With a view to greater connectivity and standardisation, Data and Digital continue the collaboration with systematic reviews of screening terms and forms in use and investigation of variation in diagnostic classifications and prescribing. Data and Digital looks forward to supporting practices to achieve greater insight into their operations.

HealthPathways

The Hawke's Bay team continues to be productive. We have successfully localised and published 250 pages as at the end of June 2023. Notable was the rapid development, following Cyclone Gabrielle, of a Post-natural Disaster Health pathway by our Senior Clinical Editor, in collaboration with Dr Justine Lancaster, National Clinical Lead for HealthPathways.

Among the many categories of work published, we now have fourteen mental health pages, covering adult and older persons' mental health and ten diabetes pages, live on our site.

As a collaborative community we continue to work alongside all regions and at a national level, evidenced in the development of national

pathways which we adopt and then adapt, to reflect local practice. National pathways that were localised and published within the last year include MPox and Pelvic Mesh Complications in Women. Also, soon to be published are the Cervical Screening and Hepatitis C national pathways. Other planned national work under development includes Abnormal Uterine Bleeding and Asthma in Children.

Utilisation of HealthPathways continues to grow. Data shows that there was a 19.5% increase in site visits, compared to the previous year, and that 67.7% of those who visited the Hawke's Bay site during the last year, were new users.





Kēmehi Pharmacy

The impacts of Cyclone Gabrielle alongside Covid-19 further strengthened collaboration between community pharmacy and general practice to support community health services.

The cyclone's significant impact on Hawke's Bay resulted in reduced access to health services, including medicines and advice for minor conditions for communities isolated because of the weather event. Led by Health Hawke's Bay in collaboration with Te Whatu Ora, rapid implementation of emergency access to essential medicines, funding for hygiene supplies, and no cost prescriptions supported Community Pharmacies to deliver services to whānau impacted by the cyclone.

A proposal for funded Community Pharmacy Minor Ailments Services (MAS) by Te Whatu Ora and supported by Health Hawke's Bay was approved as part of the Cyclone Response. The MAS increases access to pharmacists to support for whānau health needs, with triage, health advice and medicines. The MAS is included in the National System Pressures programme to help reduce demand on primary care practice and ED. Health Hawke's Bay is supporting the delivery of MAS to community pharmacies in Hawke's Bay, as our team created resources, training and safe patient-centred pathways for the MAS services to be delivered by pharmacies. The following conditions are included in MAS – minor skin conditions, eye infections, gastrointestinal rehydration treatment and management of UTIs.

Mate Taihā Gout Service and the Targeted Immunisation Programme are new services delivered by community pharmacies to support equity of access to gout and immunisation services for Māori and Pasifika. Health Hawke's Bay, led by the Population Health Clinical Pharmacist team, has supported pharmacies with regional standing orders for gout management and resources, training and safe patient-centred pathways to support the delivery of these programmes.

Hawke's Bay continues to lead the way for Clinical Pharmacist services in general practice. The team has grown this year to 14 FTE, supporting the development of integrated primary care teams aligned to Te Pae Tata and 90% of the Hawke's Bay population. The team is also aligned with our Ka Hikitia strategy, prioritising services for Māori, to support our provider network to achieve equitable health outcomes with Māori.

The Population Health Clinical Pharmacist team continues 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 diabetes, heart disease and respiratory disease, with a focus on the equity of preventative therapy was well received. The team revised and published the Hawke's Bay Aged Residential Care (ARC) Diabetes Management Guideline, a significant achievement which continues the focus on best practice management of diabetes in ARC. Over the next year, the team will lead quality improvement plan with ARC on diabetes.

Te Uru Mataī – Integrated Primary Mental Health and Addictions Service

The roll out of Te Uru Mataī continues to gain strength with Health Improvement Practitioners (Pouora) and Health Coaches (Poutoko) now being accessible to 135,000 Enrolled Service Users (ESU) through general practice.

The success of Te Uru Mataī is in part due of the ability to provide free and prompt appointments for patients (tangata whai ora) seeking help to improve their day to day challenges, addictions, social issues and long-term and other physical health conditions. These roles are based in general practice and supported by community-based NGO employed community support workers (Poumāhū).

Our Pouora and Poutoko were well utilised following Cyclone Gabrielle, with a marked increase in presentations from impacted communities requiring support with their immediate wellbeing needs. As well as providing initial support, the team has played a key role in helping patients to access further support where required.

A recent evaluation of Te Uru Mataī has been completed with key recommendations now being considered as we look to further embed, ensuring the service continues to grow, adapt, and provide valuable support to both patients and healthcare providers, positively impacting the community.

Poukōrero Rongoā – Talking Based Therapy

Our Poukōrero Rongoā continues to provide accessible talking-based therapies to people experiencing mild to moderate mental health distress. Services are delivered in a mixed model approach of recruited therapists along with utilising the skills of independent contractors. This mixed model enables Health Hawke's Bay to ensure services are delivered from locations in Central Hawke's Bay, Hastings, Napier and Wairoa.

Our clinicians and providers come from diverse backgrounds, all with extensive experience and

education in delivering talking-based therapies, including Cognitive Behavioural Therapy, Dialectical Behavioural Therapy, Strength Based, Solution Focused and Eye Movement Desensitisation and Reprocessing Therapy.

Post Cyclone Gabrielle, our Talking Based therapy team enabled impacted patients and general practices to access prompt therapeutic support. We continue to offer access to our team should anyone navigating the impact of the cyclone need additional wellbeing support.

Kia Manawaroa Ahau – Let's Make Me Resilient

Edmond Otis and Associates

Health Hawke's Bay continues to work with Edmond Otis and Associates to deliver resilience education training in local secondary schools. 'Let's Make Me Resilient' teaches rangatahi strategies to manage everyday life pressures

with a positive perspective. This in-school training looks to build rangatahi's capacity to manage stressors, ask for help and notice when those around them may need help too. Our aim in enabling this training for schools is that it has a positive impact on the mental wellbeing of rangatahi in the Hawke's Bay region.

Te Matau a-Māui Hauora Haukū-Nui Symposium Health Hawke's Bay Symposium

Health Hawke's Bay held a successful symposium in August. Day one focused on Rangatahi see page 15. The second day focused on clinicians continuing medical education and future workshops and inspiring key notes.

A great networking opportunity. Health Hawke's Bay is thankful for the College of General Practitioners Hawke's Bay Faculty, who organised and presented the Primary Care awards at a well-attended dinner.



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Health Hawke's Bay Limited

Statement of Responsibility

for the year ended 30 June 2023

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 2023 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 2023.

For and on behalf of the Board:



Director:

Dated: 27/09/2023



Director:

Dated: 27/09/2023

Health Hawke's Bay Limited

Annual Report

for the year ended 30 June 2023

The Board of Directors present their Annual Report including the financial statements of the Company for the year ended 30 June 2023.

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: 27/09/2023



Director:

Dated: 27/09/2023

Health Hawke's Bay Limited Directory

as at 30 June 2023

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:	Ana APATU (appointed 14 July 2022) Bayden BARBER (resigned 18 November 2022) Jonathan BELL (appointed 14 July 2022) David CLAPPERTON (appointed 14 July 2022) Hine FLOOD Christina HAPE (resigned 14 June 2023) Louise HAYWOOD (appointed 20 March 2023) Adri ISBISTER (appointed 14 July 2022) Dianne KOTI (appointed 14 July 2022) Darran LOWES Na Rongowhakaata RAIHANIA Nicola TOYNTON (resigned 01 December 2022) Leigh WHITE (resigned 14 July 2022)
Shareholder:	Te Matau a Māui Health Trust 100 shares
Bankers:	BNZ
Solicitors:	Langley Twigg Law NAPIER
Auditors:	PricewaterhouseCoopers NAPIER

Health Hawke's Bay Limited Statement of Service Performance

for the year ended 30 June 2023

Our Vision

Whānau Ora, Hapori Ora – Family Wellbeing, Community Wellbeing

Our Purpose

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

Our Long-Term Goals

Ka Hikitia

To support our provider network to achieve equitable health outcomes with Māori.

Health Outcomes

To support providers to achieve health equity and improve health outcomes for all living in Hawke's Bay.

Health Sector Reforms

To positively influence and support the development and delivery of primary health care services that meet the needs of the people of Hawke's Bay.

About Us

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 fund primary care health services for providers across Hawke's Bay including general practices, pharmacies and community health organisations. We also deliver some services directly to our population via Health Improvement Practitioners, Health Coaches and Talking-based Therapists.

STRATEGIC PRIORITIES	MEASURE	2022/23 OUTCOME	2021/22 OUTCOME
<i>Focus on achieving equity for our diverse communities especially for Māori, as well as Pacific, disabled and other groups who currently have poorer outcomes.</i>	Enrolment is open to priority populations.	14/25 clinics enrolling priority population patients.	13/26 clinics enrolling priority population patients.
<i>Empower our community by supporting individuals, whānau, and communities to influence the factors and decisions that shape their health care.</i>	Implement LOGIQC QMS platform to providers to record incidents and complaints.	Implemented by 14/25 clinics.	Implemented by 9/26 clinics.
<i>Create sustainability for our people through high quality health services, business excellence and partnership with funders, providers, and the community.</i>	Implementation of Te Uru Matai (Integrated Primary Mental Health and Addiction Services)	Implemented by 19/25 clinics.	Implemented by 11/26 clinics.
<i>Support general practice teams to maximise their capability, capacity, responsiveness, and resilience to benefit the population.</i>	Develop/enhance non-medical prescribing capability.	7 primary care pharmacists started pharmacist prescriber programme.	9 nurses enrolled in community prescribing programme.
<i>Work in partnership with the Hawke's Bay health sector and related agencies to support service integration to strengthen and promote comprehensive community-based health and care services.</i>	Implement Rongoā services in Hawke's Bay.	5/5 Māori health providers contracted to provide services.	3/5 Māori health providers contracted to provide services.
<i>Position Health Hawke's Bay to have a credible ongoing role within the reformed health sector.</i>	Achieve 60% provider satisfaction rate with Health Hawke's Bay.	No survey conducted.	58%

Health Hawke's Bay Limited

Statement of Comprehensive Revenue and Expenses

for the year ended 30 June 2023

	NOTE	2023	2022
REVENUE			
Contract revenue	1	81,943,604	90,900,321
Total revenue		81,943,604	90,900,321
EXPENSES			
Contract payments	2	74,144,509	85,579,189
Fees paid to auditors for:			
Annual audit of financial statements		42,381	35,175
Advisory Services		32,018	59,122
Advisory committee fees		49,512	57,031
Directors fees		174,012	148,133
Director meeting expenses		188,003	138,220
(Gain)/Loss on disposal of plant and equipment		(2,149)	2
Depreciation	8	131,060	117,517
Occupancy costs		138,563	99,620
Other costs		1,938,425	761,214
Salaries and wages	4	6,131,759	4,696,599
Total expenses		82,968,093	91,691,822
Operating surplus/(deficit) before financing		(1,024,489)	(791,501)
Finance revenue	3	51,922	31,419
Net finance revenue		51,922	31,419
Gain/(Loss) on disposal of available for sale financial assets		(1,355)	(8,256)
Net other gains		(1,355)	(8,256)
Surplus/(deficit) for the period		(973,922)	(768,340)
OTHER COMPREHENSIVE REVENUE AND EXPENSE			
Item that will be reclassified to surplus/(deficit)			
Gain/(loss) on revaluation of available-for-sale financial assets		(4,872)	(156,745)
Other comprehensive revenue and expense for the period		(4,872)	(156,745)
Total comprehensive revenue and expense for the period attributable to owners		(978,794)	(925,085)

Health Hawke's Bay Limited

Statement of Changes in Equity

for the year ended 30 June 2023

2023

	NOTE	SHARE CAPITAL \$	AVAILABLE FOR SALE REVALUATION RESERVE \$	RETAINED EARNINGS \$	TOTAL EQUITY \$
Balance as at 1 July 2022		1	(130,654)	2,751,832	2,621,179
Surplus/(deficit) for the period				(973,922)	(973,922)
Other comprehensive revenue and expense			(4,872)		(4,872)
Total comprehensive revenue and expense for the period attributable to owners		-	(4,872)	(973,922)	(978,794)
Balance as at 30 June 2023		1	(135,526)	1,777,910	1,642,385

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

Health Hawke's Bay Limited

Statement of Financial Position

as at 30 June 2023

	NOTE	2023	2022
ASSETS			
Cash and cash equivalents	5	4,369,426	1,985,209
Trade and other receivables	6	5,495,227	6,242,134
Other investments	7	0	191,159
Total Current Assets		9,864,653	8,418,502
Plant and equipment	8	290,430	355,072
Other investments	7	2,238,593	1,983,854
Total Non-Current Assets		2,529,023	2,338,926
Total Assets		12,393,676	10,757,428
LIABILITIES			
Trade and other payables	9	2,671,633	4,459,279
GST Payable		495,877	260,718
Employee benefits	10	467,889	492,796
Reserve funding		5,749,895	2,516,851
Revenue in advance		1,365,997	406,605
Total Current Liabilities		10,751,291	8,136,249
EQUITY			
Share Capital	12	1	1
Available for sale revaluation reserve		(135,526)	(130,654)
Retained Earnings		1,777,910	2,751,832
Total Equity		1,642,385	2,621,179
Total Equity and Liabilities		12,393,676	10,757,428

Health Hawke's Bay Limited

Statement of Cash Flows

for the year ended 30 June 2023

	NOTE	2023 \$	2022 \$
CASHFLOWS FROM OPERATING ACTIVITIES			
Receipts from contracts		86,877,000	89,063,544
Payments to suppliers		(84,645,789)	(88,733,242)
GST received (paid)		235,158	55,487
Net cashflows from/(used in) operating activities		2,466,369	385,789
CASHFLOWS FROM INVESTING ACTIVITIES			
Net Cash Flows from investments		(69,806)	29,446
Acquisition of plant & equipment		(64,268)	(191,291)
Disposal of plant & equipment		0	0
Acquisition of intangible assets		0	0
Interest received		51,922	31,419
Net cashflows from/(used in) investing activities		(82,152)	(130,426)
Net increase/(decrease) in cash and cash equivalents		2,384,217	255,363
Cash and cash equivalents at the beginning of the year		1,985,209	1,729,847
Cash and cash equivalents at the end of the year	5	4,369,426	1,985,210
RECONCILIATION TO PROFIT/(LOSS) FOR THE PERIOD			
Surplus/(deficit) for the period		(978,794)	(925,085)
Adjustments for non-cash items;			
Depreciation		131,060	117,517
Amortisation		0	0
(Gain)/Loss on sale of plant and equipment		(2,149)	2
(Gain)/Loss on sale of investments		1,355	8,256
Movement in available for sale revaluation reserve		4,872	156,745
Adjustments for non operating items;			
Interest Received		(51,922)	(31,419)
Adjustments for movements in;			
Decrease/(Increase) in trade and other receivables		740,960	(3,090,138)
Increase/(Decrease) in GST		235,158	55,487
Increase/(Decrease) in trade and other payables		(1,781,700)	2,630,126
Increase/(Decrease) in employee entitlements		(24,907)	210,915
Increase/(Decrease) in prepaid revenue		959,392	241,558
Increase/(Decrease) in reserve funding		3,233,044	1,011,825
Net cashflows from/(used in) operating activities		2,466,369	385,788

Health Hawke's Bay Limited

Significant Accounting Policies

for the year ended 30 June 2023

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 2023 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 28.

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.

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 New Zealand) population based revenue

The company receives annual funding from the Te Whatu Ora, which is based on enrolled patient levels within the Hawke's 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: 3–17 years (6%– 30%)
Computer Equipment: 3–5 years (20%–33.3%)
Leasehold improvements: 15 years (6.67%)
Motor Vehicles: 5 years (20%)

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

Notes to the Financial Statements

for the year ended 30 June 2023

1 Contract revenue

	2023 \$	2022 \$
Capitation	39,168,131	37,496,875
Care Plus	3,470,436	3,392,977
Services to Improve Access	2,890,293	2,909,848
Health Promotion	1,172,228	685,318
Health Pathways	259,105	253,403
Coordinated Primary Options	2,223,585	1,610,979
System Level Measures	937,812	835,526
Primary Mental Health Initiative	1,114,927	1,090,393
Integrated Primary Mental Health and Addiction Services	3,760,255	3,072,911
Before School Checks	479,353	469,954
Management services revenue	3,866,390	4,867,763
Rural Health	540,341	888,271
Other Contracts	3,629,264	1,790,709
Provider Partnership	6,059,123	5,969,600
COVID-19	9,890,435	25,565,794
Disaster Relief	NEW 2,481,925	-
Total contract revenue	81,943,604	90,900,321

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

	2023 \$	2022 \$
Capitation	39,178,015	37,496,875
Care Plus	3,440,246	3,311,709
Services to Improve Access	3,080,590	3,080,765
Health Promotion	1,144,827	586,011
Health Pathways	33,520	253,403
Coordinated Primary Options	2,535,470	1,610,979
System Level Measures	796,653	835,526
Primary Mental Health Initiative	831,996	1,090,393
Integrated Primary Mental Health and Addiction Services	2,029,133	1,833,351
Before School Checks	477,431	469,954
Provider Partnership	6,033,537	5,969,600
Rural Health	540,281	888,271
Other Contracts	1,897,275	2,585,243
COVID-19	9,693,557	25,567,109
Disaster Relief	NEW 2,431,978	-
Total contract payments	74,144,509	85,579,189

3 Finance revenue

	2023 \$	2022 \$
Interest revenue		
Loans and receivables	1,567	1,536
Available-for-sale financial assets	50,355	29,883
Total finance revenue	51,922	31,419

4 Employee benefit expense

	2023 \$	2022 \$
Wages and Salaries	5,987,452	4,608,171
Other employee benefits	144,307	88,428
Total employee benefit expense	6,131,759	4,696,599

5 Cash and cash equivalents

	2023 \$	2022 \$
Current accounts	4,368,454	1,984,238
Term deposits	-	-
Petty cash	972	971
Total cash and cash equivalents	4,369,426	1,985,209

6 Trade and other receivables

	2023 \$	2022 \$
Trade receivables	5,190,075	5,992,811
Other receivables	270,599	208,824
Prepayments	34,552	40,500
Total trade and other receivables	5,495,227	6,242,134

7 Other investments

	2023 \$	2022 \$
Current fixed interest bonds	0	191,159
Non-current fixed interest bonds	2,238,593	1,983,854
Total other investments	2,238,593	2,175,013

8 Plant and equipment

	MOTOR VEHICLES	LEASEHOLD IMPROVEMENTS	COMPUTER EQUIPMENT	FURNITURE AND FITTINGS	TOTAL
			\$	\$	\$
Balance as at 1 July 2022	30,190	91,404	166,587	66,890	355,072
Acquisitions	-	-	60,039	7,764	67,803
Disposals	-	-	(5,652)	-	(5,652)
Depreciation Expense	(19,604)	(9,432)	(83,928)	(13,829)	(126,793)
Balance as at 30 June 2023	10,586	81,970	137,046	60,825	290,430
Cost	97,906	141,297	391,809	137,705	768,721
Less: Accumulated Depreciation	(87,320)	(59,327)	(254,763)	(76,880)	(478,291)
Balance as at 30 June 2023	10,586	81,970	137,046	60,825	290,430

	MOTOR VEHICLES	LEASEHOLD IMPROVEMENTS	COMPUTER EQUIPMENT	FURNITURE AND FITTINGS	TOTAL
			\$	\$	\$
Balance as at 1 July 2021	49,771	100,829	61,592	69,107	281,300
Acquisitions	-	-	181,730	11,452	193,182
Disposals	-	-	(1,893)	-	(1,893)
Depreciation Expense	(19,581)	(9,425)	(75,041)	(13,669)	(117,517)
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

9 Trade and other payables

	2023 \$	2022 \$
Trade payables	1,464,351	3,739,692
Sundry payables	1,207,282	719,587
Total trade and other payables	2,671,633	4,459,279

10 Employee benefit liability

	2023 \$	2022 \$
Wage accrual	187,240	205,063
Liability for annual leave	280,649	287,733
Total employee benefit liability	467,889	492,796

11 Financial instrument classification

2023

	LOANS AND RECEIVABLES \$	AVAILABLE FOR SALE \$	OTHER AMORTISED COST \$	TOTAL CARRYING AMOUNT \$
ASSETS				
Cash and cash equivalents	4,369,426	-	-	4,369,426
Trade and other receivables	5,460,675	-	-	5,460,675
Other investments	-	-	-	-
Total current financial assets	9,830,101	-	-	9,830,101
Other investments	-	2,238,593	-	2,238,593
Total non-current financial assets	-	2,238,593	-	2,238,593
Total financial assets	9,830,101	2,238,593	-	12,068,694
LIABILITIES				
Trade and other payables	-	-	2,671,633	2,671,633
Total current financial liabilities	-	-	2,671,633	2,671,633

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

Fair value disclosures

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

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 Company'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 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's investment portfolio is managed by Stewart Group, 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.

2023	GLOBAL BONDS	NZ BONDS	CASH & CASH EQUIVALENTS	TOTAL
AAA to AA-	70%		100%	
A+ to A-	18%			
BBB+ to BB+	13%			
Unrated				
Funds Invested	\$2,238,593	\$-	\$4,369,426	\$6,608,018
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

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

	2023	2022
Ordinary shares	\$	\$
Opening Balance	1	1
Issue of ordinary shares for cash	-	-
Closing Balance	1	1

Share capital

At 30 June 2023 share capital comprised 100 ordinary fully paid shares (2022:100). 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;

	2023 \$	2022 \$
Less than one year	26,896	8,956
Between one and five years	37,362	20,758
More than five years	-	-
	64,258	29,714

During the year ended 30 June 2023, \$19,456 was recognised as an expense in the Statement of Comprehensive Revenue and Expenses in respect of operating leases (2022: \$15,642).

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 Māui Health Trust, which controls 100% of the voting shares in the company.

Trustees of Te Matau a Māui Health Trust include general practitioners who are recipients of funds allocated by Te Whatu Ora via the Company. These transactions have been carried out at arms length.

Payments made

During the period the Company made payments totalling \$82,443 (2022: \$42,181) to the Trustees of the Te Matau a Māui Trust in shareholder meeting attendance fees. These have been included in advisory committee fees.

Key Management Personnel

The Company 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 approved expenses such as kilometre reimbursements and training expenses.

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

	2023 \$	2022 \$
Director's fees paid to members of the governing body	174,012	148,133
Director's expenses paid to members of the governing body	8,793	138,220
Meeting attendance fees paid to members of the governing body		2,850
Members of the senior management team	1,398,568	1,031,965

The governing body was made up of 10 individuals as at 30 June 2023 (2022: 10).

The senior management team was made up of 7.5 FTEs as at 30 June 2023 (2022: 7).

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.

	2023	2022
Darran Lowes, a Director of the company is also a Director and shareholder of Taradale Medical Centre Ltd (TMCL) and a shareholder of City Medical Ltd (CML). Taradale Medical Centre Ltd and City Medical Ltd received capitation and other payments during the financial year of:		
The company made payments to TMCL of	3,730,168	3,951,083
The company made payments to CML of	734,201	175,179
The company received from TMCL:	10,035	2,506
The company received from CML:	-	-
As at balance date the company had funds owing to the TMCL of:	35,414	152,437
As at balance date the company had funds owing to the CML of:	14,692	12,367

Nicola Toynton, a Director of the company, is also a Director, shareholder and general practitioner of Clive Medical Centre Ltd (CMCL). Nicola ceased as a Director and shareholder of CMCL on 23 February 2022 and as a Director of the Company on 01 December 2022. CMCL received capitation and other payments during the financial year of:

The company made payments to CMCL of	813,055	431,760
The company received from CMCL:	348	
As at balance date the company had funds owing to CMCL of:	3,558	-

Andrew Lesperance is a Director of the company and also key management personnel of the Hastings Health Centre Ltd (HHCL) (ceased in both roles 30 November 2021).

Louise Haywood (Cope) is a Director of the Company (appointed 20 March 2023) and is a Director and Shareholder at The Hastings Health Centre Ltd. The Hastings Health Centre Ltd received capitation and other payments during the financial year of:

The company made payments to HHCL of	11,753,911	15,809,774
The company received from HHCL:	29,174	1,292
As at balance date the company had funds owing to the HHCL of:	122,590	870,654

Hayley Anderson was a senior management employee of the Company (resigned 30 June 2023) and was also a director of the Hawke's Bay District Health Board (HBDHB) (ceased 30 June 2022).

	2023	2022
The company made payments to the HBDHB of	110,880	44,269
The company received from the HBDHB:	10,128,056	75,906,753
As at balance date the company had funds owing from the HBDHB of:	-	5,987,717

Brendan Duck is a senior management employee of the Company. His spouse is a Director and Shareholder of Anthe Ltd t/a Clive Pharmacy. The pharmacy business was purchased 01 March 2023. Clive Pharmacy received payments during the financial year of:

The company made payments to Clive Pharmacy of	15,138	-
The company received from Clive Pharmacy:	-	-
As at balance date the company had funds owing to Clive Pharmacy of:	4,549	-

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 Māui 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:

	2023	2022
The company made payments	3,277,869	6,237,260
The company received	9,906	3,401
As at balance date the company had funds owing to	63,393	269,303
As at balance date the company had funds owing from	3,773	412

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 2023 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.

16 Events after the reporting date

The directors are not aware of any other matters or circumstances since the end of the reporting period not otherwise dealt with in these financial statements that have significantly or may significantly affect the operations of the company (2022: None).

Independent auditor's report

To the Directors of Health Hawke's Bay Limited

Our opinion

In our opinion the accompanying financial statements of Health Hawkes Bay Limited (the Company), presents fairly, in all material respects, the financial position of the Company as at 30 June 2023, and its service performance, financial performance and cash flows for the year ended on that date in accordance with Public Benefit Entity International Public Sector Accounting Standards (PBE IPSAS).

What we have audited

The annual report which comprises:

- The financial statements, including:
 - the statement of financial position as at 30 June 2023;
 - 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.
- the service performance information for the year ended 30 June 2023.

Basis for opinion

We conducted our audit of the financial statements in accordance with International Standards on Auditing (New Zealand) (ISAs (NZ)) and International Standards on Auditing (ISAs). The audit of the service performance information was conducted in accordance with International Standard on Assurance Engagements (New Zealand) 3000 (Revised) (ISAE (NZ) 3000 (Revised)).

Our responsibilities under those standards are further described in the *Auditor's responsibilities for the audit of the general purpose financial report* section of our report.

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

Our independence and quality management

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.

We apply Professional and Ethical Standard 3 *Quality Management for Firms that Perform Audits or Reviews of Financial Statements, or Other Assurance or Related Services Engagements*, which requires our firm to design, implement and operate a system of quality management including policies or procedures regarding compliance with ethical requirements, professional standards and applicable legal and regulatory requirements.

Our firm carries out other services for the Company in the areas of strategy facilitation. The provision of these other services has not impaired our independence as auditor of the Company.

Other matter

The service performance information presented for the corresponding year ended 30 June 2022 is unaudited.

Responsibilities of the Directors for the annual report

The Directors are responsible, on behalf of the Company, for the preparation and fair presentation of the annual report 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 the financial statements and service performance information that is free from material misstatement, whether due to fraud or error.

The Directors are also responsible, on behalf of the Company, for identifying performance measures and/or descriptions to report in the annual report that are a faithful representation of the Company's service performance and that are relevant, understandable, timely, comparable and verifiable.

In preparing the general purpose financial report, 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 annual report

Our objectives are to obtain reasonable assurance about whether the general purpose financial report, as a whole, is 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), ISAs or ISAE (NZ) 3000 (Revised) 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 this annual report.

An audit involves performing procedures to obtain audit evidence about the amounts and disclosures in the annual report, including performing procedures to obtain evidence about and evaluating whether the service performance information is a faithful representation of the Company's service performance and that is relevant, understandable, timely, comparable and verifiable.

As part of our audit, we perform procedures to obtain evidence about and evaluate whether the reported outcomes and outputs, and quantification of the outputs to the extent practicable, are relevant, reliable, comparable and understandable.

As part of our audit in accordance with ISAs (NZ), ISAs and ISAE (NZ) 3000 (Revised), we exercise professional judgement and maintain professional scepticism throughout the audit.

We also:

- Identify and assess the risks of material misstatement of the financial statements and service performance information, whether due to fraud or error, design and perform audit procedures responsive to those risks, and obtain audit evidence that is sufficient and appropriate to provide a basis for our opinion. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control.
- Obtain an understanding of internal control relevant to the audit in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the Company's internal control.
- Evaluate the appropriateness of accounting policies used and the reasonableness of accounting estimates and related disclosures made by management.
- Obtain an understanding of the process applied by the Company to select what and how to report its service performance.

- Evaluate whether the service performance criteria are suitable so as to result in service performance information that is in accordance with the applicable financial reporting framework.
- Conclude on the appropriateness of the use of the going concern basis of accounting by those charged with governance and, based on the audit evidence obtained, whether a material uncertainty exists related to events or conditions that may cast significant doubt on the Company's ability to continue as a going concern. If we conclude that a material uncertainty exists, we are required to draw attention in our auditor's report to the related disclosures in the financial statements or, if such disclosures are inadequate, to modify our opinion. Our conclusions are based on the audit evidence obtained up to the date of our auditor's report. However, future events or conditions may cause the Company to cease to continue as a going concern.
- Evaluate the overall presentation, structure and content of the financial statements and service performance information, including the disclosures, and whether the financial statements and service performance information represent the underlying transactions and events in a manner that achieves fair presentation.

We communicate with those charged with governance regarding, among other matters, the planned scope and timing of the audit and significant audit findings, including any significant deficiencies in internal control that we identified during the audit.

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:



Pricewaterhouse Coopers
Chartered Accountants

Napier

27 September 2023





HEALTH HAWKE'S BAY

Te Oranga o Te Matau-a-Māui

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