

PHO Alliance

He huinga ratonga hauora



Annual Report

For the year ending 30 June 2007

The hub for the development, exchange and promotion of policies and strategies which advance the objectives of the Primary Health Care Strategy through its member Primary Health Organisations.



CONTENTS

3	Chairman's Report
4	CEO's Report
5	Proposed Priorities and Directions 2007-2008
6	Executive Committee
8	List of Members
10	Financial Statements



CHAIRMAN'S REPORT

It seems barely credible that the resolution to form the PHO Alliance as an incorporated society was only passed on 23rd June last year. Since that time we have created a functioning organisation involving 32 Primary Health Organisations ranging in size from 6000 to 340,000 members, and providing primary health care services to more than 2.3 million New Zealanders.

We have set ourselves the task of being the hub for the development, exchange and promotion of policies and strategies which advance the objectives of the Primary Health Care Strategy through our member PHOs. Although we could all see the value of achieving this task, I think we perhaps underestimated the resource requirements of playing this role in a complex and fragmented primary health scene.

Consequently much of your executive committee's energy has been devoted to endeavours to increase the available resources in order to fund opportunities to exchange and promote ideas and experiences amongst our members and with other organisations. We have tried to respond to multiple invitations to present a PHO perspective to various policy and strategy groups and have in many cases been successful in accessing MOH or DHBNZ financial support.

We have been confined to a largely reactive role, as the resource required to develop policy 'in house' is beyond our present capacity. We have been invited to join a number of working groups including the Primary Health Care Strategy & PHO Development Task Force, the PHO Governance Development Group, the PHO Performance Programme Advisory Group, the National Systems Development Programme, the ACC/PHCS Stakeholder Reference Group, the Well Child Primary Care Providers consultation. This list is not exhaustive, and some weeks the deluge of invitations is almost unmanageable. I am grateful to those members who have responded to these invitations on behalf of the PHO Alliance.

PHO Alliance has been able to attend meeting of PSAAP as an observer, and played a significant 'behind the scenes' role in the resolution of the inclusion of clauses within the contract specifying governance processes. We have continued a good association with IPAC, and have developed productive relationships with PHOs of New Zealand (PHONZ) and Healthcare Aotearoa.

General meetings have been held quarterly in Wellington and we have been fortunate to have a number of guest presenters including the Hon Pete Hodgson, Minister of Health, Win Bennett, DHBNZ and Jim Primrose MOH (PHCS Implementation Work Programme), Harley Aish, Primary Care Information Management Group and Harry Pert, Health Information Services Advisory Group (health information system development), Chris Clarke, CEO Hawke's Bay DHB and DHBNZ lead for PHCS, Cathy O'Malley, CEO of WIPA and Compass Health (GP fee review processes), Peter Reynolds, Senior Advisor MSD (primary health care for sickness and invalid beneficiaries), Shelley Frost, Director of Nursing, Pegasus Health (maximising nursing contribution to primary health), Peter Glensor, Chair Hutt Valley DHB (harnessing the

community to health). We are grateful to all these people for their time and input which has enabled us to share ideas and disseminate views.

Our CEO Michelle Thompson has provided competent and enthusiastic administrative service to our young organisation. Her comprehensive analysis and collation of the various 'clearing house' questionnaires circulated to members has been critical in our exchange and promotion function. In addition her production of agenda briefing papers and minutes has enabled us to develop a sense of belonging despite the difficulties many of us have attending meetings in Wellington. Her service to the executive committee has been crucial in enabling us to manage the affairs of your organisation and on your behalf I thank her.

It has been a privilege to serve as chairman of the executive committee. With four elected and two co-opted members the committee has had a breadth of experience and knowledge that has served the PHO Alliance very well. I am very grateful for the great support they have given to me and to the PHO Alliance.

This past year has demonstrated that there is a need for our organisation, a need which in many cases exceeds our capacity to meet. In the coming year we will continue to grapple with the task of supporting our member PHOs within limited resources. We will need to demonstrate to our members and to other agencies that investment in this hub will pay dividends where the rubber meets the road, in providing more effective primary health care for those 2.3 million patients who are our ultimate stakeholders.

Hamish Kynoch



CEO'S REPORT

The primary health care sector is one of continual change and challenge but which, when looking on the bright side, provides ample opportunities for learning new things everyday—even learning how *not* to do things can be valuable.

I have very much enjoyed my time supporting the membership and the executive during these foundational stages and fortunately my learnings have been heavily skewed in the positive direction. The oodles of notes and minutes taken over the past 15 months are testament to the volume of work that has gone on in a relatively short space of time and with modest resourcing.

Particular highlights for me over the past year have been:

- Drafting the constitution
- Assisting with the development of a visual identity
- Organising the general meetings in Wellington each quarter, especially being able to put faces to names
- Establishing the clearing house process and being continually surprised at the varying results

- Forging relationships with the CEOs and Chairs of PHONZ and HCA
- Assisting with numerous iterations of the funding proposal, where success is now looking likely
- Slowly but surely seeing the name “PHO Alliance” emerging in places where it strategically needs to be.

Good management is inextricably linked to good governance and I wish to express my sincere gratitude to members of the executive committee for their dedication and wise counsel—so much of which has been provided pro-bono—during the year. My special thanks to the two Chairmen: Richard Tyler for his leadership and guidance during the formation and incorporation stages and to Hamish Kynoch for his energy, vision and leadership since September last year.

Together, we have achieved many worthwhile activities and there is still much to do if the desired strategic direction, as determined in December 2006, is to be achieved.

So to 2006-2007 I say well done everybody and to 2007-2008 I say onwards and upwards!

Michelle Thompson



PROPOSED PRIORITIES AND DIRECTIONS 2007-2008

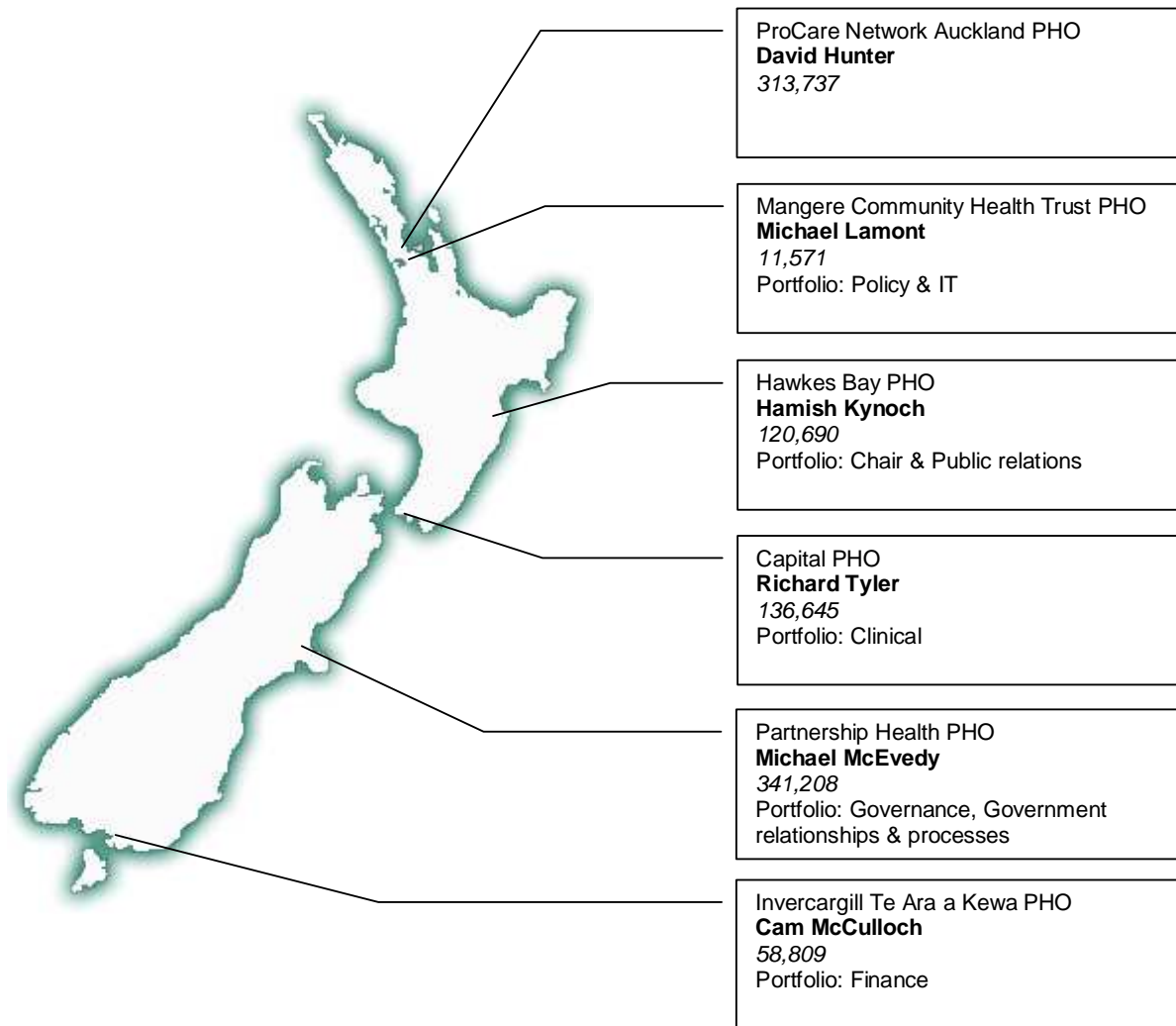
A detailed workplan for the 2007-2008 year is yet to be developed. However, the executive committee is in agreement that the focus for the next 12 months needs to be on taking the agreed strategic direction to the next level. This will require activities such as:

- Scoping the resources needed to enable a more proactive stance on primary health care policy development
- Securing any shortfall in funding required from external sources
- Scoping the need and will for an umbrella grouping of PHOs
- Interactive website development
- Continuation of the exchange function via clearing house exercises
- Completing the 360⁰ feedback loop with DHBs, DHBNZ and MoH.

EXECUTIVE COMMITTEE

Clause 9.1 of the Constitution allows for a core executive committee of four: a chairperson and three other members. The executive committee also has the power to co-opt members from time to time to ensure adequate representation of rural and urban interests, geographic location, and the size of members PHOs, and to enhance its capacity to respond to issues as they arise.

Brief biographies of the 2006-2007 executive committee are included over the page. The map below shows respective geographical locations, enrolled populations and portfolios of responsibility.



<p>HAMISH KYNOCH – CHAIRPERSON (ELECTED)</p> <ul style="list-style-type: none"> • Chairman of Hawke’s Bay PHO • Background in NGO and community governance, and local government • A farmer with a non-clinical community perspective <p>Portfolio of responsibility: Public Relations</p>	<p>RICHARD TYLER – EXECUTIVE (ELECTED)</p> <ul style="list-style-type: none"> • Chairman of Capital PHO • General Practitioner • Chair of Compass Health & WIPA (MSOs to PHOs in Capital Coast, Wairarapa & MidCentral DHB areas) • Chair of Medical Assurance Group of Companies • Broad knowledge of primary health care sector from provider and management perspective. <p>Portfolio of responsibility: Clinical</p>
<p>MICHAEL MCEVEDY – EXECUTIVE (ELECTED)</p> <ul style="list-style-type: none"> • Chair of Partnership Health Canterbury PHO (NZ’s largest PHO) • Mayor of Selwyn District Council • Chair of Canterbury Mayoral Forum • Justice of the Peace <p>Portfolio of responsibility: Governance & Government relationships and processes</p>	<p>MICHAEL LAMONT- EXECUTIVE (ELECTED)</p> <ul style="list-style-type: none"> • Chair of Mangere Community Health Trust (PHO) • Chair of Genesis Trust for NZ Police for young offenders • Former farmer and forestry owner • Strong commitment to general practice and communities particularly in resolving the socio-economic determinants of health. <p>Portfolio of responsibility: Policy and IT</p>
<p>DAVID HUNTER – EXECUTIVE (CO-OPTED)</p> <ul style="list-style-type: none"> • Chair of ProCare Network Auckland • Retired Senior Executive of Carter Holt Harvey Limited. • Director of ProCare Health Ltd and ProCare Psychological Services Ltd • Trustee of Dilworth Trust Board and Eden Park Trust Board • Broad knowledge of governance and commercial aspects of the Primary Health sector. <p>Portfolio of responsibility: tbc</p>	<p>CAM MCCULLOCH- EXECUTIVE (CO-OPTED)</p> <ul style="list-style-type: none"> • Chair of Invercargill Te Ara a Kewa PHO • Deputy Chair The Power Company Ltd • Chariman Southfish Ltd • Chairman Power Net Ltd • Deputy Chair Invercargill City Holdings Ltd • Member Institute of Chartered Accountants of NZ • Background in community governance, finance, marketing and exporting industries <p>Portfolio of responsibility: Finance</p>
<p>MAC LEAUANAE - ADVISOR</p> <ul style="list-style-type: none"> • Pacific Advisor to Executive Committee • Senior Manager Primary Care, Procure Health Ltd • LLB, Dip Bus Management, final year MBA • Background in law, training and business development particularly with, and for, pacific communities 	<p>MICHELLE THOMPSON - CE</p> <ul style="list-style-type: none"> • Interim Chief Executive • Director of independent management company: CEO₂ Limited • Ex-CEO Kōwhai Health Trust (managed primary health care programmes for Hutt Valley DHB and contracting PHOs) • Background in finance, contracting, reporting, budgeting, strategic planning, change management, project management and human resources.

The Executive Committee is in the process of appointing a Māori Advisor and in the meantime is jointly handling any issues arising in this area.



LIST OF MEMBERS

Member No.	PHO	Date Joined	Named Representative (Chair)	DHB	Enrolled pop @ 1/4/06
1	East Health Trust	30 June 2006	Brett Hyland	Counties Manukau	78741
2	Mangere Community Health Trust	11 July 2006	Michael Lamont	Counties Manukau	11571
3	Ropata Community	19 July 2006	Max Shierlaw	Hutt Valley	17023
4	Western Bay of Plenty	25 July 2006	John Gemming	Bay of Plenty	128123
5	MidValley Access	1 August 2006	David Young	Hutt Valley	20536
6	Health Rotorua	25 July 2006	Judith Stanway	Lakes	71671
7	Mornington	26 July 2006	Lindsay Brown	Otago	15431
8	Whanganui Regional	10 August 2006	Mike Ward	Whanganui	57704
9	Hawkes Bay	8 August 2006	Hamish Kynoch	Hawkes Bay	120690
10	Kapiti	8 August 2006	Chris Kerr	Capital and Coast	33436
11	Tumai mo te Iwi inc	8 August 2006	Larry Jordan	Capital and Coast	45007
12	Capital	8 August 2006	Richard Tyler	Capital and Coast	136645
13	Otaki	7 August 2006	Michelle Baker	MidCentral	6156
14	Marlborough	7 August 2006	Rennie Dix	Nelson Marlborough	38767
15	Rural Otago	8 August 2006	Stuart Heal	Otago	38916
16	Rural Canterbury	10 August 2006	Winston McKean	Canterbury	61171
17	Partnership Health	15 August 2006	Michael McEvedy	Canterbury	341208
18	Christchurch	22 August 2006	Stephen Brown	Canterbury	25271
19	Hokonui (Eastern & Northern Southland)	30 August 2006	Chris Boyle	Southland	17465
20	Invercargill - Te Ara a Kewa (Waihopai)	30 August 2006	Cam McCulloch	Southland	58809
21	Takitimu (Rural Southland)	30 August 2006	Colin Ballantyne	Southland	14144
22	Wakatipu	30 August 2006	Tony Hill	Southland	14159
23	ProCare Network Auckland	1 September 2006	David Hunter	Auckland	313737
24	Taieri Strath Taieri	6 September 2006	John Kelly	Otago	14074
25	Valley	20 September 2006	Hans Snoek	Hutt Valley	62093
26	Karori	29 September 2006	Jeff Lowe	Capital and Coast	12378
27	Nelson Bays	29 September 2006	Brian Smythe	Nelson Marlborough	86570
28	Manawatu	29 September 2006	Colin McJannett	MidCentral	97059

Member No.	PHO	Date Joined	Named Representative (Chair)	DHB	Enrolled pop @ 1/4/06
29	Dunedin	2 October 2006	Hilary Alison (DC)	Otago	77872
30	Aoraki	13 October 2006	Margaret Shearman	South Canterbury	54288
31	Otago Southern Region	10 November 2006	Walter Dalzeil	Otago	17446
32	Procure Network Manukau	16 July 2007	Harley Aish	Counties Manukau	250265
					2,338,426.00



FINANCIAL STATEMENTS

Summary of financial performance 1 July 2006 – 30 June 2007:

PHO Alliance's income receipts for the twelve months ending 30 June 2007 were \$43,827 and total expenditure was \$39,040. Adding interest earned of \$280 has resulted in a net operating surplus of \$5,067. The main expenditure items were management and financial services fees (70%) and executive fees and expenses (12%).

Total equity as at the end of the first year is \$5,065.

**PHO ALLIANCE
INCORPORATED**

**FINANCIAL STATEMENTS
FOR THE YEAR ENDED 30 JUNE 2007**

DIRECTORY

Statement of Financial Performance	12
Statement of Movements in Equity	13
Statement of Financial Position	14
Notes to the Financial Statements	15-16

PHO ALLIANCE Inc
STATEMENT OF FINANCIAL PERFORMANCE
FOR THE YEAR ENDED 30 JUNE 2007

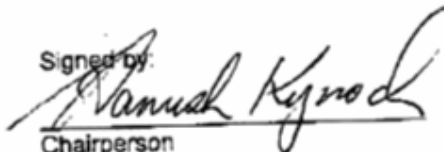
	2007
	\$
Income	
Membership Fees	43,827
Interest	280
Total Income	<u>44,107</u>
Expenses	
Bank Charges	123
Branding & Promotion	1,650
Catering	1,772
Executive Fees & Expenses	4,790
Legal Expenses	89
Management Services	26,795
Meeting Expenses	747
Telephone	1,274
Venue Hire	1,800
Total Expenses	<u>39,040</u>
Net Surplus/(Deficit)	<u><u>5,067</u></u>

PHO ALLIANCE Inc
STATEMENT OF MOVEMENTS IN EQUITY
FOR THE YEAR ENDED 30 JUNE 2007

	2007
	\$
Opening Balance as at 1 July 2006	0
plus Surplus/(Deficit) for the Year	<u>5,065</u>
Total Recognised Revenues and Expenses for the Year	<u>5,065</u>
Closing Balance as at 30 June 2007	<u><u>5,065</u></u>

PHO ALLIANCE Inc
STATEMENT OF FINANCIAL POSITION
AS AT 30 JUNE 2007

	2007
<u>Assets</u>	\$
Current Assets	
Bank Accounts	3,532
Accounts Receivable	309
GST Receivable	<u>2,044</u>
Total Current Assets	<u>5,885</u>
 <u>Liabilities</u>	
Current Liabilities	
Accounts Payable	<u>820</u>
Total Current Liabilities	<u>820</u>
 Net Assets	 <u><u>5,065</u></u>
 <u>Equity</u>	
Retained Earnings	-
Net (Deficit)/Surplus	<u>5,065</u>
Total Equity	<u><u>5,065</u></u>

Signed by: 
 Chairperson
 Dated: 1st September 2007


 Chief Executive

PHO ALLIANCE Inc
NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 30 JUNE 2007

STATEMENT OF ACCOUNTING POLICIES

1. Reporting Entity

PHO Alliance Incorporated is a body that represents and promotes the interests of its members. The PHO Alliance does this through advising and consulting with key stakeholders in the sector, representing common positions on issues of substance to key stakeholders, and facilitating the performance of member organisations through information and resource sharing.

The Alliance's members are organisations responsible for the provision of general practice services and other primary health care services to nearly 2.4 million New Zealanders.

The financial statements have been prepared in accordance with generally accepted accounting practice as required by the Institute of Chartered Accountants of New Zealand.

2. General Accounting Policies

General accounting policies have been adopted in the preparation of these financial statements.

- a) The measurement base adopted is that of historical cost and reliance is placed on the fact that the PHO Alliance is a going concern.
- b) The matching of revenue earned and expenses incurred is applied using accrual accounting concepts.
- c) The PHO Alliance qualifies for tax exempt and donee status in terms of Sections CB 4(1), KC 5 and DJ4 of the Income Tax Act 1994.

3. Differential reporting

The PHO Alliance qualifies for differential reporting as it is not publicly accountable and it qualifies as being a small entity as per the framework for differential reporting. The PHO Alliance has taken advantage of all available differential reporting exemptions.

4. Goods and Services Tax

The financial statements have been prepared stating all income and expenditure items exclusive of GST.

PHO ALLIANCE Inc
NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 30 JUNE 2007 Con't

5. Fixed Assets

The PHO Alliance has no Fixed Assets.

6. Financial Operations

This is the first year the PHO Alliance has been operating.

7. Auditors

For the year ending 30 June 2007, the PHO Alliance has not appointed auditors.