

PHO Alliance

He huinga ratonga hauora



Annual Report

For the year ending 30 June 2008

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 2008-2009
6	Executive Committee
8	List of Members
10	Financial Statements



CHAIRMAN'S REPORT

The occasion of an annual report is a good time to review an organisations performance against its stated objectives. Early in the life of the PHO Alliance, actually only two years ago, the membership determined that ***“The PHO Alliance will be 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”***.

So how have we lived up to this bold intention? At our quarterly meetings over the past year we have hosted a range of speakers, leaders and thinkers in the sector. Tony Ryall, National Party health spokesman, Hon Steve Chadwick, Associate Health Minister and Stephen McKernan Director General of Health shared their views of the health sector and the role of primary health. An independent perspective was introduced by Judith Smith, Visiting Senior Research Fellow at the Health Services Research Council, Victoria University of Wellington. Margie Apa, Deputy Director General of the Sector Capability and Innovation Directorate MoH, John Baird, DHBNZ, Chris Mules, MoH Health and Disability Systems Strategy Directorate, and Danny Wu, National Manager for Primary Health Care Implementation all came to engage with us. These occasions were notable for the opportunity to provide our visitors with feedback from the real experience of PHOs from all around the country.

Outside the quarterly meetings the PHO Alliance through its members or representatives have been engaged with a multitude of sector groups grappling with the whole range of developments in primary health care. The National Systems Development Group, PHO Performance Programme, Primary Health Care Strategy Implementation and PHO Development Task Force (now the Primary Health Care Advisory Council) and PSAAP, are some of the forums with which we have engaged. An increasing trend to request representation from the PHO Alliance and other groupings has replaced the earlier reliance on ‘wise heads’ as a means of engaging with the sector. The willingness of various individuals to represent us is always appreciated.

Within the nationwide PHO sector we have been a partner in significant developments. An informal meeting of the leaders of four PHO groupings, PHO New Zealand, the National Māori PHO Coalition, Healthcare Aotearoa, and the PHO Alliance, together with representation from the Pacific PHO sector has lead to the creation of the National PHO Collective, which while still an informal group, provides a forum for sharing information and views between almost all the nation’s PHOs. The Collective has developed under contract from DHBNZ a set of resources to assist all PHOs with ongoing governance development which PHO Alliance is making available to members over the next six months. The National PHO Collective has also been instrumental in the appointment of four PHO representatives to the new PHO Performance Programme Governance Group.

During the past year we welcomed new members: Procure Network Manukau PHO; Harbour Health PHO; Horowhenua PHO; Tararua PHO and Wairarapa PHO. Our 35

members provide primary health care services to over 2.5 million New Zealanders. This spread of membership gives us the capacity to influence the outcome of developments in the implementation of the PHCS, but it also imposes a responsibility to engage effectively. The response by members to requests for feedback, and participation in 'clearing house' compilation is the lifeblood of this organisation. Membership does not stop with attendance at quarterly meetings and payment of subscription invoices, as vital as those two activities are to the health of the Alliance.

Your Executive Committee has met by telephone conference regularly to progress the work of the PHO Alliance. On their behalf I express appreciation for the input from many to the work of your organisation. I particularly mention Mac Leauanae, affiliated to ProCare Network Auckland PHO and Erina Rewi, Morningson PHO who accepted co-option as Pacific and Māori advisors to the executive committee, Sanja Majstorovic, Hawke's Bay PHO who filled in while Michelle was on leave. I want to place on record the significant contribution of the members of your executive over the year, and particularly the continued high standard of administrative support provided by Michelle Thompson. With her assistance the PHO Alliance is now a fully self sufficient organisation, capable of fulfilling the objective we set ourselves at our formation in 2006.

The health sector is a complicated and ever changing environment, full of 'wicked issues' and the potential for conflicting interests and agendas. The degree to which the PHO Alliance can influence the development of policies which enhance the health of our enrolled populations is directly proportional to the involvement of member PHOs in the exchange and promotion of ideas and experiences. Our strength as an organisation is our membership, and our challenge is to continue to work together to advance our individual and collective objectives.

Hamish Kynoch
Chairman



CEO'S REPORT

It has been a pleasure to have led the operational activities of the PHO Alliance for a further 12 months - its second year of life. My special thanks to the members of the executive committee for their support over the past year. In addition to their already busy working lives, including the chairing of their own PHOs, they have continued to debate complex issues at executive meetings as well as representing the PHO Alliance on a range of sector working groups, committees and meetings. My extra special thanks to Hamish who has continued to be an exemplary chair to work alongside with his wise counsel, his innate ability to hone down to the nitty gritty and for his wealth of statesman like qualities.

There have been many highlights over the past year, one of which has been securing the Governance Development Programme contract with DHBNZ – the Alliance's first source of external funding. The other, made possible by a combination of the DHBNZ contract and a doubling of the membership levy, is a more realistic resource base from

which to operate. This will enable individuals and executive committee members representing the PHO Alliance on sector working groups to receive a per diem contribution as well as reimbursement of their expenses. It will also enable an increase in the number of management support hours per week. These are significant first steps for achieving the strategic direction espoused below.

The executive committee and I are committed to upping the pace for the next 12 months. The challenge for members is to keep the information exchange flowing and to provide timely responses to issues posed by the executive from time to time. To the four PHOs who have responded to every one of the clearing house exercises since inception we salute you. To the 23 PHOs who have responded to at least one of the clearing house exercises we say well done and to the four PHOs (excluding the newest members) who have yet to respond to any of the clearing house exercise we encourage you to give it a go.

I look forward to supporting the executive committee and members over the forthcoming year.

With best wishes

Michelle Thompson
Executive Officer



PROPOSED PRIORITIES AND DIRECTIONS 2008-2009

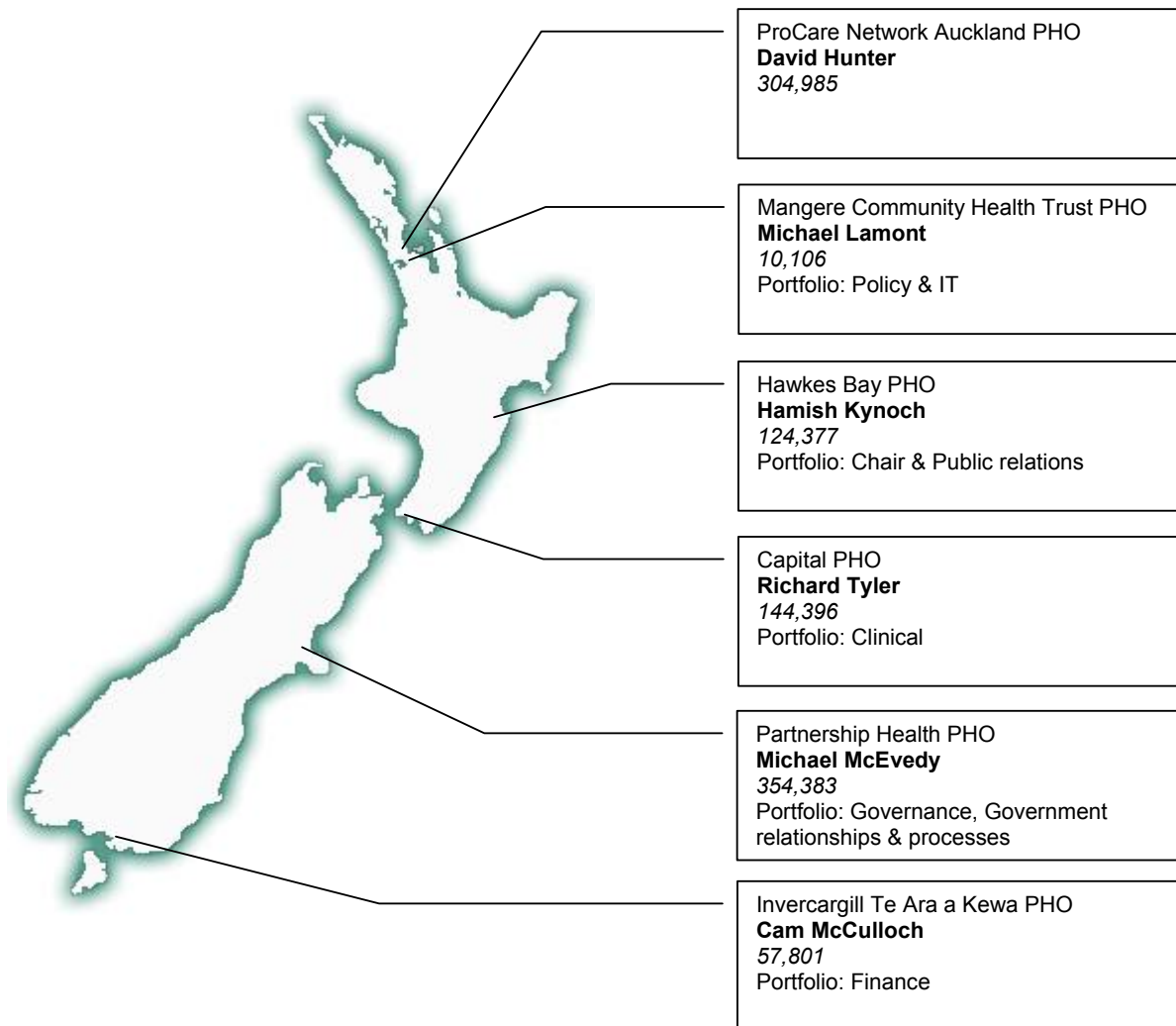
The executive committee is in agreement that the strategic focus for the next 12 months needs to be on participating in the development of health policy by way of:

- Enhanced sector representation, including lobbying for adequate funding to allow this to happen.
- Regular association with key Ministry of Health staff who are responsible for developing health policy, including presentations to General Meetings.
- Liaison with the Minister of Health and Associate Ministers where appropriate, including presentations to General Meetings.
- Active participation in the National PHO Collective.
- Development of an interactive website (domain name www.phoalliance.org.nz has been secured for the next five years and the site will be developed in the latter half of 2008).
- Continuation of the exchange function via clearing house exercises and the regular dissemination of information to member PHOs.

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 2007-2008 executive committee and its two advisors 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) • Chair of Canterbury Museum Trust Board • Ex-Mayor of Selwyn District Council • 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 • Chairman Southfish Ltd • Chairman Power Net Ltd • Deputy Chair Invercargill City Holdings Ltd • Fellow 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>ERINA REWI - ADVISOR</p> <ul style="list-style-type: none"> • Māori Advisor to Executive Committee • Board Member Mornington PHO • RN • Background in developing Māori health strategic and operational policies that align with the PHC environment in NZ.
<p>Advisor Responsibility: to assist the Executive to consider Māori and Pacific interests prior to policy documentation being circulated to wider membership for feedback</p>	

LIST OF MEMBERS

REGISTER OF MEMBERS PHOs	Date Joined	Named Representative (Chair)	DHB	Enrolled pop @ April 08	Quintile 5 @ Jul 08	Maori/Pacific @ Jul 08
Aoraki	13 October 2006	Margaret Shearman	South Canterbury	54,129	4,226	2,775
Capital	8 August 2006	Richard Tyler	Capital & Coast	144,396	8,828	12,825
Christchurch	22 August 2006	Stephen Brown	Canterbury	25,753	4,461	2,063
East Health Trust	30 June 2006	Brett Hyland	Counties Manukau	76,847	1,585	2,808
Harbour Health	16 October 2007	Kate Baddock	Waitemata	149,853	2,063	6,545
Hawkes Bay	8 August 2006	Hamish Kynoch	Hawkes Bay	124,377	24,068	24,448
Health Rotorua	25 July 2006	Kevin O'Connor	Lakes	70,543	25,017	27,205
Hokonui	30 August 2006	Chris Boyle	Southland	17,697	1,314	1,325
Horowhenua	30 June 2008	Gina Lomax	MidCentral	25,842	9,119	6,110
Invercargill - Te Ara a Kewa	30 August 2006	Cam McCulloch	Southland	57,801	9,271	7,445
Kapiti	8 August 2006	Chris Kerr	Capital and Coast	35,289	1,781	3,107
Karori	29 September 2006	Jeff Lowe	Capital & Coast	12,896	463	982
Manawatu	29 September 2006	Colin McLannett	MidCentral	97,568	14,664	13,984
Mangere Community Health Trust	11 July 2006	Michael Lamont	Counties Manukau	10,106	6,255	7,253
Marlborough	7 August 2006	Rennie Dix	Nelson Marlborough	39,900	1,293	3,544
Mornington	26 July 2006	Lindsay Brown	Otago	15,936	2,121	1,472
Nelson Bays	29 September 2006	Jan Morgan	Nelson Marlborough	86,602	7,116	6,588
Otago Southern Region	10 November 2006	Walter Dalziel	Otago	17,488	773	1,457
Otaki	7 August 2006	Michelle Baker	MidCentral	6,451	1,504	2,003
Partnership Health	15 August 2006	Michael McEvedy	Canterbury	354,383	41,198	28,794
ProCare Network Auckland	1 September 2006	David Hunter	Auckland	304,985	31,796	42,284
Procare Network Manukau	16 July 2007	Harley Aish	Counties Manukau	244,177	78,300	82,445
Ropata Community	19 July 2006	Max Shierlaw	Hutt Valley	18,567	2,172	1,604
Rural Canterbury	10 August 2006	Allan Marriott	Canterbury	65,727	1,979	3,878
Rural Otago	8 August 2006	Stuart Heal	Otago	40,648	1,546	1,995
Taieri Strath Taieri	6 September 2006	John Kelly	Otago	13,942	625	730
Takitimu	30 August 2006	Colin Ballantyne	Southland	14,214	647	1,196

REGISTER OF MEMBERS PHOs	Date Joined	Named Representative (Chair)	DHB	Enrolled pop @ April 08	Quintile 5 @ Jul 08	Maori/Pacific @ Jul 08
Tararua	30 June 2008	Donna Milner	MidCentral	15,546	3,054	3,408
Tumai mo te Iwi inc	8 August 2006	Larry Jordan	Capital & Coast	45,171	9,862	11,655
Valley	20 September 2006	Hans Snoek	Hutt Valley	78,500	16,331	15,810
Wairarapa Community PHO Trust	30 June 2008	Elaine Brazendale	Wairarapa	39,038	5,520	5,667
Wakatipu	30 August 2006	Tony Hill	Southland	15,203	8	602
Well Dunedin	2 October 2006	Hilary Allison (DC)	Otago	77,844	9,702	5,556
Western Bay of Plenty	25 July 2006	John Gemming	Bay of Plenty	134,302	17,141	15,704
Whanganui Regional	10 August 2006	Mike Ward	Whanganui	57,485	16,746	10,967
TOTAL				2,589,206	362,549	366,234



FINANCIAL STATEMENTS

Summary of financial performance 1 July 2007 – 30 June 2008:

PHO Alliance's income receipts for the twelve months ending 30 June 2008 were \$65,285 and total expenditure was \$50,974. Adding interest earned of \$2,144 has resulted in a net operating surplus of \$16,455. The main expenditure items were management and financial services fees (81%) and executive fees and expenses (9%).

Total equity as at the end of the second year of operation is \$21,520.

**PHO ALLIANCE
INCORPORATED**

**FINANCIAL STATEMENTS
FOR THE YEAR ENDED 30 JUNE 2008**

DIRECTORY

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

PHO ALLIANCE Inc
STATEMENT OF FINANCIAL PERFORMANCE
FOR THE YEAR ENDED 30 JUNE 2008

	2008	2007
	\$	\$
Income		
Membership Fees	65,285	43,827
Interest	2,144	280
Total Income	<u>67,429</u>	<u>44,107</u>
 Expenses		
Bank Charges	225	125
Branding & Promotion	0	1,650
Catering	1,658	1,772
Executive Fees & Expenses	4,608	4,790
Legal Expenses	0	89
Management Services	41,200	26,795
Meeting Expenses	0	747
Postage	120	0
Telephone	1,563	1,274
Venue Hire	1,200	1,800
WebSite	400	0
Total Expenses	<u>50,974</u>	<u>39,042</u>
 Net Surplus/(Deficit)	<u><u>16,455</u></u>	<u><u>5,065</u></u>

PHO ALLIANCE Inc
STATEMENT OF MOVEMENTS IN EQUITY
FOR THE YEAR ENDED 30 JUNE 2008

	2008	2007
	\$	\$
Opening Balance as at 1 July	5,065	0
plus Surplus for the year	16,455	5,065
Total Recognised Revenues and Expenses for the Year	<u>16,455</u>	<u>5,065</u>
Closing Balance as at 30 June	<u>21,520</u>	<u>5,065</u>

PHO ALLIANCE Inc
STATEMENT OF FINANCIAL POSITION
AS AT 30 JUNE 2008

	2008	2007
<u>Assets</u>	\$	\$
Current Assets		
Bank Accounts	21,814	3,532
Accounts Receivable	775	309
GST Receivable	476	2,044
Total Current Assets	23,065	5,885
Liabilities		
Current Liabilities		
Accounts Payable	1,545	820
Total Current Liabilities	1,545	820
Net Assets	21,520	5,065
Equity		
Retained Earnings (Note 7)	21,520	5,065
Total Equity	21,520	5,065

Signed by:



Chairperson



Chief Executive

Dated: August 2008

PHO ALLIANCE Inc
NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 30 JUNE 2008

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 just over 2.5 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.

5. Fixed Assets

The PHO Alliance has no Fixed Assets.

6. Financial Operations

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

7. Web site development

\$4,500 has been committed towards the development of a website. These are budgeted to be expended in the 2008/2009 financial year.

8. Auditors

For the year ending 30 June 2008, the PHO Alliance has not appointed auditors.