PHO Alliance

He huinga ratonga hauora

Annual **Report**

For the year ending 30 June 2010

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

CHAIRMAN'S REPORT

"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".

Once again I want to use this opportunity to make some comments about the year past, and to try and look ahead at the coming year.

It has been a hectic year for many of us, characterised by uncertainty and change. A restructured MoH and National Health Board, a headlong rush to set up Better Sooner More Convenient alliances, PHOs merged, PHOs disestablished and DHBs grappling with deficits and closely monitored health targets.

The fixed points that I identified last year still persist:

- The need to extract more health service from the same or fewer dollars;
- The need to develop services models which make more effective use of a limited clinical and managerial workforce;
- An insistence on maintaining and improving quality at all levels.

Looking back at my report to this meeting a year ago I said 'The future will not be a walk in the park'. It is a tribute to many of you and others in the primary health sector that we are still actually in the park, and most of us are still walking. As one who has only watched the processes from outside, I am conscious that I cannot appreciate the sheer volume of effort that has gone into some of the reconfigurations around the country. That their fruits are not yet fully apparent is in no way a reflection of the investment in relationships between clinicians, managers and governors which has attended their development.

We understand that some policy work is underway around primary health funding, and while we have not yet had an opportunity to have any input we await with interest an indication of future direction. While there is widespread recognition that the solution to many of the long term issues facing our nation's health lies with the primary health care domain, the pressure for continued provision of quality and timely secondary services is not going away any time soon. The resulting demands on a government which will be fiscally constrained for the foreseeable future will give us all headaches for some time.

On the other hand we have only just begun to tap the resource that we have within our communities, and to harness their energy and initiative to improve and maintain health. Clinicians and the pharmaceutical industry will continue to be essential, but it is clear that while they can help us overcome ill health in many circumstances, on their own they cannot maintain the health and wellbeing to which New Zealanders think we are all entitled. The strength of many Maori and community health providers comes from the input of the community in which they are embedded. We have long recognised the powerful influence of general practice when intimately involved with its patient population over successive generations. I see local authorities beginning to recognise that health is an essential objective of their core functions like roading, drains, recreation and social services. We will all know of groups, often small, who by their drive and enthusiasm are influencing others within their community to be healthy. Successful PHOs will be those that manage to nurture and develop these elements and successfully link them with clinical leadership and community governance.

Clinical leadership has been a buzzword of the current policy framework. Last year I commented on the developing collaborations between clinicians from various professions in the

absence of funding linkages. BSMC alliances are an attempt to forge such linkages but there is a risk that we come to see clinicians and their skills and infrastructure as somehow outside the communities they serve. We need to see clinical networks as functioning within communities. Just as we talk about placing the patient at the centre of a health service we need to place communities (or populations if you prefer) at the heart of clinical networks. This relationship is in addition to, not in substitution for, the essential bond between the clinician and the patient.

The effluxion of time and changes amongst our membership has inevitably resulted in some of our colleagues retiring. I started to list the names of those representatives of member PHOs in Southland, Otago, Canterbury, Wellington and Manawatu but the list began to sound like a litany of departed saints so I will just to pay tribute to them all, and those other board members and managers who have contributed to the health of their respective communities over recent years. Of course the greatest tribute that can be paid to their efforts is to ensure that their work continues, and the trails they have blazed are followed and extended by those who pick up the challenge.

Your executive committee has met regularly by conference call, and kept a finger on the pulse, sometimes racing sometimes fluttering, of the organisation. I thank them all, particularly John Ayling and Michael Lamont who are retiring for the support. Michael was a foundation member of the Alliance executive committee and John's long experience in the sector has been invaluable. Thank you both on behalf of us all.

Michelle continues to provide the high standard of executive support to which we have become accustomed. Although she is scrupulous in maintaining a proper professional relationship between the various hats she wears in the health sector, her connections and networking ability is of tremendous value, particularly to those of us consigned to the provinces. Her personal support to me and the executive extends also to our membership and many of you will have appreciated individual assistance she has provided.

An organisation is only as strong as it constituent parts, and as reconfiguration of PHOs reduces the numbers of members we need to ensure that it does not reduce our footprint in the sector. I believe that the PHO Alliance can still provide a significant value proposition. I hope that in the coming year we may further consolidate the relationship we have with other PHO networks, particularly PHO New Zealand. With a general election in 2011 to refocus the policy debate on health, our members have a vital role to play in that debate. We will want to build on what we have developed together and realise our potential to add value.

Finally thank you to all of you, and to those who are unable to be here today, for the support that you have given your executive and me in the past year. I am grateful for the contribution you have made to our organisation, and I personally value your wisdom, enthusiasm, and friendship.

Hamish Kynoch
Chairman
h.kynoch@xtra.co.nz

EXECUTIVE OFFICER'S REPORT

Over the past year we have been fortunate to have had some great speakers at our General Meetings, two of whom remain top of mind: Carolyn Gullery from Canterbury DHB and John MacCormack from Treasury. John reiterated the somber message that there is no more money in the short term, or the long term or any time in between and Carolyn spoke passionately about transformational changes occurring in the Canterbury health system. Marrying the content of these two presentations i.e. delivering different service models in a fiscally constrained environment is the number one challenge facing the health sector and is the essence of *Better, Sooner, More Convenient* (BSMC).

While the goals of BSMC are admirable, achieving them – at least from a management perspective – has at times felt more akin to *Busier, Stretched, Manic and Chaotic*. It is difficult to imagine what life is currently like from the clinical perspective – the group charged (and rightly so) with leading the service delivery changes.

Not surprisingly, we find ourselves in a rapidly changing environment. Since 1 July this year we have lost 16 Members and gained two due to PHO consolidations, although the total enrolled population has not changed significantly. Most of the remaining members are in configuration talks with their DHBs and 13 Members are involved in the BSMC Business Cases.

The changing membership base has made it more difficult to strike a budget that preserves the operational capacity of our organisation and affordability for members. This balancing act has been made possible by the introduction of a three-tiered levy structure, a six month joining option, the ability to pay levies by installment and an agreement to use reserves to support a year-end deficit position.

In keeping with the times, Members will be asked to consider expanding the definition of membership beyond PHOs at the 2010 Annual Meeting.

Work continues on drafting the much awaited generic back to back contract template. In May this year the Review Group, consisting of representatives from GPNZ, NZMA and PHO Alliance, met with the drafting lawyer to review the first iteration. While there was good support for the intent of this work progress has stalled until we know which version of the national PHO agreement we are to mirror i.e. V18.2 or V19. We maintain the view that the need for a robust back to back agreement has not changed just because the parties to it have changed. General practice still needs a nationally consistent agreement which sets out the services they are required to provide and for what price, and PHOs need a robust contract with providers.

On July 1 we welcomed Central PHO and Compass Primary Health Care Network into the fold and sadly had to say goodbye to: Aoraki PHO: Hokonui PHO; Invercargill Te Ara a Kewa PHO; Mornington PHO; Otago Southern Region PHO; Rural Otago PHO; Taieri and Strath Taieri PHO; Takitimu PHO; Wakatipu PHO; Capital PHO; Kapiti PHO; Tumai mo te Iwi PHO; Horowhenua PHO; Manawatu PHO; Otaki PHO; Tararua PHO and Hurunui Kaikoura PHO.

Our thanks and appreciation to all the departing Members, especially to their Chairs and Chief Executives for all that they have contributed to primary health care in New Zealand. Please know that you will be missed.

To the Executive Committee, I extend my thanks and appreciation for keeping the faith and the pace – you are a dedicated and talented group of individuals. To Hamish, four years on I remain inspired by your leadership, in particular your ability to facilitate, negotiate and join the dots.

To Members, once again it has been a real pleasure working for you throughout the year. It has been great catching up each quarter in Wellington and communicating electronically – *technology willing* - in between. Your dedication and loyalty to your organisations and communities is most commendable.

With every best wish

Michelle Thompson
Executive Officer
michelle@ceo2.co.nz

PRIORITIES AND DIRECTIONS ACHIEVED 2009-2010

The key focus for the PHO Alliance in the 2009-2010 year was on relationship building and information sharing. The executive committee determined three high level strategic objectives for the year:

- Continue to maintain and develop relationships
- Achieve economies of scale
- In-depth analysis of ethnic minority populations.

The following table reports progress and activities against these objectives:

Priorities	Status	Comments
Continue to maintain and develop relationships	On-going	**Government** • John MacCormack, Senior Treasury Analyst spoke at the June 2010 meeting on: *Long Term Funding Track for Health*. **Ministry** Regular communications with, and presentations to members at General Meetings by, senior Ministry staff: • Stephen McKernan & Margi Apa spoke at the September 2009 Annual Meeting on: *Future Direction and Next Steps in Primary Care*. • Danny Wu (National Programme Manager Primary Health Care Implementation) spoke at the March 2010 General Meeting on: *BSMC Policy Framework.* • Michael Johnson (Health & Disability System Strategy Directorate) spoke at the June 2010 General Meeting on: *Developing Long Term Service Planning*. • Dr Murray Horn, Chairman of the National Health Board, is set to present at the 2010 Annual Meeting on: *How Primary Health should be Configured to Deliver Best Value to the NZ Health System*. **DHBs** • Canterbury DHB – Carolyn Gullery, GM Planning & Funding, presented to the Sept 2009 General Meeting on: *Transforming a Health System: the Canterbury Initiative*. **National Sector Groups** The PHO Alliance is formally represented on the following National Sector Working Groups: • PHO Service Agreement Amendment Protocol Group (PSAAP). • PHO Performance Programme Governance Group. • National Pandemic Planning Group.

		• Primary Health Care Advisory Council (PHCAC) – disestablished end 2009. • National System Development Programme (NSDP) – disestablished end 2009. • Nursing and Midwifery Primary Health Care Workforce Group – disestablished end 2009. • Members also contributed to a range of expert-based workshops throughout the year such as the National Bowel Screening Programme. **National PHO Collective** Collective members have maintained contact throughout the year and have meet twice in person: • November 09 (Wellington) • August 09 (Hastings) • A third meeting is being planned for September 2010. **PHO New Zealand** • The Chairs and Executive Officers of PHO Alliance and PHONZ have maintained regular contact throughout the year and co-hosted the PHO Consolidation Forum in Auckland in May 2010. • Stephen Mann, Chair of PHONZ attended and spoke at the June 2010 General Meeting on: *Closer PHO Relationships.* **General Practice NZ (formerly IPAC)** • PHO Alliance Chairman attends GPNZ Council meetings. • Chair of GPNZ, Dr Bev O'Keefe, spoke at the March 2010 General Meeting on: *GPNZ, the Inaugural World Health Care Conference and some thoughts on the National Health Board*. • PHO Alliance is working closely with GPNZ on the development of the generic back to back contract template. **NZMA** • Chair of the GP Council, Dr Mark Peterson, spoke at the December 2009 General Meeting on: *Clinical leadership in PHOs and how NZMA and PHOA can work together in the future*. • PHO Alliance is working closely with NZMA on the development of the generic back to back contract template. **Health academics** • Dr Pauline Barnett, University of Canterbury, Health Science Centre spoke at the December 2009 General Meeting on: *Into the light – reflections on the emergence and maturing of PHOs.*

Achieve economies of scale	In progress	**Levy structure** • Three tiered levy structure implemented for the 2010-2011 financial year. • Ability to join for six months and an option to pay levy in installments introduced. **Merging options** • Regular meetings with PHO New Zealand executives to progress closer working relationships. • Merger talks being progressed with PHO New Zealand. **Expansion of Membership** • Expansion of Membership beyond PHOs is being considered at the 2010 Annual Meeting.
In-depth analysis of ethnic minority populations	Completed	**Enrolled Population Analysis** • An analysis of the PHO Alliance's enrolled population by ethnicity compared with national ethnicity statistics completed. The information gathered will help inform future funding discussions. • Within the PHO Alliance membership there are (using April 09 data): - 402,807 Quintile 5 - 262,350 Maori - 168,424 Pacific - 218,495 Asian • Breakdown by PHO is shown on page 13.
Information sharing	On going	**Website** Members share information on a daily basis via email. The website is advancing our exchange and promotion function and is becoming a valuable repository of primary health care resources: An overview of traffic statistics in the last year are: **Public website** www.phoalliance.org.nz • 1,008 unique visitors made 2,062 visits, averaging 2.83 pages per visit and stayed approximately 2.35 minutes per visit. • Most popular pages were Information (of which the National PHO Collective was the most popular) and About Us. • 54% of visitors came to us directly, 42% by search engines and 3.69% by referring sites. **Members only site** www.phoalliance.org.nz/members/ • 100 unique visitors made 361 visits, averaging 3.20 pages per visit and stayed approximately 3.18 minutes per visit. • Most popular pages/documents were General Meetings (of which the September 2009 Annual Meeting papers were most popular) and the list of governance development resources.

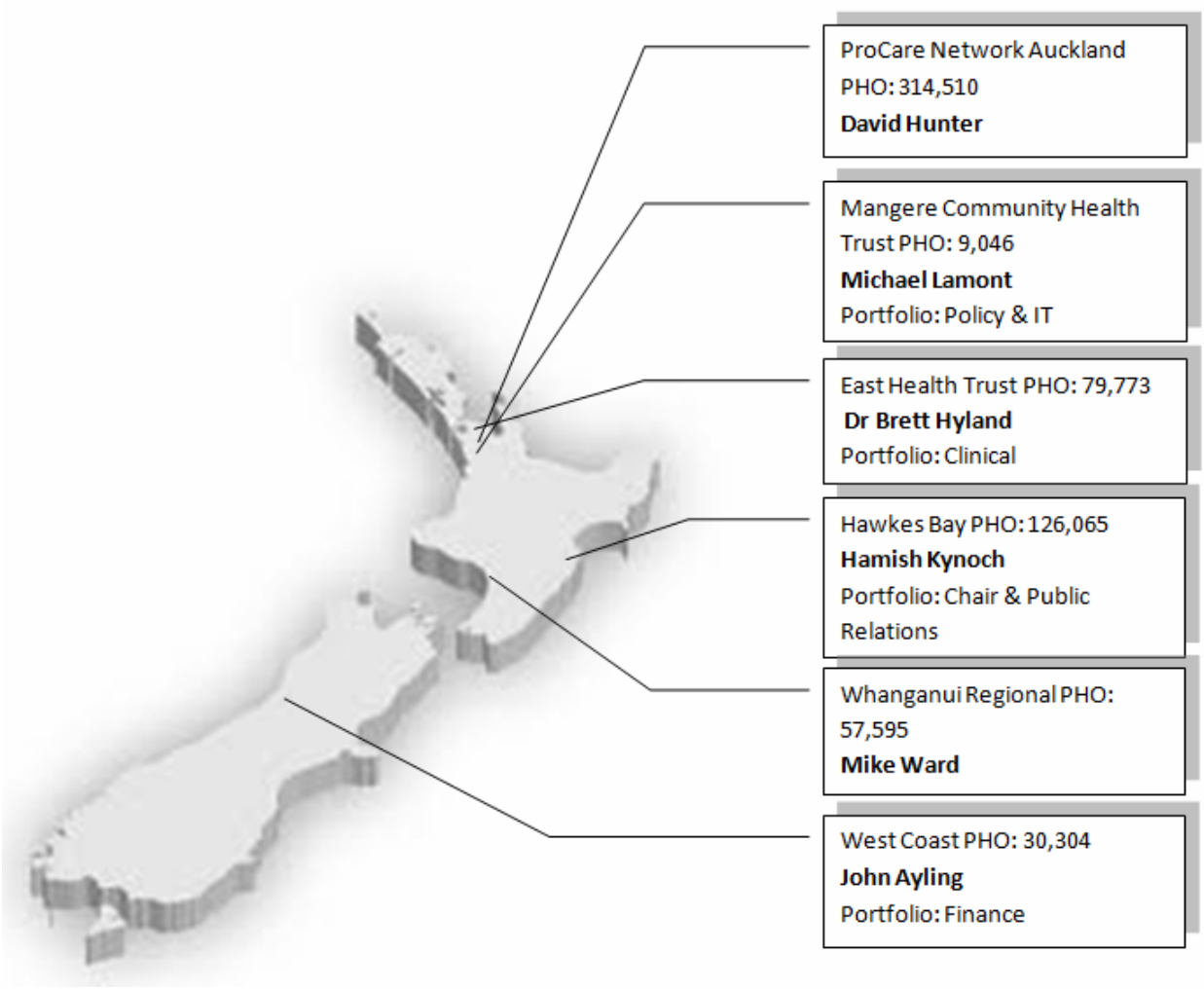
PROPOSED PRIORITIES AND DIRECTIONS 2009-2010

The strategic focus and high level activities for the next 12 months will be determined by the new executive committee following the 2010 Annual Meeting.

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 2009-2010 executive committee are included over the page. The map below shows respective geographical locations, enrolled populations and portfolios of responsibility.



HAMISH KYNOCH – CHAIRPERSON (ELECTED)

- Chairman of Hawke's Bay PHO
- Background in NGO and community governance, and local government
- A farmer with a non-clinical community perspective.

Portfolio of responsibility: Public Relations

DR BRETT HYLAND – EXECUTIVE (ELECTED)

- Chair of East Health Trust PHO
- General Practitioner
- Director of East Health Services Limited (MSO)
- Director East Care Limited (A&M)
- Honorary Clinical Senior Lecturer
- Member Institute of Directors
- Broad knowledge of the primary health sector from provider and management perspective.

Portfolio of responsibility: Clinical

JOHN AYLING – EXECUTIVE (NOMINATED REPLACEMENT FOR ELECTED MEMBER)

- Chair of the West Coast PHO
- Former Chair of the Primary Health Care Advisory Council
- Director Access Home Health Ltd
- Longstanding career in health management in NZ and Australia.

Portfolio of responsibility: Finance

MICHAEL LAMONT- EXECUTIVE (ELECTED)

- Chair of Mangere Community Health Trust
- 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.

Portfolio of responsibility: Policy and IT

DAVID HUNTER – EXECUTIVE (CO-OPTED)

- Chair of ProCare Network Auckland
- Retired Senior Executive of Carter Holt Harvey Limited.
- Director of ProCare Health Ltd and ProCare Psychology Services Ltd
- Director of Healthcare Medical Ltd (HML)
- Trustee of Dilworth Trust Board and Eden Park Trust Board
- Broad knowledge of governance and commercial aspects of the Primary Health sector.

MIKE WARD- EXECUTIVE (CO-OPTED)

- Chair of Whanganui Regional PHO
- Board Member Te Oranganui Iwi Health Authority PHO
- Director Gonville Health
- Manager Whanganui Community Living Trust
- Particular areas of interest are the disability sector and the community not-for-profit sector.

MAC LEAUANAE - ADVISOR

- Pacific Advisor to Executive Committee
- Senior Manager Primary Care, Procare Health Ltd
- LLB, Dip Bus Management, final year MBA (Henley College UK)
- Background in law, training and business development particularly with, and for, Pacific communities.

Responsibility: to assist the Executive to consider Pacific interests prior to policy documentation being circulated to wider membership for feedback.

MĀORI ADVISOR – in early 2009 it was decided not to seek a replacement Māori Advisor as the Executive Committee was of the opinion that with at least three Chairs prominent in Iwi affairs this role was effectively covered.

LIST OF MEMBERS

Member PHOs	Date Joined	Enrolled Pop @ Apr-09	Māori	% Maori	Pacific	% Pacific	Asian	% Asian	European	% European	Other	% Other	Not Stated	% Not Stated	Q5	% Q5	Chair	DHB
Compass Primary HealthCare Network	1-Jul-10	233,238	19,060	8.17%	11,539	4.95%	18,986	8.14%	167,841	71.96%	13,522	5.80%	2,290	0.98%	20,708	8.88%	Larry Jordan	Capital & Coast
Christchurch PHO	22-Aug-06	28,333	1,667	5.88%	646	2.28%	3,204	11.31%	21,379	75.46%	1,042	3.68%	395	1.39%	4,874	17.20%	Angus Chambers	Canterbury
East Health Trust PHO	30-Jun-06	79,773	1,859	2.33%	1,276	1.60%	15,419	19.33%	55,747	69.88%	2,228	2.79%	3,244	4.07%	1,743	2.18%	Brett Hyland	Counties Manukau
Harbour Health PHO	16-Oct-07	154,293	4,342	2.81%	2,368	1.53%	17,340	11.24%	125,452	81.31%	3,982	2.58%	809	0.52%	2,015	1.31%	Kate Baddock	Waitemata
Hawkes Bay PHO	8-Aug-06	126,065	21,635	17.16%	2,661	2.11%	2,365	1.88%	95,681	75.90%	2,218	1.76%	1,505	1.19%	24,654	19.56%	Hamish Kynoch	Hawkes Bay
Health Rotorua PHO	25-Jul-06	73,233	28,209	38.52%	1,777	2.43%	1,976	2.70%	39,799	54.35%	879	1.20%	593	0.81%	25,187	34.39%	Ros Rowarth	Lakes
Karori PHO	29-Sep-06	13,270	567	4.27%	430	3.24%	1517	11.43%	9973	75.15%	715	5.39%	68	0.51%	476	3.59%	Jeff Lowe	Capital & Coast
Kimi Hauora Wairau Marlborough PHO	7-Aug-06	41,031	3,380	8.24%	555	1.35%	490	1.19%	35,213	85.82%	567	1.38%	826	2.01%	1,370	3.34%	Rennie Dix	Nelson Marlborough
Central PHO	1-Jul-10	149,911	23,765	15.85%	3,280	2.19%	5,248	3.50%	113,620	75.79%	3,176	2.12%	822	0.55%	28,736	19.17%	John Sprunt	MidCentral
Mangere Community Health Trust	11-Jul-06	9,046	782	8.64%	5,126	56.67%	1,985	21.94%	1,071	11.84%	63	0.70%	19	0.21%	5,026	55.56%	Michael Lamont	Counties Manukau
Nelson Bays PHO	29-Sep-06	91,270	6,013	6.59%	798	0.87%	1,569	1.72%	79,888	87.53%	1,437	1.57%	1,565	1.71%	7,642	8.37%	Jan Morgan	Nelson Marlborough
Partnership Health Canterbury PHO	15-Aug-06	362,978	21,755	5.99%	8,050	2.22%	19,407	5.35%	286,620	78.96%	8,022	2.21%	19,124	5.27%	41,963	11.56%	Andrew Hornblow	Canterbury
ProCare Network Auckland PHO	1-Sep-06	314,510	13,699	4.36%	29,021	9.23%	56,401	17.93%	200,200	63.65%	8,733	2.78%	6,456	2.05%	32,194	10.24%	David Hunter	Auckland
Procare Network Manukau PHO	16-Jul-07	243,481	41,164	16.91%	41,793	17.16%	40,075	16.46%	116,726	47.94%	3,177	1.30%	546	0.22%	77,371	31.78%	Harley Aish	Counties Manukau
Ropata Community PHO	19-Jul-06	19,066	1,123	5.89%	506	2.65%	1,599	8.39%	15,539	81.50%	233	1.22%	66	0.35%	2,245	11.77%	Max Shierlaw	Hutt Valley
Rural Canterbury PHO	10-Aug-06	81,628	4,695	5.75%	733	0.90%	751	0.92%	71,148	87.16%	2,552	3.13%	1,749	2.14%	2,351	2.88%	Allan Marriott	Canterbury
Tamaiti Whangai PHO	26-Nov-09	5,232	1397	26.70%	657	12.56%	782	14.95%	2,221	42.45%	150	2.87%	25	0.48%	1343	25.67%	Grant Donnelly	Hutt Valley
Total Healthcare Otara	25-Jun-09	83,336	12,525	15.03%	45,367	54.44%	15,306	18.37%	6,821	8.18%	3,293	3.95%	24	0.03%	45,121	54.14%	William Ropata	Counties Manukau
Tu Meke First Choice PHO	31-Oct-08	14,247	6,832	47.95%	1,530	10.74%	229	1.61%	5,448	38.24%	191	1.34%	17	0.12%	7,487	52.55%	John Newland	Hawkes Bay
Valley PHO	20-Sep-06	80,478	10,489	13.03%	5,667	7.04%	5,879	7.31%	55,523	68.99%	2,676	3.33%	244	0.30%	16,556	20.57%	Hans Snoek	Hutt Valley
Wairarapa Community PHO Trust	30-Jun-08	39,789	5,571	14.00%	689	1.73%	417	1.05%	30,689	77.13%	2,182	5.48%	241	0.61%	5,530	13.90%	Elaine Brazendale	Wairarapa
Well Dunedin PHO	2-Oct-06	78,252	4,178	5.34%	1,480	1.89%	2,471	3.16%	65,833	84.13%	3,033	3.88%	1,257	1.61%	9,692	12.39%	Phil Broughton; Hilary Allison (DC)	Otago
Western Bay of Plenty PHO	25-Jul-06	138,125	14,810	10.72%	1,491	1.08%	3,878	2.81%	115,350	83.51%	2,254	1.63%	342	0.25%	17,632	12.77%	John Gemming & Tatai Allen	Bay of Plenty
West Coast PHO	27-Feb-09	30,304	2,536	8.37%	212	0.70%	346	1.14%	26,446	87.27%	598	1.97%	166	0.55%	4,332	14.30%	John Ayling	West Coast
Whanganui Regional PHO	10-Aug-06	57,595	10,297	17.88%	772	1.34%	855	1.48%	44,495	77.25%	456	0.79%	720	1.25%	16,559	28.75%	Mike Ward	Whanganui
TOTAL -PHO ALLIANCE		**2,548,484**	**262,350**	**10.29%**	**168,424**	**6.61%**	**218,495**	**8.57%**	**1,788,723**	**70.19%**	**67,379**	**2.64%**	**43,113**	**1.69%**	**402,807**	**15.81%**		
TOTAL - NATIONAL STATISTICS		**4,110,047**	**553,213**	**13.46%**	**283,039**	**6.89%**	**330,005**	**8.03%**	**2,770,912**	**67.42%**	**111,010**	**2.70%**	**61,868**	**1.51%**	**749,273**	**18.23%**		

FINANCIAL STATEMENTS

Summary of financial performance 1 July 2009 – 30 June 2010:

The PHO Alliance's income receipts for the twelve months ending 30 June 2010 were $195,130 and total expenditure was $191,301 resulting in a net operating surplus of $3,829 (against a budgeted year-end deficit position of -$35,187).

The main expenditure items were management and financial services (55%), PSAAP expenses (12%) and executive fees and expenses (12%).

Total equity as at the end of the fourth year of operation is $86,512 of which $14,144 is ring-fenced for governance development activities.

PHO ALLIANCE
INCORPORATED

FINANCIAL STATEMENTS
FOR THE YEAR ENDED 30 JUNE 2010

DIRECTORY

PHO ALLIANCE Inc
STATEMENT OF FINANCIAL PERFORMANCE
FOR THE YEAR ENDED 30 JUNE 2010

	2010 $	2009 $
Income		
Membership Fees	168,986	155,945
Contract Income	17,356	85,750
Other Income	8,788	15,974
Total Income	**195,130**	**257,669**
Expenses		
Back-to-Back Contract	5,334	0
Bank Charges	222	241
Catering	2,043	2,432
Contract Expenses - PHO Payments	17,356	49,784
Contract Expenses - Project Expenses	510	400
Depreciation	2,240	194
Executive Fees & Expenses	22,936	26,097
Management & Financial Services	106,100	100,279
Meeting Expenses	1,001	1,085
National Sector Representation	1,506	5,279
National PHO Collective	2,075	2,320
PSAAP Expenses	23,749	0
Sundry Expenses	2,236	0
Telephone	1,587	1,888
Venue Hire	1,800	2,200
WebSite	606	4,307
Total Expenses	**191,301**	**196,506**
Net Surplus/(Deficit)	**3,829**	**61,163**

These accounts are to be read in conjunction with the attached Notes to the Financial Statements

PHO ALLIANCE Inc
STATEMENT OF MOVEMENTS IN EQUITY
FOR THE YEAR ENDED 30 JUNE 2010

	2010 $	2009 $
Opening Balance as at 1 July	**82,683**	**21,520**
plus Surplus for the year	3,829	61,163
Total Recognised Revenues and Expenses for the Year	3,829	61,163
Closing Balance as at 30 June	**86,512**	**82,683**

These accounts are to be read in conjunction with the attached Notes to the Financial Statements

PHO ALLIANCE Inc
STATEMENT OF FINANCIAL POSITION
AS AT 30 JUNE 2010

	2010	2009
Assets	**$**	**$**
Current Assets		
Bank Accounts	97,138	109,780
Accounts Receivable	450	14,006
GST Receivable	5,143	173
Total Current Assets	**102,731**	**123,959**
Fixed Assets		
Web Site	**2,426**	4,666
Total Assets	**105,157**	**128,625**
Liabilities		
Current Liabilities		
Accounts Payable	4,501	14,442
Governance Development Pre-payments	14,144	31,500
Total Current Liabilities	**18,645**	**45,942**
Net Assets	**86,512**	**82,683**
Equity		
Retained Earnings	86,512	82,683
Total Equity	**86,512**	**82,683**

Signed by:

Chairperson

Executive Officer

Dated: 17 August 2010

These accounts are to be read in conjunction with the attached Notes to the Financial Statements

PHO ALLIANCE Inc
NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 30 JUNE 2010

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 Inc. is registered as a charitable entity under the Charities Act 2005. It is therefore exempt from Income Tax.

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 developed a web site which is depreciated at 48% DV.

6. Financial Operations

This is the fourth financial year the PHO Alliance has been operating.

7. Auditors

For the year ending 30 June 2010, the PHO Alliance Inc has not appointed auditors.