



Vision: quality home health and community support services

New Zealand Home Health Association (Inc)

**Annual Report and
Financial Statements
for the year ended
30 June 2011**



New Zealand Home Health Association Inc

Vision: *Quality home health and community support services*

Annual Report 2010-11

I am pleased to present the annual report for the New Zealand Home Health Association Inc for the period of 1 July 2010 to 30 June 2011. In last year's report I reported on the financial challenges faced by members. These challenges have continued this year. But the most significant event of the year was the earthquakes in Canterbury. Members there have had to deal with immediate crisis, the death or serious injury of colleagues and friends, damage to or loss of homes and workplaces, as well as the ongoing stress of maintaining a service despite aftershocks and lack of certainty. We have given our messages of support and sympathy, but we also extend our admiration for the sheer grit shown by our South Island colleagues and staff of those organisations located in other areas, who helped keep services running. Kia kaha.

We moved to a new fee structure for the 2010-11 year, raising subscription levels in order to provide the ongoing support required for upcoming years. Members responded positively towards this move. They also demanded more from the Executive Committee and the Association, and I feel confident in saying they have got more, particularly in directing the attention of funding agencies towards home support, what it can offer, and about the barriers to maintaining and getting best value from this sector.

Our new committee focused again in the second quarter of 2010 on strategic planning. We developed a Statement of Strategic Intent, which states four goals for the Association during 2011-15:

- Quality (Continuous Improvement)
- Influence (Relationships/partnerships with NZHHA are actively sought)
- Profile and Reputation (NZHHA is recognised as credible, representative and professional)
- Organisational Robustness (NZHHA models effective forward thinking governance in the wider health sector)

We have been actively working on those goals, and are seeing improved stakeholder relationships, Ministry of Health activity, and participation. The opinions and involvement of NZHHA are now frequently sought around matters such as workforce development and training, service delivery, quality assurance and technical standard setting. We have given presentations to, or met with numerous politicians, senior officials and governance boards, including the Minister of Health and the National Health Board. The Minister has responded to our publication 'Making the Most of Home Support Services'. The Ministry of Health has established a working group specifically looking at home support, particularly around making service expectations more consistent, and also looking at quality assurance.

But we are all having to paddle hard in rough seas. The economic recession and looming health spending on chronic disease management and the ageing population are refocusing the minds of funding agencies towards efficiency gains and service cuts. The message about the importance of our relatively low cost service in to restraining other health dollar spending has to be repeated constantly, too often the service is treated as an expendable option. It is also very difficult, in this environment, to see movement in contract rates, and this is impacting directly upon our ability to retain, and train our workforce.

A significant task for the Association this year was its report 'Making the Most of Home Support Services'. This report outlines where home support is now, and how it can be used in the future. In it we make a number of recommendations under the themes of Quality, Effectiveness and Value. Our recommendations include our calls upon the government to:

- a) make the Home and Community Support Sector Standard mandatory, so that people receiving home support can have some assurance that the provider is meeting a benchmarked standard of quality.
- b) seek national standardization of service requirements for similar services
- c) address safety issues such as the agreed registered nurse to non-regulated support worker ratio for complex care.
- d) conduct research that would generate and coordinate information about individual clients and client groups.
- e) co-fund research that would analyse the current and projected future needs of the home support client base, measure benefits of home support models in the New Zealand context, and measure the cost and risk of servicing higher levels of need.

Some of the issues raised in our report, such as the inconsistency of auditing, were also picked up by the Auditor-General in her report into DHB delivery of home support services (released in July this year). We have seen small movements across some funding agencies, but there is much more to do.

The Association has been pleased to play a pivotal role in the revision of the Home and Community Support Sector Standard 8158 during this year. We facilitated a working group comprising the government agencies that funded the revision (ACC and Ministry of Health) as well as provider representatives. This group considered first principles, compared the standard against its cousin (the Health and Disability Services Standards), and reconstructed a working draft for the official Standards Committee. Andrea McLeod, Deputy Chair of the Association chaired that working group and also the Standards Committee that revised the Standard. It has been overhauled to require greater emphasis on the consumer and on outcomes, and to reflect the changing needs of clients and sophistication of service delivery. The draft is currently under public consultation, and we hope to see the new standard in place in the first quarter of 2012.

The Association undertook a skills analysis during the year, in collaboration with Careerforce, the Industry Training Organisation. This involved surveying members on the qualifications of their staff, as well as gathering broad demographic information on the workforce, and learning about current and future training needs. This also allowed Careerforce to build a skills strategy for training development over the next several years.

I wish to thank the members of the Executive committee who have given excellent service to the sector during 2011. There was keen interest in the Executive Committee election, which is always a good sign for an Association – thank you to all who put themselves forward for election. We welcomed two new members to the Committee – John Wade and Kathryn Jones, and we said farewell to Scott Arrol. All three brought their energy and industry perspective to the table. I also want to extend our thanks to individuals across the sector who have given their time and energy sitting on committees and working groups. Some of these groups seem to achieve little. Others have more tangible outcomes, but it is better to be at the table than not.

Our membership support activities during the year included our Annual conference in September 2010, held in Auckland. There was a good attendance, and it provided a platform upon which to build our conference for 2011. We also ran a contract negotiation course for members in late March of this year. And our Auckland branch has continued to attract good attendance under the stewardship of Andrea McLeod. We have also updated our quarterly newsletter and also now

provide an in-house newsletter that comes out at least once a month.

I wish to thank Julie Haggie who started in July 2010 as a full time CEO. Julie worked quickly to develop her understanding of the broad range of issues faced by the sector. She has facilitated the building of stakeholder relationships and ensured that our voice is heard and listened to more clearly where decisions are made on funding and services.



Trish Neal
Chairperson, NZHHA

Executive Committee Members for the year 1 July 2010 - 30 June 2011

Trish Neal (Chairperson)
Andrea McLeod (Deputy Chairperson)
Dr Rod Watts
Nicola Turner
Kent Youard
Leanne McLiver
John Wade (from 1 September 2010)
Kathryn Jones (from 1 September 2010)
Scott Arrol (up to 31 August 2010)
Sheree East (up to 31 August 2010)

THE NEW ZEALAND HOME HEALTH ASSOCIATION (INC.)

FINANCIAL STATEMENTS

**FOR THE YEAR ENDED
30 JUNE 2011**

THE NEW ZEALAND HOME HEALTH ASSOCIATION (Inc.)

STATEMENT OF FINANCIAL PERFORMANCE

FOR THE YEAR ENDED 30 JUNE 2011

	NOTE	2011 \$	2010 \$
INCOME			
Subscriptions		254,591	106,650
NZHHA Conference		114,007	-
Interest		13,508	2,404
ACC Meetings – Travel Reimbursement		-	5,107
Careerforce Skills Strategy		36,400	2,288
Directory Income		-	20,825
Other Income		1,059	-
TOTAL INCOME		419,565	137,274
EXPENDITURE			
ACC Meetings – Travel		759	6,318
Advertising and Promotion		2,548	-
Audit Fees		1,000	750
NZHHA Conference		105,018	-
Consultancy		17,085	17,711
Database		720	375
Depreciation		835	1,710
Directory		-	20,745
Careerforce Skills Strategy		31,306	-
Standard Development Project		4,048	-
NZHHA Meetings & Travel		15,731	17,145
Executive Officer Travel & Expenses		5,734	816
Executive Officer Conference & Prof Development		300	200
Office & Administration	2	28,433	23,965
Salaries and Secretarial Support	3	150,459	66,356
Recruitment		-	21,878
Legal Fees		1,745	15,240
TOTAL EXPENDITURE		365,721	193,209
 NET SURPLUS/(DEFICIT)		53,844	(55,935)

The accompanying notes should be read in conjunction with the financial statements

THE NEW ZEALAND HOME HEALTH ASSOCIATION (Inc.)

STATEMENT OF MOVEMENT IN EQUITY

FOR THE YEAR ENDED 30 JUNE 2011

	2011	2010
	\$	\$
EQUITY AT BEGINNING OF YEAR	121,549	177,484
Net Surplus/(Deficit)	53,844	(55,935)
EQUITY AT END OF YEAR	175,393	121,549

The accompanying notes should be read in conjunction with the financial statements

THE NEW ZEALAND HOME HEALTH ASSOCIATION (Inc.)

STATEMENT OF FINANCIAL POSITION

AS AT 30 JUNE 2011

	NOTE	2011 \$	2010 \$
ACCUMULATED FUNDS		175,393	121,549
REPRESENTED BY:			
CURRENT ASSETS			
Westpac Bank – Cheque A/c		50,349	11,859
Westpac Bank - Savings A/c		6,025	454
Westpac Bank NZHHA Conference Bank A/c		13,215	25,474
Westpac Bank – Term Deposits	4	150,000	104,177
Accounts Receivable		2,763	3,006
Accrued Interest		3,202	200
Prepayments		8,953	-
TOTAL CURRENT ASSETS		234,507	145,170
FIXED ASSETS	5	1,110	701
TOTAL ASSETS		235,617	145,871
CURRENT LIABILITIES			
Accounts Payable		8,756	9,487
GST Payable		9,303	2,342
Conference Received in Advance		3,389	12,493
Subscriptions Received in Advance		33,983	-
Provision for Holiday Pay	3	4,793	-
TOTAL CURRENT LIABILITIES		60,224	24,322
TOTAL LIABILITIES		60,224	24,322
NET ASSETS		175,393	121,549



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CHAIRPERSON



.....
CHIEF EXECUTIVE OFFICER

The accompanying notes should be read in conjunction with the financial statements

THE NEW ZEALAND HOME HEALTH ASSOCIATION (INC.)
NOTES TO AND FORMING PART OF THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED 30 JUNE 2011

1) STATEMENT OF ACCOUNTING POLICIES

Reporting Entity

The New Zealand Home Health Association (Inc.) is a non-profit organisation, registered under The Incorporated Societies Act 1908, and given Charitable Trust status by the I.R.D. It is a qualifying entity for the purposes of differential reporting as it is not publicly accountable and is not a large entity. All differential reporting exemptions have been applied. The NZ Home Health Association has registered with the Charities Commission CC10318.

Measurement Base

The measurement base adopted is that of historical cost. Accrual accounting is used to recognise expenses and revenues.

Specific Accounting Policies

The following specific accounting policies, which materially affect the measurement of profit and financial position, have been applied:

- a) Accounts Receivable are stated at their estimated net realisable value.
- b) Plant, Property and Equipment are initially recorded at cost.
- c) Depreciation is provided on a diminishing value basis on all plant, property and equipment, using tax depreciation rates.
- d) Grants received are realised to the current or future Income and Expenditure account when the funds are to be utilised for specific purposes.
- e) Goods and Services Tax (GST)
The Statement of Financial Performance has been prepared so that all amounts are stated exclusive of GST. All items in the Statement of Financial Position are stated net of GST, with the exception of accounts receivable and accounts payable which include GST invoiced.
- f) Income Tax
The Association is exempt for income tax purposes.
- g) Financial Instruments
Financial Instruments carried on the statement of financial position include cash and bank balances, investments, receivables, creditors and borrowings. The investments are valued at realisable value.

Changes in Accounting Policies

There have been no changes in accounting policies. All policies have been applied on a basis consistent with those used in previous periods.

The accompanying notes should be read in conjunction with the financial statements

THE NEW ZEALAND HOME HEALTH ASSOCIATION (INC.)

NOTES TO AND FORMING PART OF THE FINANCIAL STATEMENTS

FOR THE YEAR ENDED 30 JUNE 2011

2) OFFICE & ADMINISTRATION EXPENSES

	2011	2010
	\$	\$
Computer Costs	787	91
Bank Fees	93	123
Insurance	875	1,995
General Office expenses	1,405	835
Photocopying & Stationery	1,859	467
Printing	3,036	-
Newsletter Design	3,854	-
Postage	369	445
Rent	12,000	12,000
Telephone & Tolls	2,705	3,925
Website Maintenance	1,450	4,084
TOTAL OFFICE & ADMINISTRATION EXPENSES	28,433	23,965

3) SALARIES AND SECRETARIAL SUPPORT

	2011	2010
	\$	\$
Wages and Salaries	143,497	61,743
Secretarial Support	1,848	4,359
Holiday Pay provision	4,793	-
ACC Levies	321	255
TOTAL SALARIES AND SECRETARIAL SUPPORT	150,459	66,357

4) TERM DEPOSITS

Westpac Term Deposit 001, \$100,000, 4.5%p.a., maturing 19/9/11
 Westpac Term Deposit 002, \$50,000 5.2%p.a., maturing 20/9/11

5) PLANT, PROPERTY AND EQUIPMENT

	2011	2010
	\$	\$
Office Equipment		
Computer Equipment – at cost	6,641	5,397
Less Provision for Depreciation	5,656	4,843
	985	554
Furniture & Fittings – at cost	839	839
Less Provision for Depreciation	714	692
	125	147
TOTAL PLANT, PROPERTY AND EQUIPMENT	1,110	701

6) CAPITAL COMMITMENTS

There are no known capital commitments at year end. (2010: Nil)

7) CONTINGENT LIABILITIES

There are no known contingent liabilities at year end. (2010: Nil)

The accompanying notes should be read in conjunction with the financial statements

REVIEWERS' REPORT

To the Members of The New Zealand Home Health Association (Inc.)

I have reviewed the financial statements on pages 1 to 5. The financial statements provide information about the past financial performance of the Association and its financial position as at 30 June 2011. This information is stated in accordance with the accounting policies set out on page 4.

Executive Committee's Responsibilities

The Executive Committee is responsible for the preparation of the financial statements that fairly reflect the financial position of the Association as at 30 June 2011 and the results of the operations for the year ended on that date.

Reviewer's Responsibilities

It is my responsibility to express an independent opinion on the financial statements presented by the Executive Committee and report my opinion to you.

Basis of Opinion

A review includes examining, on a test basis, evidence relevant to the amounts and disclosures in the financial statements. It also includes assessing:

- the significant estimates and judgements made by the Executive Committee in the preparation of the financial statements, and
- whether the accounting policies are appropriate to the Association's circumstances, consistently applied, and adequately disclosed.

I planned and performed my review so as to obtain all the information and explanations that I consider necessary. I obtained sufficient evidence to give reasonable assurance that the financial statements are free from material misstatements, whether caused by fraud or error. In forming my opinion I also evaluated the overall adequacy of the presentation of information in the financial statements.

Other than in my capacity as reviewer, and answering accounting questions from time to time, I have no relationship with, or interests in the Association.

Unqualified Opinion

I have obtained all the information and explanations I have required.

In my opinion the financial report on pages 1 to 5 fairly reflects the financial position of the Association as at 30 June 2011 and the results of its operations and cash flows for the period ended on that date.

My review was completed on 26 September 2011 and my unqualified opinion is expressed as at that date.



G A CROSS, Accountant
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