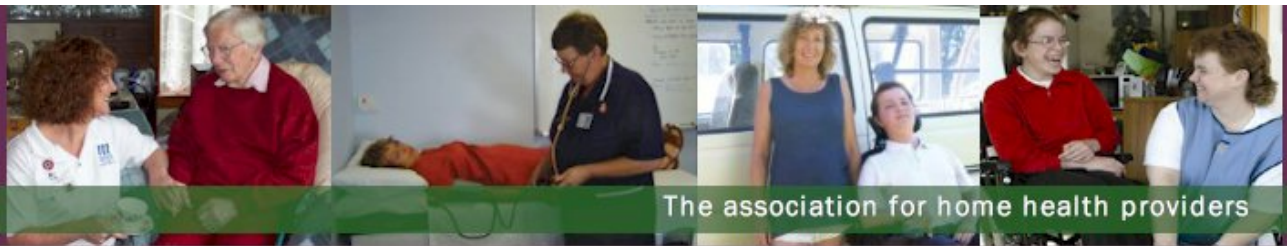


# New Zealand Home Health Association Inc Annual Report and financial statements for the year ended 30 June 2013



The association for home health providers

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The New Zealand Home Health Association Inc is the national body representing providers of home health care services, supporting them to achieve the highest possible standards.

New Zealand Home Health Association (NZHHA)  
PO Box 5344, Wellington 6145  
+64 4 472 3196  
info@nzhha.org.nz  
www.nzhha.org.nz



## Chairperson's Report

I am pleased to present the Annual Report and financial statements for the New Zealand Home Health Association Inc for the period of 1 July 2012 to 30 June 2013.

The last year has been tumultuous for the sector with a flurry of sales, mergers, exits and a shift to subcontracting in key contract areas. One outcome of contract tendering has been a reduction of the number of contracts held by providers, and in some cases providers leaving the sector. The tendering processes have required significant time and energy to be invested by both successful and exiting providers. We have seen the departure from home health of some excellent providers and staff and I want to acknowledge the contribution that they have made to quality home health services.

For the most part during transition the care of clients has remained stable, because staff and management have carried the burden of change, uncertainty and the financial outlay required to transition and exit, and this is a reflection of the level of commitment to client care that is part of our sector.



Another pressure on our sector this year is the implementation of our revised sector Standard NZS 8158:2012. This Standard sets minimum criteria around consumer rights, service delivery, organizational management and human resources. The Association drove for this standard to become mandatory for all providers of publicly funded services. We were successful in our call, and the Standard became mandatory from 1 September 2013. Amendments and additions in the 2012 revised version have demanded a closer link between the client need and the staff competency. This means more focussed training, clinical oversight, changes to policy and procedures and, for some, a culture change around person centred and restorative or rehabilitative care.

The Association tries to keep a balance between a focus on sector survival and on quality, but it is difficult. We know how much more a suitably trained and appropriately rewarded workforce can offer New Zealand by relieving resource demands in aged care, in chronic condition support, in early recovery from injury and illness and in support for self-care and independence. The work our providers do has already directly benefitted the financial position of the government and District Health Boards, but we do need a fairer proportion of those productivity gains to be directed towards retaining and growing the

workforce. The government wants more people to live well in their homes for longer, and to have fewer and shorter hospital stays. Sadly the lack of health policy and planning around home based support is directly undermining that aim.

Across the country the gap between funding rates has deepened, and we are seeing growing disparities in the level of service that people receive, in the ability to train support workers and to recruit staff and retain staff. We can also expect that litigation, as is now occurring in regard to travel time and pay equity, will become increasingly common. This is another reflection of the lack of a clear and planned policy for our sector.

NZHHA has worked hard to get a broader response to the major problems that exist in the funding and contracting of home support, and we have solutions to propose. Effective policy development and planning would involve:

- a) A targeted and nationally driven strategy to reduce current funding disparities and ensure sustainability in the short and longer term – this strategy would be a whole of sector solution not a band aid for each issue as it crops up.
- b) Recognition and productive use of existing credible evidence of the value provided by in-home health services;
- c) Higher level planning and integration of home support services with secondary and primary services to improve and maintain community health;
- d) Higher level consideration and oversight of quality and safety measures in home support contracting across New Zealand;
- e) Meaningful workforce planning that reflects the expectations of service delivery in the sector now and into the future.

A priority for the Association over the next year will be to work with decisionmakers and health planners to strengthen strategic planning and action on these solutions. A similar all parties agreement approach has been successful in mental health in the past.

One element of success is the development, with the District Health Boards, of a costing tool. That will be a positive step if it is matched by higher level use of the tool, within the broader strategy mentioned above. We will be seeking the support of District Health Boards to more actively use evidence based tools, such as the costing template and Interrai data, to inform their medium to long term planning.

The consolidation of contracts has also challenged the Association because as providers exit the sector or are merged, member numbers decrease and this directly affects the Association revenue. There are also changes in the way services are contracted and funded, across the range of contracts and the current mechanism for determining membership fees is no longer relevant. A key



piece of work undertaken during the year was a governance review, and despite the rapid change the clear message from members and funders was that it is essential that the sector retains a strong voice and representation. The Association is responding with changes to its governance and membership structures, to enable it to be nimble and responsive and to be a strong voice for the sector.

The contract changes have also resulted in a higher than expected number of changes to the Executive Committee, though we continue to attract leaders with a wide range of skills and experience. I want to extend my appreciation to all members of the Committee. They have given much time and energy this past year, often having to respond to consultation or attend meetings at short notice, and to think deeply about how to ensure the Association stays relevant for its members. This time and commitment is only made possible by the support of the Committee members' employing organizations. The Association is genuinely grateful of the generosity that these organizations continue to demonstrate in making their leaders available to us.

An Association is only as strong as its membership, and our membership remains healthy despite this weather bomb that we are experiencing. I extend the appreciation on behalf of the Executive Committee to members and their staff who have represented the sector on the numerous working groups that we now are part of, or who took time to contribute to consultations and surveys and attend Association meetings and events.

I would also like to acknowledge the work of Julie Haggie, CEO of the Association. In the course of obtaining feedback for the governance review there was strong and consistent feedback from both members and stakeholders that demonstrated the level of respect that Julie has in the sector. The changing environment has meant that Julie has been involved in some very challenging situations which she has managed professionally and with integrity.



**Andrea McLeod**  
Chairperson, NZHHA



## **Executive Committee Members for the year 1 July 2012 - 30 June 2013**

Andrea McLeod (Chairperson from 1 September 2012)

Trish Neal (Chairperson until 31 August 2012)

Nicola Turner

Sheree East

Kent Youard (until 31.8.2012)

David Chrisp (from 1.9.2012)

Liz Goldie (until 31.8.2012)

Sandra Hanmer (from 1.9.2012)

Glenys Tremain (1.9.2012-5.5.2013)

John Wade (until 6.6.2013)

Pete Carter (1.9.2012-29.6.2013)



(Fran Cook, Garry Bell and Scott Arrol were elected from 1 September 2013 Together with Andrea McLeod, Nicola Turner, David Crisp and Sandra Hanmer they comprise the Executive committee as at 1 November 2013 – there is one vacancy)



## Chief Executive Officer Report

### Quality, Education and Training

NZHHA advocates for continuing quality improvement of services to consumers and for consistent approaches to quality assurance, auditing, complaints and quality management. We strongly support quality improvement but also advocate for prices to recognise the cost of quality, and for integration of contract and certification audits. During the past financial year, the Association was actively involved in or facilitated several initiatives focusing on quality development:

We had a close involvement in the cross funder Quality Assurance project facilitated by the Ministry of Health. This comprised the implementation plan for the revised Home and Community Support Sector Standard, auditing requirements, common repository of audit reports and publicly available audit summaries.

The Association also supported providers, funders and service users by organizing seminars in main cities on the implementation of the revised Home and Community Support Sector Standard.

In 2012 a group of quality leaders within the sector developed a serious and sentinel events consequence table for use in our sector, with support from the Health Quality and Safety Commission. This year the Association endorsed the HQSC's Reportable Events policy and recommended that all of its members adopt it, use the consequence table and report any serious/sentinel events to HQSC. Using benchmark tools and processes will enhance consistency and transparency across the sector and has already seeded further discussions around event reporting.

The Association also participated in discussion and planning of a pilot to develop consistent complaints categorisation for the sector, and assisted the Ministry of Health with the development of complaints information for consumers. We were represented on a working group to revise a National Service Specification with the Ministry of Health. Unfortunately, we had to withdraw our support for this exercise as we could not honestly endorse a specification that placed further unfunded requirements on our members and staff.

We were active participants in the Caring Counts Coalition, which is a meeting of representatives of aged care providers, consumers and unions, focusing on the recommendations of the EEO Commissioner's Caring Counts report. We also gave feedback on draft ACC Moving and Handling Guidelines.

The Association and individuals members have also taken a very active role in the Targeted Review of Qualifications being facilitated by Careerforce.



## Advocacy and Representation

Over the Christmas and New Year period we made representations on travel reimbursement and travel time, following the initiation of legal action by unions on 'in between travel time'. Our advice to the Ministry is that solving the broader issue of travel (in between time and reimbursement for travel) will go a considerable way towards relieving the pressure on our workforce.

As mentioned in the Chair's report we also worked with the Health of Older People Steering Group and the Ministry of Health to develop a costing template, the aim of which is to inform and influence DHB investment in home support. This is an important development. It offers the DHBs a tool that can test their funding allocation against evidence on cost. It will be meaningless unless used to inform policy and funding.

During the year we advocated on many contracting and funding matters, communicating with government via direct meetings with politicians and with regular liaison with the Ministry Disability Support Services, with Ministry Health of Older People, with the Health of Older People Steering Group and with Accident Compensation Corporation. This included:

- o Responding on behalf of members during consultations and Requests for proposal. (Southern and Hawkes Bay).
- o Representation on the Ministry of Health Disability Support Services (DSS) Pricing Models Review Project Reference Group, the DSS Strategic Reference Group and the DSS Workforce Reference Group
- o Representation on the National Spinal Cord Impairment Reference Group (ACC), the National Falls Prevention Governance Group (HQSC), the Central Regions Older Adults Integrated Care working group, the Midland Region HOP Action Group and the Auckland region HOP Group
- o Collaboration with other peak bodies on the Ministry of Health's revision of standard contract templates – we collectively recommended a halt to that process, and referred to emerging procurement and contracting models.
- o Advocating with and informing the Minister of Senior Citizens, the Minister of Health, Labour Health spokesperson, the National Health Board, Accident Compensation Corporation and other government agencies about concerns, including on the Contribution to Cost Pressure funding.
- o Liaison with Careerforce and representation on the Targeted review of Qualifications.





## Consultation

During the year to June 2013 NZHHA has also responded to and participated in consultation on:

- o Ministry of Health DSS Paid Family Carers policy
- o Productivity Commission Services Sector review
- o Police proposal to charge for vetting services
- o NZQA Targeted review of qualifications (NZHHA also sits on the Review group and working group for that review being run by Careerforce)
- o Southern DHB consultation prior to its tender
- o Proposed changes to the Employment Relations Act.
- o Ministry of Education review of ITOs
- o Nursing Council consultation on safe and appropriate prescribing for registered nurses.
- o Consultation on Medicine Care Guide

## Research Involvement or Support

During the past year NZHHA contributed to the following research projects:

- o Te Pou – Research into Training Needs of Pacific, Maori and rural Home Support providers of support for Disability clients. NZHHA contributed to the scoping, questions and identification of providers and took part in the survey.
- o Oral Health – Study of Older People’s Oral Health Issues (Ministry of Health/ CBG Health Research Limited). NZHHA contributed through initial discussion and promotion of the study members.

## Membership Activities



We held a most successful conference in April. The theme of Squeeze Stretch and Flex reflected our members’ responses to current trends and service demands. We were fortunate to have excellent headline speakers, including Prof John Hirdes, Assoc Prof Walter Leutz, the Director-General of Health and Nancy Chapman. We also had a group of excellent presentations on a range of relevant topics, including from consumers and support workers. Our MC Te Radar kept the attendees entertained.

The Inaugural Service and Quality awards were presented at the conference dinner. Pacific Homecare won both the Insite Service Innovation and quality Award, and the Workforce Initiative Award.



The Association also awarded Trish Neal the Lifetime Achievement Award in recognition of the major and exceptionally valuable services that she has rendered to the Association.



In July and August 2012 we organized workshops in Auckland, Wellington, Hamilton, and Christchurch on the implementation of the Home and Community Sector Standard. They were oversubscribed, and so we organized a subsequent webinar as well. We also held a leaders forum and two webinars, one for members and one for wider community interest. The Auckland branch met regularly throughout the year, and an Auckland quality manager forum has been established.

We maintain regular communications with members through our In-House E-news, and on specific issues. We seek official information on behalf of members and problem solve on individual issues. I have given presentations to member boards and CEOs as well as other stakeholders. Along with our lawyers, Kensington Swan, we have also monitored the legal action relevant to the sector (Travel time claim, Terranova) and providing briefings to members.

We acknowledge the legal support of Kensington Swan during the year, and also the good guidance provided by Gillian Cross, our auditor. I also want to acknowledge Dong Mei Zhao who has provided us with very good accounting support during the year.

I would like to acknowledge the work of our Chairperson Andrea McLeod. Andrea took on the Chair when Trish Neal retired last year. Andrea has given great service, particularly on quality and workforce issues. The sector is fortunate to have benefitted from her knowledge, good counsel and good sense.

A handwritten signature in black ink, appearing to read 'Julie Haggie'. The signature is stylized and fluid.

Julie Haggie  
Chief Executive Officer



# Financial Statements

For the year ended 30 June 2013

## STATEMENT OF FINANCIAL PERFORMANCE

	NOTE	2013 \$	2012 \$
<b>INCOME</b>			
Subscriptions		195,755	233,270
NZHHA Conference		28,023	47,755
Interest		14,461	9,172
Misc Standard Seminar		11,981	-
Miscellaneous Income		8,448	2,285
<b>TOTAL INCOME</b>		<b>258,668</b>	<b>292,482</b>
<b>EXPENDITURE</b>			
Dues and Subscriptions		-	475
Advertising and Promotion		546	7,293
Audit Review		1,200	887
NZHHA Conference		1,279	14,690
Consultancy		12,815	43
Database		-	706
Depreciation		333	427
Qualifications Review		6,600	-
Service Quality Awards		3,181	-
Standard Development Project		1,069	5,850
NZHHA Meetings & Travel		6,551	7,067
CEO Travel & Expenses		4,431	5,894
CEO Officer Conference & Prof Development		524	-
General Expenses		1,964	4,428
Office & Administration	2	23,960	28,573
Salaries and Secretarial Support		149,327	147,790
Legal Fees		-	3,348
<b>TOTAL EXPENDITURE</b>		<b>213,780</b>	<b>227,471</b>
<b>NET SURPLUS/(DEFICIT)</b>		<b>44,888</b>	<b>65,011</b>

# Financial Statements

For the year ended 30 June 2013

## STATEMENT OF MOVEMENT IN EQUITY

	2013	2012
	\$	\$
EQUITY AT BEGINNING OF YEAR	240,404	175,393
Net Surplus/(Deficit)	44,888	65,011
	<hr/>	<hr/>
<b>EQUITY AT END OF YEAR</b>	<b>285,292</b>	<b>240,404</b>
	<hr/> <hr/>	<hr/> <hr/>



# Financial Statements

For the year Ended 30 June 2013

## STATEMENT OF FINANCIAL POSITION

	NOTE	2013 \$	2012 \$
<b>ACCUMULATED FUNDS REPRESENTED BY:</b>		<b>285,292</b>	<b>240,404</b>
<b>CURRENT ASSETS</b>			
Westpac Bank – Cheque A/c		69,008	64,941
Westpac Bank - Savings A/c		1,236	6,147
Westpac Bank NZHHA Conference Bank A/c		1,330	3,984
Westpac Bank – Term Deposits	3	256,825	203,597
Accounts Receivable		6,054	1,130
Accrued Interest		6,273	2,278
Prepayments		1,036	977
<b>TOTAL CURRENT ASSETS</b>		<b>341,762</b>	<b>283,054</b>
<b>FIXED ASSETS</b>	4	<b>1,250</b>	<b>619</b>
<b>TOTAL ASSETS</b>		<b>343,012</b>	<b>283,673</b>
<b>CURRENT LIABILITIES</b>			
Accounts Payable		25,421	8,906
Provision for Holiday Pay		10,398	7,444
Customer prepayments/Mastercard		4,237	5,927
Subscriptions Received in Advance		-	5,635
GST Payable		13,630	10,524
PAYE		4,034	4,833
<b>TOTAL CURRENT LIABILITIES</b>		<b>57,720</b>	<b>43,269</b>
<b>TOTAL LIABILITIES</b>		<b>57,720</b>	<b>43,269</b>
<b>NET ASSETS</b>		<b>\$285,292</b>	<b>240,404</b>

*Andrea McLeod*

Chairperson

*[Signature]*

Chief Executive Officer



## NOTES TO AND FORMING PART OF THE FINANCIAL STATEMENTS For the year ended 30 June 2013

### 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.

#### Income Tax

The Association is exempt for income tax purposes.

#### Financial Instruments

Financial Instruments carried on the statement of financial position 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 NEW ZEALAND HOME HEALTH ASSOCIATION (INC.)**  
**NOTES TO AND FORMING PART OF THE FINANCIAL STATEMENTS**  
**FOR THE YEAR ENDED 30 June 2013**

**2) OFFICE & ADMINISTRATION EXPENSES**

	2013	2012
	\$	\$
Computer Costs	477	920
Bank Fees	58	43
Insurance	2,708	2,208
Cleaning	275	300
Photocopying & Stationery	843	460
Printing	-	212
Newsletter Design	-	3,978
Postage	168	479
Rent	12,456	12,000
Telephone & Tolls	5,567	4,988
Website Maintenance	1,408	2,985
<b>TOTAL OFFICE &amp; ADMINISTRATION EXPENSES</b>	<b>23,960</b>	<b>28,573</b>

**3) TERM DEPOSITS**

Westpac Term Deposit 010, \$101,984, 4.0%p.a., maturing 23/09/13

Westpac Term Deposit 009, \$154,842, 4.3%p.a., maturing 23/09/13

**4) PLANT, PROPERTY AND EQUIPMENT**

	2013	2012
	\$	\$
Office Equipment		
Computer Equipment – at cost	2,910	6,641
Less Provision for Depreciation	1,660	6,128
	<u>1,250</u>	<u>513</u>
Furniture & Fittings – at cost	0	125
Less Provision for Depreciation	0	19
	<u>0</u>	<u>106</u>
<b>TOTAL PLANT, PROPERTY AND EQUIPMENT</b>	<b><u>1,250</u></b>	<b><u>619</u></b>

**4) CAPITAL COMMITMENTS**

There are no known capital commitments at year end. (2012: Nil)

**6) CONTINGENT LIABILITIES**

There are no known contingent liabilities at year end. (2012: Nil)



## **AUDIT REVIEW REPORT**

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

I have performed an audit review of the financial statements on pages 10 to 14. The financial statements provide information about the past financial performance of the Association and its financial position as at 30 June 2013. This information is stated in accordance with the accounting policies set out on page 13.

### **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 2013 and the results of the operations for the year ended on that date.

### **Audit 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**

An audit 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 audit 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 10 to 14 fairly reflects the financial position of the Association as at 30 June 2013 and the results of its operations and cash flows for the period ended on that date.

My audit review was completed on 15 October 2013 and my unqualified opinion is expressed as at that date.



G A CROSS, Accountant  
Cross Financial Services Ltd  
WELLINGTON

