



**Home &
Community
Health**
Association

Annual Report

**Including performance report and financial
statements for the year ended 30 June 2019**

Home and Community Health Association

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Chairperson's Report

I am pleased to present the Annual Report and financial statements for the Home and Community Health Association Incorporated for the financial year from 1 July 2018 to 30 June 2019.

This has been a year of consolidation of the changes arising from pay equity, guaranteed hours and increased training obligations.

Not surprisingly these three workforce initiatives generated continuing stress on an already stretched sector. The difficulty in interpretation of guaranteed hours, together with the practical difficulties of implementing such a system within the contractual framework of HCSS has caused tensions between Providers and Unions.

The funding mechanisms for these initiatives has continued to put substantial financial pressure on members and the financial status of members continues to worsen.

The Association has long advocated for the need for whole of system stewardship in relation to home support. This work has continued throughout the 2018-19 year and we are pleased to report that progress is being made, albeit not immediately. There is now a commitment from Funding agencies for a national HCSS framework, national service specifications. This will provide a framework for more consistent and equitable funding of contracts. This work has been led by the HCSS Joint Working Group (Providers, Ministry and DHB's); the Unions have recently joined this joint working group.

Currently joint workstreams are reviewing the employment model, guaranteed hours, service model and the funding model. This work is scheduled to be completed by the end of March 2020. It is recognized that the results of this work will take some time to implement and, given the current financial pressure, we will continue to advocate for an interim solution to assist in this regard.

As in previous years the HCHA Board has taken a strategic view, generating thought pieces and research that support our vision for high quality sustainable home and community health services. The HCSS Health and Safety Project, in collaboration with ACC, was completed during the year. Work, in conjunction with EY, on a report *Understanding the Contribution of the Home & Community Sector to New Zealand*, progressed throughout the year; this report was completed in the 2019/20 year. Thank you to all members who willingly gave of their time in contributing to these reports.

I would like to acknowledge the HCHA Board Members for their commitment and contribution to the association and the sector.

Andrea McLeod



HCHA Board Members 1 July 2018 - 30 June 2019

Appointed Independent Board members

Graeme Benny

Jane Kelley

Elected Board members

Andrea McLeod (Chairperson) (re-elected 2018)

David Chrisp (Deputy Chair to June 2018) (re-elected 2018)

Josephine Gagan (elected from 1 June 2017, Deputy Chair from June 2018)

Donna Mitchell (re-elected 2018)

Bronwen Foxx (from 1 June 2018)

Shelley Cunningham (from 26 August 2019)

Board members who have left during the period

Samantha Powell (re-elected 2018)

New Board Members

Shelley Cunningham.

Shelley is the Chief Financial Officer and Deputy Chief Executive Officer for Te Puna Ora o Mataatua, a kaupapa Maori Charitable Trust delivering Home and Community Health and ACC services across the Eastern Bay of Plenty. She is also the Chief Financial Officer for Whakatane Medical Practice Limited (Med Central), a General Practice located in Whakatane. She has an extensive background in providing business advisory, accounting and management consultancy to a diversified range of businesses and industries

Chief Executive Officer Report

The year to 31st June 2019 year saw the continuing implementation of pay equity hours for all staff, guaranteed hours and new training requirements. This resulted in significant pressure for providers, both on implementation and in financial terms. Unfortunately, for processes aimed at increasing the recognition of the valued support worker workforce, it also resulted in unprecedented friction between some Providers and Unions and has not resulted in a substantial reduction in staff turnover. However, I would also like to acknowledge that the Unions have provided substantial assistance to the Association in attempting to resolve some of the underlying issues giving rise to these conflicts, as they also strongly advocate for a national service and funding model.

During this time HCHA advocated strongly for clarity on funding and for full funding. The pressure on providers and HCHA during this time continued to be intense. HCHA has provided substantial support to employers in understanding the changes, and advocacy to funders for accuracy, clarity, transparency and fairness. The HCHA Board worked hard during this period, despite the pressure on their own operations, to assist HCHA to navigate these challenges.

HCHA, with assistance from the In-Between Travel Settlement Parties, have been successful in gaining a review of the HCSS framework, a commitment to a national service model, a review of guaranteed hours and a review of the funding model. These reviews are to be completed by the end of March 2019 and will hopefully lead to a more consistent, integrated, practical and appropriate service model linked to equitable funding

HCHA Research and contribution to quality initiatives

During the period HCHA commissioned or completed (on commission) two important pieces of research. The first of these was the *HCHA/ACC Home and Community Sector Workforce Health and Safety Report*. This work was carried out on our behalf by Phillipa Gaines of Lattice Consulting. We extend our thanks to Phillipa for a comprehensive report and we also extend our thanks to members and their staff for their contribution via interviews, workshops and surveys.

Linked to and informing this report was an international literature review – *Workplace Health & Safety in the Home and Community Sector*. This work was undertaken by New Zealand Work Research Institute at AUT.

The challenge for the industry now is how we respond to the comprehensive recommendations in this report. HCHA has developed an outline of the responses we would like to achieve over the next two years. However, there is substantial cost involved in this and accordingly we have applied for an ACC Workplace Injury Prevention Grant to assist in this regard. Access to appropriate funding will strongly influence the degree of response that we can make as a sector. The second report was *Understanding the Contribution of the Home & Community Sector to New Zealand*, undertaken on our behalf by EY. This is a substantial piece of work aimed at being utilized as a base for 'change' within the HCSS sector and for greater utilization of the HCSS workforce in the wider health sector. This report was completed in the 2019/20 year and will form a basis for submissions to the current Health and Disability Review and for general advocacy to funding agencies.

In compiling the data for this report, numerous workshops were held, and I offer my thanks to the participants in these that gave their time so willingly.

During the year HCHA also contributed to the review of draft HCSS Medication Guidelines. These guidelines are now complete and have been published on the Ministry of Health website.

Membership support

- Apart from the substantial advocacy and representation, HCHA also offered further support to members. It held a Leaders Forum in December 2018.
- HCHA continued its strong contribution to the Kaiāwhina workforce action plan.
- HCHA continues to be represented on multiple groups, including:
 - Joint HCSS Working Group
 - Disability Workforce Working Group
 - Disability Safer Industry Forum
 - Settlement Parties Action Group (including on each of the 5 workstreams associated with this work)
 - Disability Tripartite Group.

Graeme Titcombe

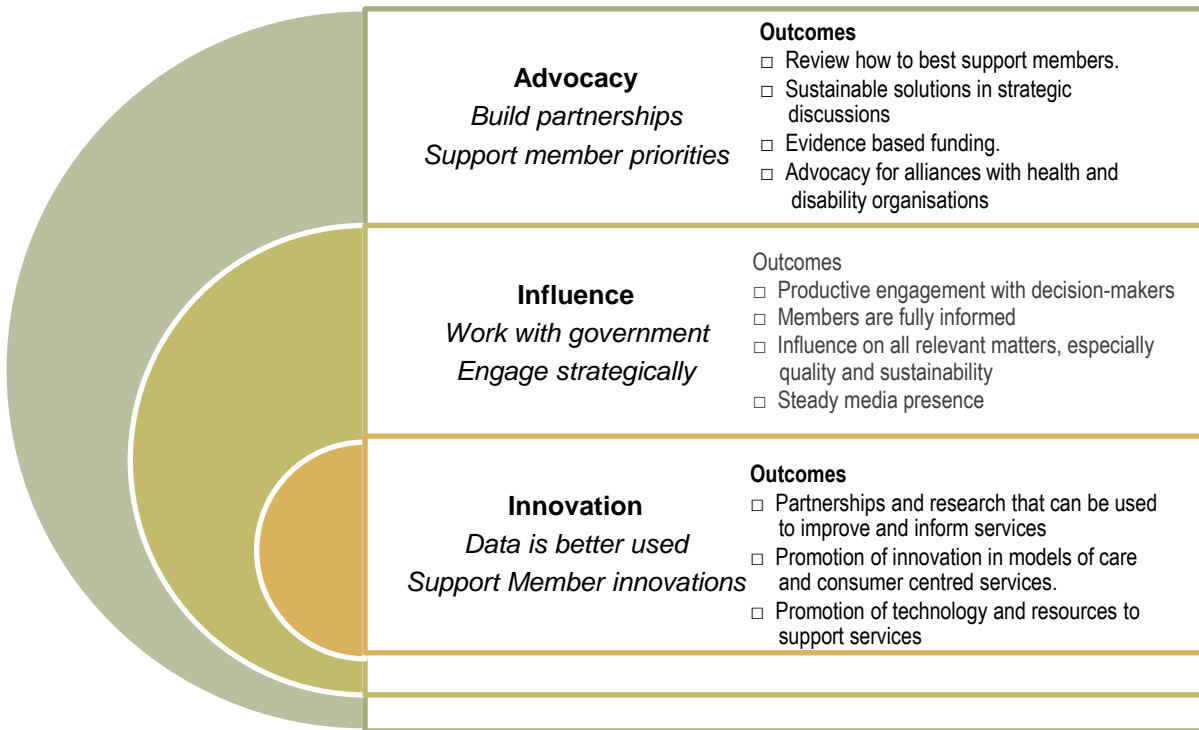
Strategic Plan 2017-2020



Vision: High quality, sustainable, home and community health services

Mission: Representation and support for members

Purpose: Advocacy, influence, innovation





Home & Community Health
Association

Financial Statements for the year ended
30 June 2019

Non-financial Information:

Entity Information
Statement of Service performance

Financial Information

Statement of Financial Performance
Statement of Financial Position
Statement of Cash Flows
Statement of Accounting Policies
Notes to the Performance Report

This financial report was prepared in accordance with the following Financial Reporting Standard: Public Entity Simple Format Reporting – Accrual (Not-for-Profit) PBE SFR-A (NFP), Tier 3

Home and Community Health Association Inc. Entity Information

Legal Name: Home and Community Health Association Incorporated
Other Name: Home and Community Health Association (HCHA)
Legal Basis: Charitable Trust and Incorporated Society
Charities Registration Number: CC10318
Incorporated Society Number: 5904843

Board structure:

The constitution of HCHA states that its Board must have six elected Board members elected by the membership, and two independent Board members, appointed by the Board.

Operational Structure:

The operations are managed by the Chief Executive Officer. Tasks such as accounts, technology support are contracted to external parties.

Membership Structure:

Members comprise of organisations that provide home and community support services (provider members), organisations that have an interest in home and community support services but are not directly providers (affiliate organisations) and individuals that have an interest in home and community support services (affiliate individuals).

Purpose and Mission:

HCHA's vision is for high quality, sustainable home and community health services. Its mission is representation and support for members. Its purposes are advocacy, influence and innovation.

Main Sources of Cash and Resources:

HCHA's primary source of revenue is from membership fees. It receives other Income from a mixture of contracts, events, interest, rent and director fee payment.

Main methods used by HCHA to Raise Funds

Membership (provider and affiliate) is the main method used by HCHA to use funds. It also runs a conference each 18 months and contracts for some services.

Reliance on Volunteers and Donated goods or services:

Board members provide voluntary support to HCHA, as do people representing HCHA on a range of advisory and consultative groups. The HCHA does not receive or handle donated goods.

Contact Details:

Physical Address: Level 4, 120 Featherston Street, Wellington 6011
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Email: info@hcha.org.nz
Website: www.hcha.org.nz

Home and Community Health Association Inc.

Statement of Service Performance for the year ended 30 June 2019

Vision: High quality, sustainable, home and community health services.
Mission: Representation and support for members
Purposes: Advocacy, influence and innovation.

Outputs to outcomes in Strategic Plan 2017-2020:		2018-19
Advocacy: building partnerships and supporting member priorities	Leadership on significant issues Participation in HCSS Joint Working Group (Pay equity, In Between Travel and Guaranteed hours) – meeting hours and preparation time	168 hours
	Leadership and collaboration on strategic issues Health and safety, strategic disability issues, workforce development, Caring Counts, recruitment initiatives, new models of care, health and disability strategies (meeting hours); and specific service model liaison	145 hours
	Workforce (Careerforce engagement, Kaiāwhina)	112 hours
	Research and Reports 'Spreading Our Wings', HCSS Workforce Health & Safety', Annual Report (number of reports)	3 reports
	General member support and OIA requests (number)	32 supports
Influence: working with government, engaging strategically	Consumer Support and liaison:	9 supports
	Legislation submissions and hearings, written and oral, briefings for members on legal matters	5 submissions/ member advice
	Submissions: National HCSS Framework, migrant workforce, Health system review, medication guidelines	6 submissions
	HCHA Board meetings and support	137 hours
	Events: Leaders forum, Webinars/teleconferences – attendees	65 attendees
	General Liaison: events, parliamentary liaison hours	15 events
	Communications: 'In-house' newsletters/membership information, media articles, releases and interviews (number)	10
	Technology (including Interrai)	14 providers using InterRAI
	Innovation support: Projects Completed or Underway:	3 major projects,
	ACC Health and Safety	320 hours
Workforce development (hours)	26 hours	
Medication Guidelines	10 hours	
Maori membership support	2 events	
Alliancing, formal arrangements	3 alliances	

Home and Community Health Association Inc.

Statement of Financial Performance For the year ended 30 June 2019

	NOTE	2019 \$	2018 \$
INCOME			
Subscriptions		197,210	216,022
Workforce Development project		(209)	31,490
Events		14,498	11,787
Interest		9,832	12,754
Director Fees Careerforce		2,745	14,756
Rent		3,606	4,383
ACC H&S Project		76,000	-
Miscellaneous Income			-
TOTAL INCOME		303,682	291,192
EXPENDITURE			
Dues and Subscriptions		1,530	717
Advertising and Promotion		100	100
Audit		2,000	2,000
Events		11,595	3,653
Consultancy		16,083	33,334
Depreciation		700	1,350
ACC H&S Project		56,971	-
Workforce Development Project		-	21,434
HCHA Board Expenses		12,545	15,915
CEO Travel & Expenses		1,837	3,772
General Expenses		-	1,064
Office & Administration			
Technology (support, software)		3,371	1,597
Bank fees		358	50
Insurance		2,577	2,093
Cleaning		710	-
Repairs and Maintenance		17	67
Photocopying & Stationery		896	671
Printing		-	400
Postage		174	173
Rent		9,757	12,491
Telephone & Tolls		2,038	5,231
Website Maintenance		820	603
Electricity & Wifi		1032	1,583
Legal Fees		7,937	3,145
CEO Remuneration and Secretarial Support	7	104,685	146,298
TOTAL EXPENDITURE		237,733	257,741
NET SURPLUS/(DEFICIT)		65,949	33,451

Home and Community Health Association Inc.
Statement of Cash Flows
for the year ended 30 June 2019

	2019	2018
	\$	\$
Cash Flows from Operating Activities		
Cash was received from:		
Subscriptions from members	196,675	188,422
Receipts from providing goods or services	96,130	73,629
Interest from investments	11,002	18,004
Total cash received (net GST)	303,807	280,055
Cash was applied to:		
Payments to suppliers	135,461	124,666
Payments to employees	125,536	151,767
Net GST	9,360	-3,077
Total cash applied (net GST)	270,357	273,357
Net Cash from Operating Activities	33,450	6,698
Cash Flows from Investing Activities		
Cash was applied to:		
Purchase of property, plant & equipment	-	-
Net Cash from Investing Activities	-	-
Net Increase/(Decrease) in Cash	33,450	6,698
Opening Cash	407,512	400,814
Closing Cash	440,962	407,512
Represented By		
Bank accounts and cash	184,149	80,726
Westpac Bank – Term Deposits	256,813	326,786
Closing bank balance	440,962	407,512

Home and Community Health Association Inc.

Notes to and forming part of the Financial Statements
For the year ended 30 June 2019.

Statement of Accounting Policies

Basis of Reporting

The Home and Community Health Association Inc. is eligible and has elected to apply PBE SFR-A (NFP) Public Benefit Entity Simple Format Reporting - Accrual (Not-For-Profit) on the basis that it does not have public accountability and has total annual expenses of equal to or less than \$2,000,000. All transactions in the performance report are reported using the accrual basis of accounting. The Performance Report is prepared under the assumption that the entity will continue to operate in the foreseeable future.

Goods and Services Tax (GST)

All amounts are recorded exclusive of GST, except for Debtors and Creditors which are stated Inclusive of GST.

Income Tax

The Home and Community Health Association is a registered Charity and is exempt from income tax under Sections CW41 and CW42 of the Income Tax Act 2007.

Bank Accounts and Cash

Bank accounts and cash in the Statement of Cash Flows comprise cash balances and bank balances (Including short term deposits) with original maturities of 90 days or less.

Lease Payments

Payments made under operating leases are recognised in the statement of financial performance on a straight-line basis over the term of the lease.

Property, Plant and Equipment

PPE are measured at cost less accumulated depreciation and accumulated impairment losses.

Depreciation is based on the cost of an item of PPE less its residual value.

Computer Equipment is depreciated at 48%DV and Office Equipment at 15%DV.

Changes in Accounting Policies

There have been no changes in accounting policies during the financial year. The statements have been prepared under the new PBE standards.

Home and Community Health Association Inc.

Notes to and forming part of the Financial Statements
for the year ended 30 June 2019.

1) Bank accounts and Cash

	2019	2018
	\$	\$
Westpac Bank – Cheque A/c	183,556	80,133
Westpac Bank – Savings A/c	263	263
Westpac Bank HCHA Conference Bank A/c	330	330
	184,149	80,726

2) Term Deposits

Westpac Term Deposit 023, \$52,134.67 at 3.50% p.a., maturing 24/9/19

Westpac Term Deposit 009, \$147,968.10 at 3.05% p.a., maturing 27/11/2019

Westpac Term Deposit 021, \$56,710.32 at 3.05% p.a., maturing 20/03/2020

3) Plant, property and equipment

	2019	2018
	\$	\$
Computer and Office Equipment – at cost	4,628	5,734
Less Provision for Depreciation	(3,837)	(4,243)
Total plant, property and equipment	791	1,491

There were no additions during the year

4) Commitments

There are no known capital commitments at year end. (2018: Nil)

Premises Lease:

HCHA has a two-year premises lease terminating on 20 November 2019.

	2019
Not later than one year	\$4,310
Later than one year but no later than 3 years	-

Contracted Report:

On 19 November 2018 HCHA entered into a contract with EY for a scope of work to evaluate the 'Home and Community Support Sector Value and Health Sector Contribution'. This scope of work had an indicated cost of between \$110,000 and \$150,000. It is anticipated that this work will be completed in August 2019 and the final and full amount will be determined and will be payable at that time.

5) Contingent Liabilities

There are no known contingent liabilities at year end. (2018: Nil)

6) Related Parties

There are no related party transactions.

7) CEO Remuneration

Following the resignation of the former CEO in August 2018, the new CEO was contracted for a period to 31 March 2020 on a contractor basis.

8) Subsequent events

There have been no material events subsequent to balance date that would result in either adjustment to or disclosure in these financial statements.

INDEPENDENT AUDITOR'S REPORT

To the Members of the Home and Community Health Association Inc

We have audited the accompanying performance report of the Home and Community Health Association Inc., which comprises the entity information, the statement of service performance, the statement of financial performance and statement of cash flows for the year ended 30 June 2018, the statement of financial position as at 30 June 2019, and the statement of accounting policies and other explanatory information.

Board Responsibilities

The Board are responsible for:

- a) Identifying outcomes and outputs, and quantifying the outputs to the extent practicable, that are relevant, reliable, comparable and understandable, to report in the statement of service performance, and
- b) the preparation and fair presentation of the performance report on behalf of Home and Community Health Association Inc which comprises:
 - the entity information
 - the statement of service performance; and
 - the statement of financial performance, statement of financial position, statement of cash flows, statement of accounting policies and notes to the performance report in accordance with Public Benefit Entity Simple Format Reporting – Accrual (Not-For-Profit) issued by the New Zealand Accounting Standards Board, and
- c) for such internal control as the Board determine is necessary to enable the preparation of the performance report that is free from material misstatement, whether due to fraud or error.

In preparing the performance report, the Board are responsible on behalf of Home and Community Health Association Inc for assessing Home and Community Health Association Inc's ability to continue as a going concern, disclosing, as applicable, matters related to going concern and using the going concern basis of accounting unless the Board either intend to liquidate Home and Community Health Association Inc or to cease operations, or have no realistic alternative but to do so.

Auditor's Responsibilities

It is our responsibility to express an independent opinion on the financial statements presented by the Board and report our opinion to you.

Basis of Opinion

An audit 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 Board in the preparation of the financial statements, and
- whether the accounting policies are appropriate to the Association's circumstances, consistently applied, and adequately disclosed.

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

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

This report is made solely to the members of Home and Community Health Association Incorporated. Our audit has been undertaken so that we might state to the members/ trustees those matters we are required to state to them in an auditors'

report and for no other purpose. To the fullest extent permitted by law, we do not accept or assume responsibility to anyone other than the members/ trustees, for our audit work, for this report, or for the opinions we have formed

Unqualified Opinion

We have obtained all the information and explanations we have required.

Based on our audit,

- i) the reported outcomes and outputs, and quantification of the outputs to the extent practicable, are suitable;
- ii) the performance report presents fairly, in all material respects the financial position of Home and Community Health Association Wellington Inc as at 30 June 2019 and its financial performance and cash flows for the year then ended; and the entity information and its service performance for the year then ended in accordance with Public Benefit Entity Simple Format Reporting – Accrual (Not-For-Profit) issued by the New Zealand Accounting Standards Board.

My audit was completed on 19 November 2019 and my unqualified opinion is expressed as at that date.



G A CROSS, Accountant
Cross Financial Services Ltd