



**Home &
Community
Health**
Association

Annual Report

**Including performance report and financial
statements for the year ended 30 June 2020**

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 2019 to 30 June 2020.

This has been a year of special challenges for the sector. The emergence of COVID-19 has required many of the ongoing challenges for the sector being delayed while the immediacy of the pandemic has been responded to. The industry response has been outstanding. Each of you have been faced with challenges regarding mode of service delivery, personnel availability, PPE availability and increased costs that have been especially taxing. The response of the industry to COVID-19 has been outstanding and highlighted the contribution that the sector plays in the wider health sector. I also acknowledge the efforts from Graeme Titcombe, CEO and his team in ensuring prompt and frequent communication to members during this time.



In November 2019 we released the EY Report, *“Recognising the Contribution of the Home and Community Support Sector to New Zealand”*. This report was a major investment for the Association and will be particularly useful as the Government formulates its response to the Health and Disability Review Report and will support the Associations election campaign and information for the incoming Minister of Health.

The COVID-19 response had meant the focus on actions to address the many other issues facing the sector have been delayed to some degree. This includes the consolidation of the changes arising from pay equity, guaranteed hours and increased training obligations. These three workforce initiatives generated continue to 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 2019-20 year and we are pleased to report that the work on a national HCSS framework and national service specifications is nearing completion. 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 Unions).

The joint work streams reviewing the employment model, guaranteed hours, service model and the funding model were suspended for a number of months, during the COVID-19 response, but are now meeting again regularly. It is anticipated that this work will be completed during the 2020-21 year after having an initial intended reporting date 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.

You will note that the Association recorded a deficit for the 19/20 year. The reason for this was the EY Report noted previously, this was a significant investment by the Association endorsed by both the HCHA Board and members at the

last AGM. Despite this result I can assure that the Association is in a healthy position with reserves in place and a surplus budgeted for in the coming financial year.

As always, I would like to acknowledge the elected and independent HCHA Board Members for their commitment and contribution to the association and the sector. These positions are voluntary and all Board Members give generously of their time and expertise.

Andrea McLeod

HCHA Board Members 1 July 2019 - 30 June 2020

Appointed Independent Board members

Graeme Benny

Elected Board members

Andrea McLeod (Chairperson) (re-elected 2018)

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

Donna Mitchell (re-elected 2018)

Shelley Cunningham (elected 1 June 2020)

Murray Penman (appointed 20 November 2019)

Alison van Wyk (elected 1 June 2020)

Board members who have left during the period

Jane Kelley, Independent Board Member (resigned 5 March 2020)

Bronwen Foxx (Resigned November 2019)

David Chrisp (Resigned 31 May 2020)

Chief Executive Officer Report

The year to 31st June 2020 was dominated by the response to COVID-19. The requirement for a speedy and effective response by the Home and Community Support Sector saw negotiations at multiple levels to address the requirement for changes to delivery models to cater for the changing needs of clients and the unavailability of support workers due to risks associated with age and potentially compromised immune deficiencies. It was marked by rapid agreement between Funders, Providers and Unions in effecting change, both permanent and temporary, to cater for the changed environment. The difficulties around the provision of personal protective equipment was particularly challenging for Providers and the Association alike.

The Covid-19 response meant a delay in addressing the multiple issues facing the sector - the continuing implementation of pay equity hours for all staff, guaranteed hours and new training requirements. The working groups associated with addressing these issues, together with addressing the review of the HCSS framework, a commitment to a national service model and a review of the funding model were re-established late in the financial year. It is anticipated that the HCSS framework and service model work will be finalized early in the 2020-21 year, with the other working groups reporting back in January 2021.

HCHA Research and contribution to quality initiatives

During the period HCHA completed (on commission) the report *Understanding the Contribution of the Home & Community Sector to New Zealand*, undertaken on our behalf by EY. This substantial piece of work, aimed at being utilised as a base for 'change' within the HCSS sector and for greater utilisation of the HCSS workforce in the wider health sector, was published in November 2019. This report will form a basis for submissions to the current Government response to the Health and Disability Review and for general advocacy to funding agencies.

The Association sought funding from the ACC Workplace Injury Prevention Grant process to fund our planned two year response to the findings of the *HCHA/ACC Home and Community Sector Workforce Health and Safety Report*, published last year. While we were initially successful in this regard, we had to eventually decline this funding as the balance to be financed was not affordable to the industry. We will continue to seek avenues to implement responses to the issues identified in this report.

As a result of the COVID-19 response and requirements for PPE the Association identified that there was no baseline best practice in relation for the use of PPE for the sector. We have engaged Dr David Hartshorn, of Medicine at Work, to provide us with expert guidance in this regard.

Membership support

- Apart from the substantial advocacy and representation, HCHA also offered further support to members. It held a Leaders Forum in November 2019.
- 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.
- HCHA was represented on a number of COVID-19 community health working and advisory groups during the 2019-20 year.
- HCHA worked closely with NZDSN and Platform on a range of common community health issues.

Graeme Titcombe

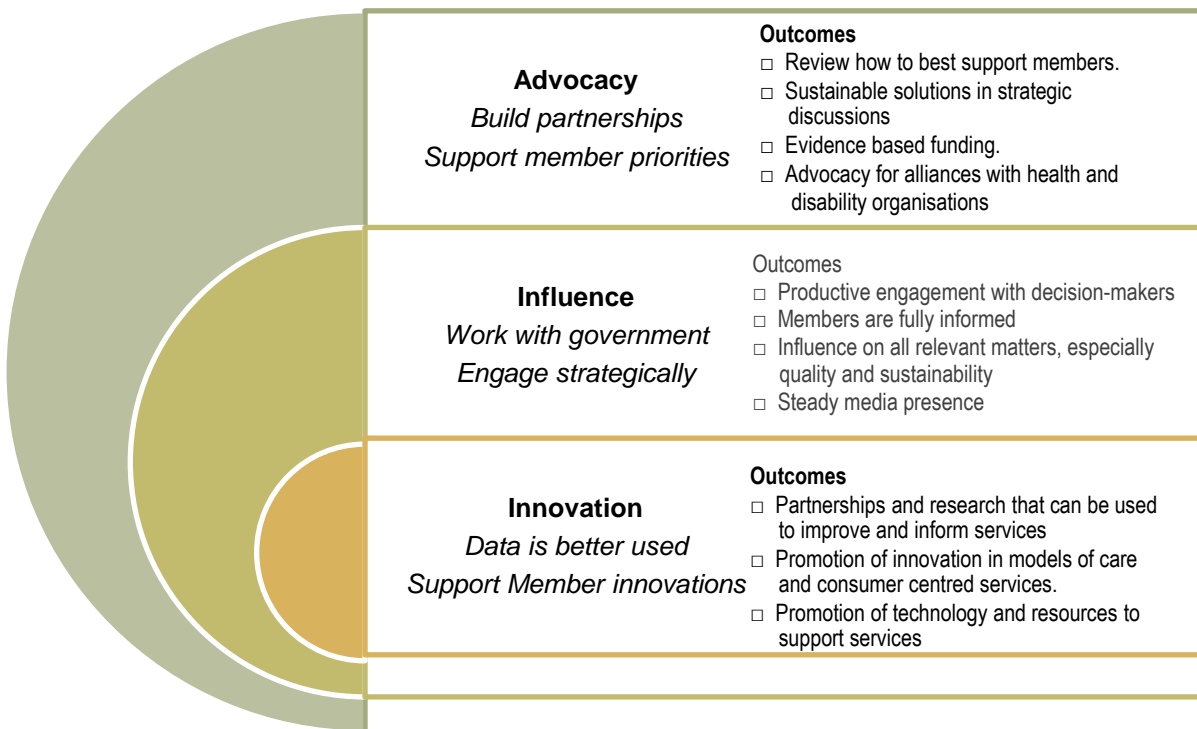
Strategic Plan 2017-2020



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 2020

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
Postal Address: PO Box 5344, Wellington 6140
Phone: 64 4 4723196
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 2020

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: | | 2019-20 |
|--|---|---------------------------------|
| Advocacy: building partnerships and supporting member priorities | Leadership on significant issues Participation in HCSS Joint Working Groups – meeting hours and preparation time. Development of ‘Understanding the Contribution of the Home & Community Support Sector to New Zealand’ | 198 hours |
| | Leadership and collaboration on strategic issues Health and safety, Covid-19 Response, strategic disability issues, workforce development, Caring Counts, recruitment initiatives, new models of care, health and disability strategies (meeting hours); and specific service model liaison | 130 hours |
| | Workforce (Careerforce engagement, Kaiāwhina) | 42 hours |
| | Research and Reports HCSS Workforce Health & Safety’, Annual Report (number of reports) | 2 reports |
| | General member support and OIA requests (number) | 23 supports |
| | Consumer Support and liaison: | 10 supports |
| | Legislation submissions and hearings, written and oral, briefings for members on legal matters | 2 submissions/ member advice |
| | Submissions: National HCSS Framework, migrant workforce, Health system review | 3 submissions |
| | HCHA Board meetings and support | 145 hours |
| | Events: Leaders forum, Webinars/teleconferences – attendees | 65 attendees |
| Influence: working with government, engaging strategically | General Liaison: events, parliamentary liaison hours | 12 events |
| | Communications: ‘In-house’ newsletters/membership information, media articles, releases and interviews (number) | 9 |
| | Technology (including Interrai) | 5 providers |
| | Innovation support: Projects Completed or Underway: | 3 major projects, |
| | ACC Health and Safety | 320 hours |
| Workforce development (hours) | 26 hours | |
| Medication Guidelines | 6 hours | |
| Alliancing, formal arrangements | 3 alliances | |
| Innovation: Supporting better data use and member innovations | | |
| | | |
| | | |

Home and Community Health Association Inc.

Statement of Financial Performance For the year ended 30 June 2020

| | NOTE | 2020 \$ | 2019 \$ |
|--|------|------------------|----------------|
| INCOME | | | |
| Subscriptions | | 210,145 | 197,210 |
| Workforce Development project | | - | (209) |
| Events | | 7,327 | 14,498 |
| Interest | | 7,546 | 9,832 |
| Director Fees Careerforce | | - | 2,745 |
| Rent | | 608 | 3,606 |
| ACC H&S Project | | - | 76,000 |
| TOTAL INCOME | | 225,626 | 303,682 |
| EXPENDITURE | | | |
| Dues and Subscriptions | | 1,559 | 1,530 |
| Advertising and Promotion | | 955 | 100 |
| Audit | | 2,000 | 2,000 |
| Events | | - | 11,595 |
| Consultancy | | 5,542 | 16,083 |
| Depreciation | | 1,012 | 700 |
| ACC H&S Project | | 15,000 | 56,971 |
| HCHA Board Expenses | | 10,734 | 12,545 |
| CEO Travel & Expenses | | 208 | 1,837 |
| Industry Report | 8 | 156,669 | - |
| Office & Administration | | | |
| Technology | | 2,902 | 3,371 |
| Bank fees | | 85 | 358 |
| Insurance | | 2,390 | 2,577 |
| Cleaning | | 731 | 710 |
| Repairs and Maintenance | | 95 | 17 |
| Photocopying & Stationery | | 786 | 896 |
| Printing | | 337 | - |
| Postage | | 183 | 174 |
| Rent | | 11,000 | 9,757 |
| Telephone & Tolls | | 3,687 | 2,038 |
| Website Maintenance | | 1,293 | 820 |
| Electricity & Wifi | | 625 | 1,032 |
| Legal Fees | | - | 7,937 |
| General Expenses | | 419 | - |
| CEO Remuneration and Secretarial Support | 7 | 124,260 | 104,685 |
| TOTAL EXPENDITURE | | 342,472 | 237,733 |
| NET SURPLUS/(DEFICIT) | | (116,846) | 65,949 |

Home and Community Health Association Inc.
Statement of Cash Flows
for the year ended 30 June 2020

| | 2020 | 2019 |
|---|-----------------|----------------|
| | \$ | \$ |
| Cash Flows from Operating Activities | | |
| Cash was received from: | | |
| Subscriptions from members | 216,797 | 196,675 |
| Receipts from providing goods or services | 10,435 | 96,130 |
| Interest from investments | 8,132 | 11,002 |
| | | |
| Total cash received (net GST) | 235,364 | 303,807 |
| Cash was applied to: | | |
| Payments to suppliers | 213,480 | 135,461 |
| Payments to employees | 122,303 | 125,536 |
| Net GST | 17,121 | 9,360 |
| | | |
| Total cash applied (net GST) | 352,904 | 270,357 |
| | | |
| Net Cash from Operating Activities | -117,540 | 33,450 |
| Cash Flows from Investing Activities | | |
| Cash was applied to: | | |
| Purchase of property, plant & equipment | 2,238 | - |
| | | |
| Net Cash from Investing Activities | - | - |
| | | |
| Net Increase/(Decrease) in Cash | -119,778 | 33,450 |
| Opening Cash | 440,962 | 407,512 |
| Closing Cash | 321,184 | 440,962 |
| | | |
| Represented By | | |
| Bank accounts and cash | 56,342 | 184,149 |
| Westpac Bank – Term Deposits | 264,842 | 256,813 |
| | | |
| Closing bank balance | 321,184 | 440,962 |
| | | |

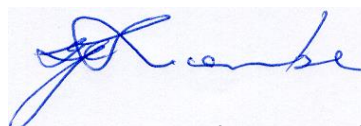
Home and Community Health Association Inc.

Statement of Financial Position as at 30 June 2020

| | NOTE | 2020 \$ | 2019 \$ |
|--|------|----------------|----------------|
| Assets | | | |
| Current Assets | | | |
| Bank accounts and cash | 1 | 56,342 | 184,149 |
| Westpac Bank – Term Deposits | 2 | 264,842 | 256,813 |
| Trade Debtors | | - | 2,500 |
| GST Receivable | | 15,113 | - |
| Accrued Interest | | 839 | 1,425 |
| Prepayments | | 303 | 1,325 |
| Total Current Assets | | 337,439 | 446,212 |
| Non-Current Assets | | | |
| Property, plant and equipment | 3 | 2,017 | 791 |
| Total Assets | | 339,456 | 447,003 |
| Current Liabilities | | | |
| Accounts Payable | | 14,277 | 11,579 |
| Provision for Holiday Pay | | 896 | - |
| GST Payable | | - | 2,008 |
| PAYE, Kiwisaver, ESCT | | 164 | - |
| Subscriptions in Advance | | 6,652 | - |
| Provision for Pay Negotiations | | 27,952 | 27,951 |
| Provision for Wages | | 896 | - |
| Total Current Liabilities | | 50,837 | 41,538 |
| Accumulated Funds | | | |
| Opening Accumulated Funds | | 405,465 | 339,516 |
| Net Surplus/(Deficit) for the year | | -116,846 | 65,949 |
| Total Closing Accumulated Funds | | 288,619 | 405,465 |
| Total Accumulated Funds and Liabilities | | 339,456 | 447,003 |



Chairperson



Chief Executive Officer

Home and Community Health Association Inc.

Notes to and forming part of the Financial Statements
For the year ended 30 June 2020.

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 2020.

1) Bank accounts and Cash

| | 2020 | 2019 |
|--|---------------|----------------|
| | \$ | \$ |
| Westpac Bank – Cheque A/c | 55,749 | 183,556 |
| Westpac Bank – Savings A/c | 263 | 263 |
| Westpac Bank HCHA Conference Bank A/c | 330 | 330 |
| | 56,342 | 184,149 |

2) Term Deposits

Westpac Term Deposit 023, \$54,608.99 at 1.75% p.a., maturing 24/3/21
Westpac Term Deposit 009, \$152,228.43 at 2.0% p.a., maturing 27/11/2020
Westpac Term Deposit 021, \$58,004.01 at 2.5% p.a., maturing 18/12/2020

3) Plant, property and equipment

| | 2020 | 2019 |
|--|--------------|------------|
| | \$ | \$ |
| Computer and Office Equipment – at cost | 6,866 | 4,628 |
| Less Provision for Depreciation | 4,849 | 3,837 |
| Total plant, property and equipment | 2,017 | 791 |

4) Commitments

There are no known capital commitments at year end. (2019: Nil)

Premises Lease:

HCHA has a one-year premises lease terminating on 20 April 2021.

| | 2020 |
|---|---------|
| Not later than one year | \$9,167 |
| Later than one year but no later than 3 years | - |

5) Contingent Liabilities

There are no known contingent liabilities at year end. (2019: 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 on a contractor basis.

8) Industry Report

EY were commissioned to research and report on 'Understanding the Contribution of the Home and Community Support Sector to New Zealand'. The report is to be utilised in effecting change within the Home and Community Sector.

9) COVID – 19

On 30 January 2020, the spread of novel Corona virus (COVID-19) was declared a public health emergency by the World Health Organisation.

From 25 March 2020, New Zealand was placed into Alert Level 4 lockdown to combat the pandemic, for a minimum period of four weeks.

From 28 April 2020 this was reduced to Alert Level 3 with some restrictions relaxed, for a period of two weeks.

From 13 May 2020 this was reduced to Alert Level 2, with lockdown restrictions further reduced.

From 9 June 2020 this was reduced to Alert Level 1, with domestic lockdown restrictions removed.

The Board will continue to monitor the impact of COVID-19 on the entity but at the date of signing this report the Board does not believe the entity has been or will be adversely financially affected by the pandemic.

10) 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 2020, the statement of financial position as at 30 June 2020, 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 27 October 2020 and my unqualified opinion is expressed as at that date.



G A CROSS, Accountant
Cross Financial Services Ltd