



HEALTH HAWKE'S BAY

Te Oranga o Te Matau-a-Māui

Rīpoata ā-Tau Annual Report

Health Hawke's Bay Limited

2024

Ehara taku toa i te toa
takitahi, engari taku toa he
toa takitini.

**My strength is not
as an individual,
but as a collective.**

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He pitopito kōrero mō Te Matau-a-Māui About Health Hawke's Bay

Health Hawke's Bay – Te Oranga o Te Matau-a-Māui is the region's single Primary Health Organisation (PHO), serving a population of approximately 187,000.

The Health Hawke's Bay Board, CEO and team are passionate about improving health outcomes and wellbeing of our communities, with a particular focus on Māori health.

Vision & Purpose:

Whānau ora, hāpori ora
Family wellbeing, community wellbeing

To support communities, whānau, and providers to achieve sustainable health gains and equitable health outcomes with Māori.

Our Core Values:

Whakamana – Empowerment

We empower others to reach their highest potential.

Aroha – Compassion

We care and provide a cloak of support.

Kotahitanga – Collaboration

We work together towards shared goals and visions.

Auaha – Innovation

We are inquisitive and seek improvement.

Ka Hikitia – Our Priority Strategy:

Our Ka Hikitia strategy is our core strategy for achieving equitable health outcomes with Māori (our Priority Population). It is a programme of work intended to support practices to prioritise Māori within service planning and provision.

Three key elements of the Ka Hikitia Strategy implementation are the development of a cultural responsiveness framework (Te Kura Nui), targeting funding based on our Priority Population, and the development of a partnership-based contracting model.

Health Hawke's Bay's programme activity is focussed around the four Ka Hikitia outcome pou as described below.



PROVIDERS ARE WELL-EQUIPPED TO SERVE MĀORI

Kei ngā kaiwhakarato ngā āheinga katoa hei tautoko tika i te iwi Māori.



SERVICES ARE ACCESSIBLE WHERE AND WHEN MĀORI NEED THEM

E wātea ana ngā ratonga ki a Ngāi Māori ā mea wā, ki mea wāhi.



CARE PROVIDED TO MĀORI IS OF HIGH QUALITY

He kōunga te manaakitia o te iwi Māori.



RESOURCES ARE AVAILABLE FOR MĀORI TO MANAGE THEIR HEALTH AND WELLBEING

E wātea ana ngā rauemi ki te iwi Māori e taea ai tōna anō hauora me tōna anō oranga te whakahaere.



Wairoa
NGO Partner
Kahungunu Executive

Ahuriri (Napier)
NGO Partners
Roopū-A-Iwi Trust
Te Kupenga Hauora

Heretaunga (Hastings)
NGO Partners
Choices: Kahungunu Health Services
Te Taiwhenua o Heretaunga

Tamatea (Central Hawke's Bay)
NGO Partner
Te Taiwhenua o Heretaunga

Ngā Hoa Kōtui Our Practices and Partners

Wairoa Practice Partners
Queen St Practice

Ahuriri Practice Partners
Carlyle Medical Centre
Central Medical Centre
Eastcott Medical
Greendale Family Health Centre
Hawke's Bay Wellness Centre
Maraenui Medical Centre
Tamatea Medical Centre
Taradale Medical Centre
The Doctors Ahuriri
The Doctors EIT Health Centre
The Doctors Greenmeadows
The Doctors Napier

Heretaunga Practice Partners
Clive Medical Centre
Hauora Heretaunga
Mahora Medical Centre
Medical + Injury
Te Mata Peak Practice
The Doctors Hastings
The Hastings Health Centre
The Havelock North Health Centre
Totara Health (Flaxmere)
Totara Health (Nelson Street)

Tamatea Practice Partners
The Doctors Waipawa
Tuki Tuki Medical

He Taupori Koiora Kotahi Tau Year In The Life And Our Population Data

170,009

Total Enrolments

▲ 1.1% Increase

44,430

Māori Enrolments

▲ 1.6% Increase

6,392

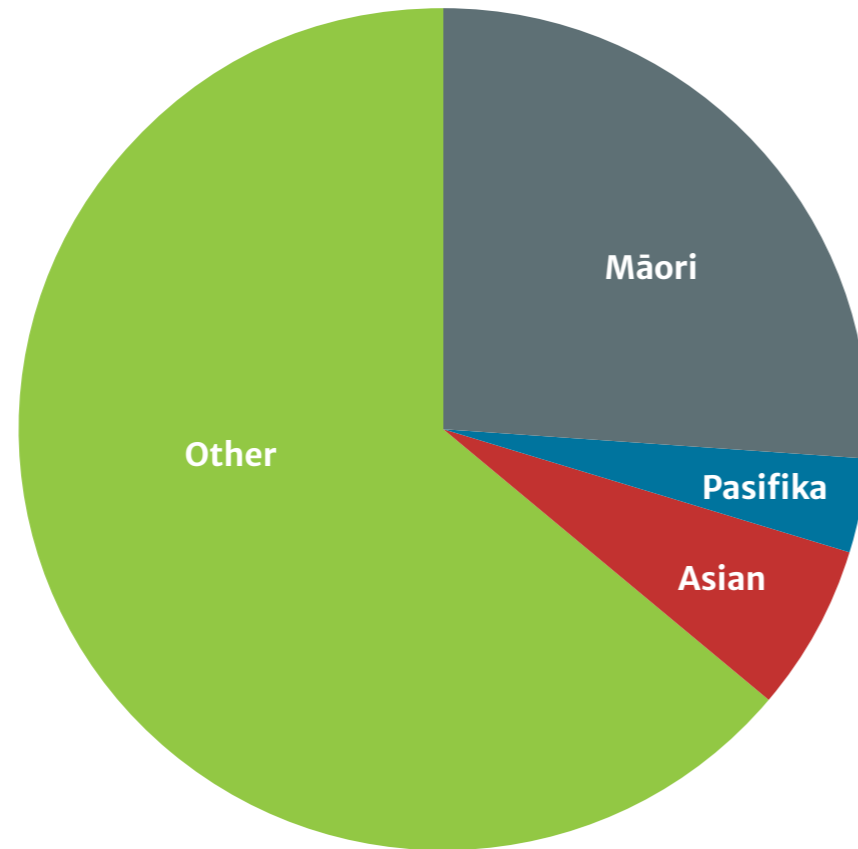
Pasifika Enrolments

▲ 3.2% Increase

10,601

Asian Enrolments

▲ 18.5% Increase



33,054

Under 14 Enrolments

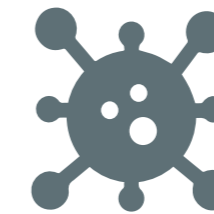
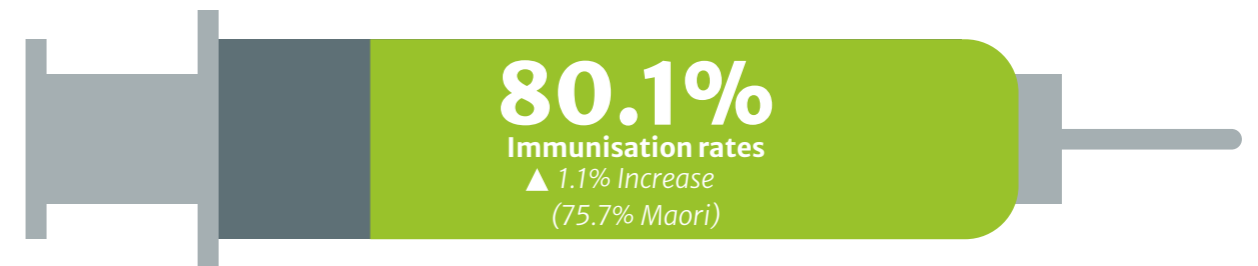
▲ 7.3% Increase



35,030

Over 65 Enrolments

▲ 18.5% Increase



41,773

Flu vaccinations

▼ 11.6% decrease

Taupori Whakaarotau Priority Population

89.7%

Māori who report their cultural needs were met

93.7%

Māori who reported things were explained in a way they could understand

758,486

GP and nurse consultations
44,395 Māori

88.9%

Māori report being involved in decisions about their care

97.4%

B4 schools checks
90% Māori



79%

Cervical Screening
74.4% Māori



6,680

HbA1c Diabetes and Glycated Haemoglobin Tests Given
Including 2,428 Māori



408

Manu Taupua Enrolled
63% enrolment rate



He mihi i te Tiamana me te Pou Whakarae Acknowledgements from the Chair and CEO

*Hōkio ngā tapuwae ki Paritū, tairakaraka ki ngā mānia o Tamatea
Kia pūoi te ropi, kia tānga manawa, hei oranga mō te Iwi.
Korou noa, korou ora!*

We acknowledge and respect the valued relationship between Tāngata Whenua and Mana Whenua partners, more specifically Ngāti Kahungunu Iwi Inc and Tīhei Tākitimu (the Iwi Māori Partnership Board for Hawke’s Bay), our Hapū, and Ngā Taiwhenua o Ngāti Kahungunu, and Māori service providers.

We acknowledge the mahi that happens in General Practice across the region and the primary care service that our Primary and Community Care Teams provide to our communities. Proactive and preventative healthcare is vital for our people and we want to acknowledge you all for the mahi you do.

These relationships are fundamental to our mahi, as they allow us to collaboratively serve our whānau throughout the rohe of Tākitimu, Hawke’s Bay.

Together, we will continue to honour and respect the role of Mana Whenua and mahi collectively to address the needs of our communities, upholding our shared values and commitment to the people of this region.

We continue to navigate the changing health care landscape by advocating for our providers, widening our network of partners, and improving our effectiveness as an organisation.

A year ago, Health Hawke’s Bay signed a Heads of Agreement with Tū Ora Compass PHO to explore ways of working together to benefit our provider network. This has led to the integration of some of our IT services, a shared Chief Information Officer, improved procurement, and significant cost savings. We are deepening our relationships across clinical leadership and several support service functions. This is a model which we will continue to explore as opportunities arise. We continue to work towards a more cohesive approach as a Central Region, with Heads of Agreements signed with THINK HauOra and Whanganui Regional Health Network.

We continue to listen to feedback from providers to become a more responsive organisation. We are in the process of setting up a General Practice Advisory Group to allow more in-depth feedback to our operational team during the development of programmes. We also continue to refine our Priority Population Partnership (PPP) Agreement measures to be more outcome-focussed and fewer in number in response to feedback from practices.



‘Ka Hikitia’ is our strategy and is our confirmed commitment to ensuring that all of our whānau are ‘uplifted’ through accessible and quality primary care.

Operationally, Health Hawke’s Bay are proud of the achievements over the last year. We have stabilised the waka and are growing our teams to be able to support providers as much as possible. The following highlights are only some of the things this annual reflection time gives us an opportunity to celebrate:

- We have reset and brought new leadership into the Provider Engagement Team and are in the final stages of rolling out Ask Your Team to providers to allow more relevant, timely and targeted feedback from whānau.
- We continue to work closely with our Pharmacy providers and are proud of the fact that we are leading the way in integration and enablement of pharmacy within the primary and community care provider network through initiatives like the Minor Ailments Scheme.
- We contribute to national and regional advocacy mahi both directly and through organisations such as GPNZ to continue to ensure the key messages are heard at the right level of the system. We are proud of the voice we have on behalf of primary care providers of the Hawke’s Bay.

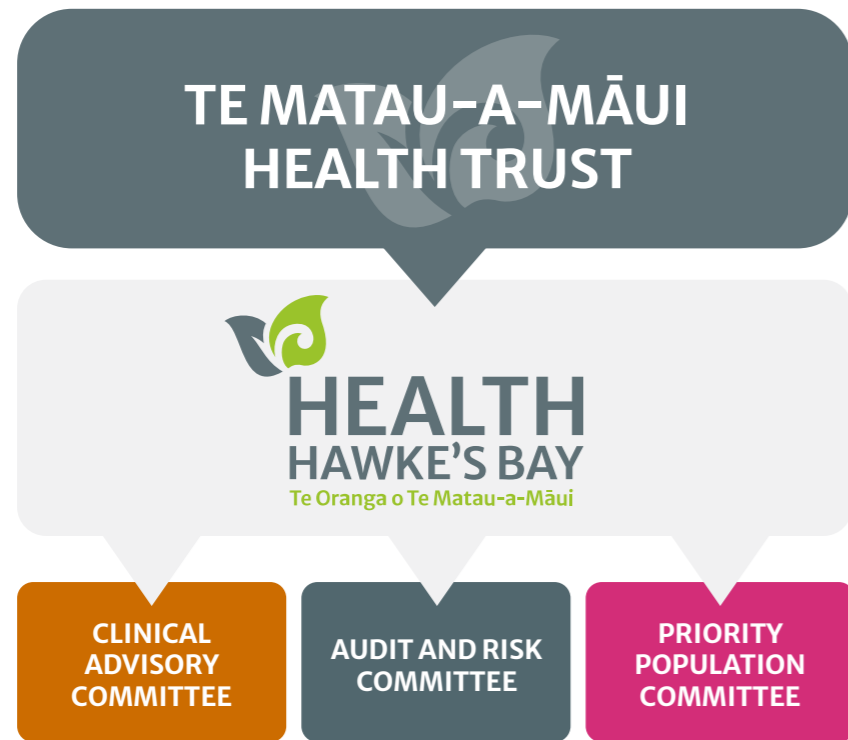
- We continue to work towards expanding our CPO programme (soon to be EPCC), with the roll out over the past year of the Abnormal Uterine Bleeding pathway.
- We have seen a significant increase in enrolment of high needs whānau, particularly Māori, and continue to grow our Manu Taupua supported enrolment service.
- We are doing deliberate and targeted mahi alongside Te Whatu Ora: Health New Zealand, led by community providers and leaders in both of our rural areas, Wairoa and Central Hawke’s Bay. There are plans in place and regular connection opportunities.

In summary, we are very proud of how far we have come together and look forward to the mahi we are going to do in this next year, and beyond. Tēnei anō te mihi maioha ki ngā kaimahi, ngā kamupene hoki e tautoko ana i ngā whānau katoa o te Matau-a-Māui

I Maherika
Irihāpeti Mahuika, Chief Executive Officer

[Signature]
Dr Darran Lowes, Chair/Director

Te Hanganga o te Poari Governance Structure



Te Poari Matua Board of Directors



Rangaranga o ngā Komiti Committees and ELT Structure

Audit and Risk (ARC) Committee Adri Isbister Director/Chair Ana Apatu Director Jonathan Bell Director David Pearson Professional Advisor Jessica Ellerm Professional Advisor	Clinical Advisory and Governance (CAG) Committee Dr Louise Haywood Director/Chair Di Koti Director Alicia Scott Member Ani Tomoana Member Diane Redding Member Peter Culham Member Raewyn Paku Member Rowan Plater Member Steve Harkness Member
Priority Population Advisory (PPC) Committee Hine Flood Director/Chair Tuhakia Keepa Member/Deputy Chair David Clapperton Director Ina Graham Member Luke Tihema Member Rizwaana Latiff Member Trish Giddens Trustee	

Health Hawke's Bay Poutāhū – Executive Leadership Team



Health Hawke's Bay Whānau



Ā mātou kōrero paki i te kotahi tau Our Stories Over the Past 12 Months



Tūtohu Tapuhi Nurse Prescribing

Expanding the prescribing workforce within primary care is a significant development in addressing healthcare needs, improving access to timely treatment and a key part of Health Hawke's Bay Nursing Strategy.

The introduction of Registered Nurse Prescribing in Community Health (RNPCH) has seen 13 Registered Nurses complete the Nursing Council-developed training this year. This enables them to prescribe various medications and treatments to normally healthy people using decision tools, current best practice information and support from colleagues. Nursing Council provide guidance on the boundaries of this prescribing authority.

In addition to the RNPCH roles, 4 new Nurse Practitioners have been endorsed by the Nursing Council following the completion of the Nurse Practitioner Pathway, allowing them to practice independently in prescribing medications. Nurse Practitioners have advanced clinical skills, and their ability to prescribe adds increased capability within primary care as their expanded role helps bridge gaps in healthcare, providing patients with timely access to necessary treatments.

The expansion of the prescribing workforce for Registered Nurses and Nurse Practitioners highlights a progressive step in healthcare delivery. Ongoing support and continued education in this pathway will ensure that the benefits of these expanded scopes of nursing practice will ultimately improve patient outcomes across primary care settings.



Ahurea Whakararata me ngā Kaimahi Kaimahi and Cultural Responsiveness

With Ka Hikitia as Our Priority Strategy, it helps envision a community that has equitable health outcomes with Māori as our Priority Population. To help us achieve our strategy, it is important that we implement cultural aspects of Māori in our daily workplace. This includes karakia (prayer) to open and close meetings and lessons on how to say karakia for different situations, whether it is out on a marae, in a meeting room, or the kitchen.

Every Wednesday is a great opportunity to see our kaimahi (staff) implement Māori culture and te reo Māori throughout the day. Some Napier kaimahi travel from their homes to join the Hastings-based kaimahi once a week and to start our day, we have a thirty-minute waiata and kapa haka session led by our own Te Pou Tawa | Māori Health Team.

With every weekly session, our kaimahi grow more confident in their ability to pronounce the words and sing them with confidence and passion. Whether it is singing KawaKawa produced by Ama Rangihuna, the iconic Tutira Mai, or the energetic Ngati Kahungunu haka Tika Tonu, our kaimahi give it their all every time.

Our kaimahi also enjoy travelling throughout the region to different marae for two-day wānanga. Over the past year, Matahiwi Marae in Clive, and Houngarea Marae in Pakipaki. It was a chance for us to learn more about our marae in the rohe, and the tangata of those marae.

With pōhiri, kaimahi introductions using a pepeha, and of course eating delicious hāngi, our kaimahi get to have eight days learning and growing together as a team.

“All of this helps our staff grow speaking the reo and it shows when we have meetings, send emails, or just want to check on our colleagues and ask kei te pēhea koe (how they are doing)”

Manu Taupua: Supported Enrolment Programme

Health Hawke's Bay continues to deliver Manu Taupua, a Supported Enrolment Programme facilitating enrolment for some of the estimated 16,000 Hawke's Bay residents who are not currently enrolled in a local general practice.

Referral into the programme is via Hawke's Bay's general practice, Urgent Care providers, and Te Whatu Ora – Hawke's Bay Emergency Department and numerous other touchpoints, which for many unenrolled whānau, is where they access health services in the absence of an enrolment relationship with a general practice.

A strong component of the programme is based on support from the Health Hawke's Bay Health Navigator who walks alongside the patient and household whānau facilitating enrolment with an enrolling general practice, and improving engagement with a community pharmacy, as nominated by the patient.

Enrolment

702 whaiora have been enrolled in general practice since the beginning of the programme in May 2022.

Of the 702 enrolled, 70 % are Māori and 14 % are Pasifika. Throughout the first year of enrolment Health Hawke's Bay funds up to six consultations in general practice. Once referred to the programme and waiting on enrolment whaiora can access up to five consultations at urgent care. Funding also supports the co-payment for general practice and dentist-generated prescriptions for the whaiora and household whānau at their nominated pharmacy.

Following are exemplars where whānau were supported to enrol with general practice utilising the Manu Taupua Programme.

Exemplars

A whānau of nine who moved to Hawkes Bay had been looking for a general practice for nine months and said they had "tried many avenues to find one with no luck". The son presented at urgent care and was referred to Manu Taupua. The Health Navigator made an initial phone call and completed the referral form for the whole family with the mother. This enabled the Health Navigator to understand the whānau's situation and evaluate which general practice would best suit their needs. The Health Navigator did a home visit to complete the online enrolment at the selected general practice for the whole whānau. They were grateful for the support provided and were able to access their chosen GP not long after becoming enrolled on the programme.

A young man presented to the ED as he had run out of his prescription medication. He had been travelling to his GP in Palmerston North for the last seven months but was finding this difficult due to the travel distance and road works because of Cyclone Gabrielle complicating the travel even further. The Health Navigator made an initial phone call and completed the referral form. Due to the whaiora's situation, The Health Navigator completed a home visit the following day and supported enrolment into a general practice. Feedback from the whaiora was that "he is incredibly happy to be able to access care in Hawke's Bay"

A young man presented to urgent care needing support to enrol with a GP as he found the enrolment process "difficult to navigate". The Health Navigator made an initial phone call and completed the referral form. The Health Navigator completed a home visit and once enrolled supported him to his first GP visit, along with supporting him with accessing a food parcel from Salvation Army. Feedback from the whaiora was that "he'd still not have a GP if it wasn't for this programme and this type of mahi is really important".

Kia Ora Programme

"My Health Begins with Me!"



We relaunched the Kia Ora Programme in April 2024 after four years dormant. This Long-Term Condition (LTC) Self-Management Programme has been successfully delivered across Te Matau-a-Māui since being brought back to life.

The internationally recognised Programme most known worldwide as the Stanford Chronic Disease Self-Management Programme is an American-based scripted Programme which was developed in 1991 at Stanford University as part of a research project.

Health Hawke's Bay hold the license to deliver the Programme across Te Matau-a-Māui. In 2017 Health Hawke's Bay undertook a rebrand of the Stanford Programme. The purpose of this was to allow Health Hawke's Bay to better promote the Programme to General practice with a more familiar sounding name that would resonate with General practice and their patients. Kia Ora in this context means good health and wellbeing.

The Programme continues to be facilitated by non-clinical people who have a passion for delivering good health outcomes to their community through a Programme they believe works. Facilitators are people who either have a long-term condition or know of someone close to them who has a long-term condition. In April 2024, 10 trainees

attended a four-day training workshop, and most have now facilitated two cohorts. Our next facilitator's training will see 16 attend training, including Health Coaches from General practices and Health Hawkes Bay staff.

The Kia Ora Programme provides a safe space where participants are encouraged to focus on positive outcomes using the self-management tools available from the course and doing away with the stigma that sometimes comes with having a long-term condition. Participants can be referred by a health professional or self-referral. Health Hawke's Bay also works with already established groups (e.g. kaumatua groups, support groups etc.) who see value in completing the Programme.

This year we piloted our first marae-based Kia Ora Programme at Ruahapia and Omaha marae in Heretaunga. The marae-based Programme is set up to empower marae whanau to take control of their long-term conditions in a familiar space with people they are familiar with and would encourage (their whanau).

The Kia Ora Programme continues to thrive and, in a participant's, words "Is timely and lifesaving".

Hōtaka Taupori Whakaarotau Priority Population Partnership Programme

Health Hawke's Bay engaged KPMG in 2018 to co-design and facilitate an evaluation of the value for money delivered by the Flexible Funding Pool (FFP). This included a series of co-design workshops with provider and patient/whānau representation. As a result, enrolled Māori were agreed to be the Priority Population of Health Hawke's Bay and the Ka Hikitia equity strategy was developed, with the goal of achieving equitable health outcomes with and for Māori.

Priority Population Partnership (PPP) Agreements were developed to be a key vehicle for achieving Ka Hikitia and administering the FFP. PPP Agreements adopt a high-trust, outcomes-focused approach to contracting, with providers having autonomy and flexibility around how funding is spent. The PPP Outcome Measures are linked to the four pou of Ka Hikitia.

The PPP outcome results trajectory indicated that without a change to the delivery of the programme, equitable health outcomes would not be achieved.

A PPP evaluation was completed in 2023, and resulted in recommendations across the following areas:

- Improving accountability
- Reducing variation in provider performance
- Optimising the use of available data
- Increasing Provider Network Team Capacity

Four working groups that included Health Hawke's Bay and Stakeholders were established to:

- Improve accountability
- Refine PPP Measures
- Optimise PPP implementation
- Optimise Thalamus data reporting

Health Hawke's Bay and Providers are working through the transition to the new PPP Programme from 1 July 2024, including implementation of the patient experience survey platform, **AskYourTeam (AYT)**, and a refreshed Thalamus PPP Dashboard that enables benchmarking across outcome measures.

Providers now choose 3 of the following 10 priority outcome measures to focus on:

1. Māori participation rates in whānau voice (AYT)
2. Māori who report they were treated with respect (AYT)
3. Māori who report care was available when they needed it (AYT)
4. Māori who report they received the right care for their needs (AYT)
5. Māori who report being involved in decisions about their care and treatment (AYT)
6. Practice open to enrolment for priority patients
7. Māori with diabetes and acceptable glycaemic control
8. Māori with risk of CVD/known CVD on appropriate management
9. Tamariki fully immunised at 2 years
10. Eligible Māori women with cervical smear or HPV screening completed

Ratonga Taumaha Tuaiti Community Pharmacy Minor Ailments Service

Initially, as part of the cyclone recovery, Hawke's Bay rolled out the community pharmacy Minor Ailments Service (MAS) in June 2023. The service was based on a service already established or trialled in other parts of the motu. The Hawke's Bay MAS point of difference was that was rolled out to all of the pharmacies in Hawke's Bay and that education for the service was delivered in person on-site.

The service targeted children under 14 and their whānau with the same condition, CSC holders, and those affected by Cyclone Gabrielle. Eligible people can use a community pharmacy as the first line of assessment and be supplied with funded treatment for specified conditions. In general, the conditions are:

- Skin – head lice, scabies, eczema, minor skin infections
- Eyes – allergies, dry eyes, bacterial conjunctivitis

- Dehydration
- Paediatrics analgesia
- Uncomplicated lower UTI in women

The service has been well received since its inception and there have been between 800 and 1100 claims per month. Over 50% of patients seen are Māori. Over 30% of patients seen live in Quintile 5.

A patient experience survey was run via Facebook and posters were sent out to community pharmacies for them to display. While there were only 7 respondents, the feedback was unanimously positive. Patients reported that their healthcare needs were met with kindness and respect.

Work is currently underway to review if or how the service impacted general practice demand. The service is also being refined to allow the allocated funding to be continued most appropriately.



Kaupapa Kēmehi ā-hapori Community Pharmacy Projects

In 2023 Health Hawke's Bay was granted funding by Te Whatu Ora to undertake project work to identify barriers to increasing role scope or implementing roles in community pharmacy, to improve workforce diversity, sustainability and resilience i.e. exploring Vaccinating Health Workforce (VHW) such as pharmacy technicians or assistants and Pharmacy Accuracy Checking Technicians (PACT) as well as pharmacy students and internships.

Representatives from all pharmacies in Hawke's Bay (38 pharmacies) were surveyed, mostly via kanohi ki te kanohi semi-structured interviews. This provided insights into barriers and opportunities on the above focus points but also offered other valuable insight into the state of the sector and opportunities for intervention.

The summary of the results is as follows:

- There are 20 pharmacist vacancies in Hawkes' Bay community pharmacies. This is almost 20% of pharmacist positions.
- The Hawke's Bay density of pharmacists is much lower than other parts of the motu.
- Around 40% of the pharmacy technician workforce are not yet fully qualified technicians.
- There are several barriers to pharmacies utilising PACT – technicians to accurately check prescriptions which would free up pharmacist time.
- There are several barriers to pharmacies utilising VHW – pharmacy staff to aid in vaccinations, which would free up pharmacist time.
- There are several barriers to attracting and hosting pharmacy students and interns in Hawke's Bay.
- There is a limited local pharmacist locum workforce. Attracting locum pharmacists to Hawke's Bay is costly and difficult.

- There are huge workload pressures on the community pharmacy sector.
- There are several Pharmacy – General Practice relationship issues.
- There are several staff wellbeing concerns.
- Pharmacist owners and managers who were not already participating in the E Hao, E Pao Rangatahi internship programme were canvassed on their appetite for being a placement site. The results of this were fed back to the E Hao, E Pao Rangatahi internship organisers.
- More work needs to be done on capturing ethnicity data in the pharmacy sector.
- The survey also captured themes around pharmacy owners' and managers' perceptions of Health Hawke's Bay.

The results and recommendations were collated in a report to Te Whatu Ora. Health Hawke's Bay has also identified some areas where we may be able to support community pharmacies. These areas include work with communication, contracting, reviewing the Napier pharmacy after-hours service and exploring further opportunities for gains in the functionality of IT.

Health Hawke's Bay also initiated a separate project to look at pharmacy assistant training and produce a report on knowledge and skill requirements for supporting pharmacy assistant roles in Hawke's Bay to support the development of a modular training programme in a culturally safe context. This adjunct project is still underway.



Te Hūkerikeri Pāhi Toiora Cyclone Recovery Hauora and Wellbeing Package

The impacts of Cyclone Gabrielle and more recently the flooding in Wairoa continue to have a significant impact on the health and wellbeing of Hawke's Bay Whānau. Community recovery from the cyclone and flooding is likely to be over several years, and the impacts will be long-lasting with many in our community struggling with mental health and well-being one year on from the cyclone.

Through the national cyclone recovery package, Health Hawke's Bay collaborated with Te Whatu Ora to develop Cyclone Recovery Hauora and Wellbeing packages to support whānau impacted by the cyclone with increased access to primary care, mental health and wellbeing services. A dedicated support line to help whānau access the packages was implemented by Te Taiwhenua O Heretaunga Te Puna Whakamarama service, which included proactive calls to whānau already identified as significantly impacted by the cyclone.

The Hauora and Wellbeing package included for impacted individuals:

- Funded GP and Nurse visits in general practice and Urgent Care
- Funded access to ECG
- Funded access to Practice Plus virtual doctor services
- Extended access to the Community Pharmacy Minor Ailments Service
- Online counselling with Puāwaitanga
- Increased availability of counselling services through a partnership with Napier Family Centre and other counselling services throughout Hawke's Bay
- Increased access to Rongoa Services

The packages have supported whānau to access approximately 7500 primary care services visits, 780 virtual consultations and 288 mental health and wellbeing consultations. Following the cyclone, support for Wairoa was significantly boosted to support Hauora and Wellbeing.



Te Rau Miro Rīpoata
Health Hawke's Bay Financial Report
2023-2024

Health Hawke's Bay Limited Statement of Responsibility

For the year ended 30 June 2024

The Directors are responsible for the preparation of the Health Hawke's Bay Limited financial statements and ensuring that they comply with generally accepted accounting practice in New Zealand, give a true and fair view of the financial position of the Company as at 30 June 2024 and the results of its operations for the year ended on that date.

The Directors consider that the financial statements of the Company have been prepared using appropriate accounting policies, consistently applied and supported by reasonable judgements and estimates and that all relevant financial reporting and accounting standards have been followed.

The Directors believe that proper accounting records have been kept which enable, with reasonable accuracy, the determination of the financial position of the Company and facilitate compliance with generally accepted accounting practice in New Zealand.

The Directors consider that they have taken adequate steps to safeguard the assets of the Company, and to prevent and detect fraud and other irregularities. Internal control procedures are also considered to be sufficient to provide a reasonable assurance as to the integrity and reliability of the financial statements.

The Directors are pleased to present the financial statements of Health Hawke's Bay Limited for the year ended 30 June 2024.

For and on behalf of the Board:

Director 

Dated: 25/09/2024

Director 

Dated: 25/09/2024

Health Hawke's Bay Limited Annual Report

For the year ended 30 June 2024

The Board of Directors present their Annual Report including the financial statements of the Company for the year ended 30 June 2024. The shareholders of the Company have exercised their right under section 211(3) of the Companies Act 1993 and unanimously agreed that this annual report need not comply with any paragraphs (a) and (e)-(j) of section 211(1) of the Act.

For and on behalf of the Board:

Director 

Dated: 25/09/2024

Director 

Dated: 25/09/2024

Health Hawke's Bay Limited HHB Limited Directory

For the year ended 30 June 2024

Date of Incorporation:	11 August 2003	
Incorporation Number:	1370539	
Registered Office:	First Floor 100 McLeod Street Camberley Hastings 4120	
Nature of Business:	Primary Health Services	
Directors:	Ana APATU (appointed July 2022) Jonathan BELL (appointed July 2022) David CLAPPERTON (appointed July 2022) Hine FLOOD (appointed October 2021) Louise HAYWOOD (appointed March 2023) Adri ISBISTER (appointed July 2022) Dianne KOTI (appointed July 2022) Darran LOWES (appointed March 2020) Na Raihania (resigned September 2023)	
Shareholder:	Te Matau a Māui Health Trust	100 shares
Bankers:	BNZ	
Solicitors:	Langley Twigg Law NAPIER	
Auditors:	PricewaterhouseCoopers NAPIER	

Health Hawke's Bay Limited Statement of Service Performance

For the year ended 30 June 2024

Our Vision

Whānau Ora, Hapori Ora – Family Wellbeing, Community Wellbeing

Our Purpose

To support communities, whānau, and providers to achieve sustainable health gains and equitable health outcomes with Māori.

Our Long-Term Goals

Ka Hikitia

To support our provider network to achieve equitable health outcomes with Māori.

Health Outcomes

To support providers to achieve health equity and improve health outcomes for all living in Hawke's Bay.

Health Sector Reforms

To positively influence and support the development and delivery of primary health care services that meet the needs of the people of Hawke's Bay.

About Us

Health Hawke's Bay – Te Oranga o Te Matau-a-Māui is the region's single Primary Health Organisation (PHO), covering a population of approximately 169,800.

We fund primary care health services for providers across Hawke's Bay including general practices, pharmacies and community health organisations.

We also deliver some services directly to our population via Health Improvement Practitioners, Health Coaches and Talking-based Therapists.

Strategic Priorities	Measure	2023/24 Outcome	2022/23 Outcome
Focus on achieving equity for our diverse communities especially for Māori, as well as Pacific, disabled and other groups who currently have poorer outcomes.	Enrolment is open to priority populations.	14/24 clinics enrolling priority population patients	14/25 clinics enrolling priority population patients
Empower our community by supporting individuals, whānau, and communities to influence the factors and decisions that shape their health care.	Implement LOGIQC QMS platform to providers to record incidents and complaints	Implemented by 11/24 clinics	Implemented by 14/25 clinics
Empower our community by supporting individuals, whānau, and communities to influence the factors and decisions that shape their health care.	Implementation of Te Uru Matai (Integrated Primary Mental Health and Addiction Services)	Implemented by 21/24 clinics	Implemented by 19/25 clinics
Support general practice teams to maximise their capability, capacity, responsiveness, and resilience to benefit the population.	Develop/enhance nonmedical prescribing capability.	1 primary care pharmacist started pharmacist prescriber programme	7 primary care pharmacists started pharmacist prescriber programme
Work in partnership with the Hawke's Bay health sector and related agencies to support service integration to strengthen and promote comprehensive community-based health and care services.	Implement Rongoā services in Hawke's Bay	5/5 Māori health providers contracted to provide services	5/5 Māori health providers contracted to provide services
Position Health Hawke's Bay to have a credible ongoing role within the reformed health sector.	Achieve 60% provider satisfaction rate with Health Hawke's Bay	No survey conducted due to the survey being completed in October 2024	No survey conducted due to the disruption caused by the natural disaster limiting the resources available to Health Hawke's Bay and our providers.

Health Hawke's Bay Limited Statement of Comprehensive Revenue and Expenses

For the year ended 30 June 2024

	Note	2024	2023
REVENUE		\$	\$
Contract Revenue	1	83,034,497	81,943,604
TOTAL REVENUE		83,034,497	81,943,604
EXPENSES			
Contract payments	2	74,800,598	74,144,509
Fees paid to auditors for:			
Annual audit of financial statements		41,580	42,381
Advisory Services		1,821	32,018
Advisory committee fees		30,622	49,512
Directors fees		178,255	174,012
Director meeting expenses		63,765	188,003
(Gain)/Loss on disposal of plant and equipment		(350)	(2,149)
Depreciation	8	136,602	131,060
Occupancy costs		193,513	138,563
Other costs		2,120,473	1,938,425
Salaries and wages	4	6,035,619	6,131,759
TOTAL EXPENSES		83,602,498	82,968,093
OPERATING DEFICIT BEFORE FINANCING		(568,001)	(1,024,489)
Finance revenue	3	95,286	51,922
Net finance revenue		95,286	51,922
Gain/(Loss) on disposal of available for sale financial assets		0	(1,355)
Net other gains		0	(1,355)
(DEFICIT) FOR THE PERIOD		(472,715)	(973,922)
<i>Item that will be reclassified to surplus/(deficit)</i>			
Gain/(loss) on revaluation of available-for-sale financial assets		39,077	(4,872)
Other comprehensive revenue and expense for the period		39,077	(4,872)
TOTAL COMPREHENSIVE REVENUE AND EXPENSE FOR THE PERIOD ATTRIBUTABLE TO OWNERS		(433,638)	(978,794)

This statement should be read in conjunction with the notes to the financial statements.

Health Hawke's Bay Limited Statement of Changes in Equity

For the year ended 30 June 2024

2024

	Note	Share Capital	Available for Sale Revaluation Reserve	Retained Earnings	Total Equity
		\$	\$	\$	\$
Balance as at 1 July 2023		1	(135,526)	1,777,910	1,642,385
(Deficit) for the period				(472,715)	(472,715)
Other comprehensive revenue and expense			39,077		39,077
Total comprehensive revenue and expense for the period attributable to owners			39,077	(472,715)	(433,638)
Balance as at 30 June 2024		1	(96,449)	1,305,195	1,208,747

2023

	Note	Share Capital	Available for Sale Revaluation Reserve	Retained Earnings	Total Equity
		\$	\$	\$	\$
Balance as at 1 July 2022		1	(130,654)	2,751,832	2,621,179
(Deficit) for the period				(973,922)	(973,922)
Other comprehensive revenue and expense			(4,872)		(4,872)
Total comprehensive revenue and expense for the period attributable to owners			(4,872)	(973,922)	(978,794)
Balance as at 30 June 2023		1	(135,526)	1,777,910	1,642,385

Health Hawke's Bay Limited

Statement of Financial Position

For the year ended 30 June 2024

	Note	2024	2023
ASSETS		\$	\$
Cash and cash equivalents	5	9,247,976	4,369,426
Trade and other receivables	6	2,374,630	5,495,227
Total Current Assets		11,622,606	9,864,653
Plant and equipment	8	232,998	290,430
Other investments	7	2,403,624	2,238,593
Total Non-Current Assets		2,636,622	2,529,023
Total Assets		14,259,228	12,393,676
LIABILITIES			
Trade and other payables	9	1,937,613	2,671,633
GST Payable		452,678	495,877
Employee benefits	10	509,048	467,889
Reserve funding		7,965,045	5,749,895
Revenue in advance		2,186,097	1,365,997
Total Current Liabilities		13,050,481	10,751,291
EQUITY			
Share Capital	12	1	1
Available for sale revaluation reserve		(96,449)	(135,526)
Retained Earnings		1,305,195	1,777,910
Total Equity		1,208,747	1,642,385
Total Equity and Liabilities		14,259,228	12,393,676

Health Hawke's Bay Limited

Statement of Cash Flows

For the year ended 30 June 2024

	Note	2024	2023
CASHFLOWS FROM OPERATING ACTIVITIES		\$	\$
Receipts from contracts		89,311,136	86,877,000
Payments to suppliers		(84,279,900)	(84,645,789)
GST received (paid)		(43,197)	235,158
Net cashflows from/(used in) operating activities		4,988,039	2,466,369
CASHFLOWS FROM INVESTING ACTIVITIES			
Net Cash Flows from investments		(125,954)	(69,806)
Acquisition of plant & equipment		(78,819)	(64,268)
Interest received		95,286	51,922
Net cashflows from/(used in) investing activities		(109,487)	(82,152)
NET INCREASE/(DECREASE) IN CASH AND CASH EQUIVALENTS		4,878,552	2,384,217
Cash and cash equivalents at the beginning of the year		4,369,426	1,985,209
Cash and cash equivalents at the end of the year	5	9,247,978	4,369,426
RECONCILIATION TO PROFIT/(LOSS) FOR THE PERIOD			
Deficit for the period		(433,638)	(978,794)
Adjustments for non-cash items			
Depreciation		136,602	131,060
Amortisation		0	0
(Gain)/Loss on sale of plant and equipment		(350)	(2,149)
(Gain)/Loss on sale of investments		0	1,355
Movement in available for sale revaluation reserve		(39,077)	4,872
Adjustments for non operating items			
Interest Received		(95,286)	(51,922)
Adjustments for movements in			
Decrease/(Increase) in trade and other receivables		3,241,387	740,960
Increase/(Decrease) in GST		(43,198)	235,158
Increase/(Decrease) in trade and other payables		(854,810)	(1,781,700)
Increase/(Decrease) in employee entitlements		41,159	(24,907)
Increase/(Decrease) in prepaid revenue		820,100	959,392
Increase/(Decrease) in reserve funding		2,215,150	3,233,044
Net cashflows from/(used in) operating activities		4,988,039	2,466,369

Health Hawke's Bay Limited

Significant Accounting Policies

For the year ended 30 June 2024

Reporting entity

Health Hawke's Bay Limited ("the Company") is a limited liability company incorporated and registered under the Companies Act 1993. It is a registered charity under the Charities Act 2005 (Registration number CC20380). It is a New Zealand domiciled public benefit entity for the purposes of the Financial Reporting Act 2013. The entity's registered address is First Floor, 100 McLeod Street, Camberley, Hastings 4120.

These financial statements for the year ended 30 June 2024 comprise the individual entity of Health Hawke's Bay Limited.

The Company's principal activity during the period was payment of primary health funding to general practitioners and provision of primary health services to the enrolled population in Hawke's Bay.

These financial statements were authorised for issue by the Company's Board of Directors on the date specified on page 22.

Basis of presentation

In April 2021, the New Zealand Government announced substantial changes will be made to the structure of the health system. All District Health Boards (DHBs) were disestablished on 30 June 2022 and replaced by one national organisation, Te Whatu Ora – Health New Zealand (Te Whatu Ora). Prior to 30 June 2022, DHBs were required to commission general practice services through Primary Health Organisations (PHOs) like Health Hawke's Bay Limited; this will not be the case in the future health system. However, many of the services provided by PHOs – such as coordinating multidisciplinary teams and supporting clinical improvement – will be all the more important in the future health system. Te Whatu Ora will be responsible for determining how best to deliver these services in each locality, including whether there is a role for an organisation to coordinate locality networks.

On the basis that primary health services will continue with a greater emphasis under the health reforms, Health Hawke's Bay Limited is best placed to continue to provide many of the services it currently provides and any changes are expected to take longer than 12 months from the date of these financial statements, these financial statements have been prepared on a going concern basis. Accounting policies have been applied consistently throughout the year.

Statement of compliance

These financial statements have been prepared in accordance with New Zealand Generally Accepted Accounting Practice ("NZGAAP"). They comply with Public Benefit Entity Standards issued by the New Zealand Accounting Standards Board ("NZ PBE Standards") and other applicable Financial Reporting Standards, as appropriate for Tier 1 not-for-profit public benefit entities.

Measurement basis

The financial statements have been prepared on a historical cost basis, except for available-for-sale financial assets, which have been measured at fair value.

The financial statements are presented in New Zealand dollars and all values are rounded to the nearest dollar, unless otherwise stated.

Use of judgements and estimates

The preparation of financial statements requires management to make judgements, estimates and assumptions that affect the reported amounts of assets and liabilities at the date of the financial statements and the reported amounts of the income and expenses during the period. Actual results could differ from these estimates.

Judgements are made by management in the application of PBE Standards that have a significant effect on the financial statements. Significant judgements include the recording of a reserve funding liability for revenue received that has not yet been spent on the project it relates to because there is a 'use or return' requirement in the contracts.

The Directors do not believe there are any key assumptions concerning the future and other key sources of estimation uncertainty at the reporting date, that have a significant risk of causing a material adjustment to the carrying amounts of assets and liabilities within the next financial year.

Significant accounting policies

The principal accounting policies applied in the preparation of these financial statements are set out below. These policies have been consistently applied to all the periods presented, unless otherwise stated.

Revenue

Revenue is recognised to the extent that it is probable that the economic benefits or service potential will flow to the Company and the revenue can be reliably measured, regardless of when the payment is being made.

Revenue is measured at the fair value of the consideration received or receivable, taking into account contractually defined terms of payment and excluding taxes or duty.

The specific recognition criteria described below must also be met before revenue is recognised.

Te Whatu Ora (Health New Zealand) population based revenue

The Company receives annual funding from the Te Whatu Ora, which is based on enrolled patient levels within the Hawke's Bay Region. Te Whatu Ora population-based revenue for the financial year is recognised based on the funding entitlement for the year.

Te Whatu Ora contract revenue

The revenue recognition approach for Te Whatu Ora contract revenue depends on the contract terms. Those contracts where the amount of revenue is substantively linked to the provision of quantifiable units of service are treated as exchange contracts and revenue is recognised as the Company provides the services. For example, where funding varies based on the quantity of services delivered, such as number of annual checks performed.

Other contracts are treated as non-exchange and the total funding receivable under the contract is recognised as revenue immediately, unless there are substantive conditions in the contract. If there are substantive conditions, revenue is recognised when the conditions are satisfied. A condition could include the requirement to provide services to the satisfaction of the funder to receive or return funding. Revenue for future periods is not recognised where the contract contains substantive termination provisions for failure to comply with the service requirements of the contract. Conditions and termination provisions need to be substantive, which is assessed by considering factors such as the past practice of the funder.

Judgement is often required in determining the timing of revenue recognition for contracts that span a balance date and multi-year funding arrangements.

Amounts received under the contracts but not considered to be earned because the conditions of the contract have not been met are recorded as revenue in advance (where the amount relates to a specific time period) or reserve funding (where the amount relates to expenditure yet to be incurred).

Finance Revenue

Interest revenue is recognised using the effective interest method.

Financial instruments

The Company recognises a financial instrument when the Company becomes a party to the contractual provisions of the instrument.

The Company derecognises a financial asset when the contractual rights to the cash flows from the asset expire or if the Company transfers the financial asset to another party without retaining control or substantially all the risks and rewards of the asset.

The Company derecognises a financial liability when the contractual obligations are discharged, cancelled or expire.

The Company classifies financial assets into the categories of either loans and receivables or available-for-sale.

The Company classifies financial liabilities as amortised cost.

Financial instruments are initially recognised at fair value, plus directly attributable transaction costs.

Health Hawke's Bay Limited

Significant Accounting Policies cont'd

For the year ended 30 June 2024

Loans and Receivables

Loans and receivables are non-derivative financial assets with fixed or determinable payments that are not quoted in an active market. They arise when the Company provides money, goods or services directly to a debtor with no intention of selling the receivable.

After initial measurement, such financial assets are subsequently measured at amortised cost using the effective interest rate method, less impairment. Amortised cost is calculated by taking into account any discount or premium on acquisition and fees or costs that are an integral part of the effective interest rate. The effective interest rate amortisation is included in finance revenue in the statement of comprehensive revenue and expense.

The loans and receivables category applies to cash and cash equivalents and trade and other receivables.

Cash and cash equivalents

Cash and cash equivalents in the statement of financial position comprise cash in hand and deposits held at call with banks. Term deposits are considered to be cash and cash equivalents regardless of their maturity timeframe because they are held for liquidity purposes.

Trade and other receivables

Short-term receivables are recorded at their face value, less any provision for impairment.

A receivable is considered impaired when there is evidence that the Company will not be able to collect the amount due. The amount of the impairment is the difference between the carrying amount of the receivable and the present value of the amounts expected to be collected.

Available-for-sale financial assets

Available-for-sale financial assets are non-derivative financial investments including equity investments and debt securities that are designated in this category or not classified in any of the other categories.

After initial measurement, available-for-sale financial assets are subsequently measured at fair value with unrealised gains or losses recognised in other comprehensive revenue and expense and

accumulated in the available-for-sale reserve. Upon derecognition, the cumulative gain or loss is recognised in other operating revenue.

Available-for-sale financial assets comprise debt securities and are disclosed in the Statement of Financial Position as other investments.

Amortised cost financial liabilities

Financial liabilities classified as amortised cost are non-derivative financial liabilities not classified as fair value through surplus and deficit.

Financial liabilities classified as amortised cost are subsequently measured at amortised cost using the effective interest method.

Financial liabilities classified as amortised cost comprise trade payables.

Trade Payables

Short-term payables are recorded at their face value.

Impairment of financial assets

Financial assets are assessed annually at reporting date to determine whether there is objective evidence that the asset is impaired. A financial asset is assessed as impaired if there is objective evidence as a result of one or more events that occurred subsequent to initial recognition of the asset that had an impact on the estimated future cash flows of the asset that can be estimated reliably.

Objective evidence of impairment may include indications that the debtor is experiencing significant financial difficulty, default or delinquency in interest or principal payments, the probability that they will enter bankruptcy or other financial reorganisation and observable data indicating that there is a measurable decrease in the estimated future cash flows, such as changes in arrears or economic conditions that correlate with defaults.

Financial assets classified as loans and receivables

The Company assesses financial assets measured at amortised cost at both a specific asset level where individually significant and the collective level. Trade receivable collectability is assessed on an ongoing basis. Impairment is recognised immediately when there is objective evidence that the Company will not be able to collect the receivable. Financial difficulties of the debtor, default payments or debts more than 60 days overdue are considered objective evidence of impairment.

Assets not individually significant are collectively assessed by grouping together assets with similar risk characteristics.

The amount of any impairment loss identified is measured as the difference between the asset's carrying amount and the present value of estimated future cash flows (excluding future expected credit losses that have not yet been incurred). The present value of the estimated future cash flows is discounted at the financial asset's original effective interest rate. The carrying amount of the asset is reduced through the use of an allowance account and the loss is recognised in surplus or deficit.

Interest revenue (recorded as finance revenue in the statement of comprehensive revenue and expense) continues to be accrued on the reduced carrying amount and is accrued using the rate of interest used to discount the future cash flows for the purpose of measuring the impairment loss.

Financial assets classified as available-for-sale

The Company assesses financial assets classified as available-for-sale investments at each reporting date whether there is objective evidence that an investment or a group of investments is impaired.

Impairment of debt securities classified as available for sale is assessed based on the same criteria as financial assets carried at amortised cost. However, the amount recorded for impairment is the cumulative loss measured as the difference between the amortised cost and the current fair value, less any impairment loss on that investment previously recognised in surplus or deficit.

Future interest revenue continues to be accrued based on the reduced carrying amount of the asset, using the rate of interest used to discount the future cash flows for the purpose of measuring the impairment loss. The interest revenue is recorded as part of finance revenue.

If, in a subsequent year, the fair value of a debt instrument increases and the increase can be objectively related to an event occurring after the impairment loss was recognised in surplus or

deficit, the impairment loss is reversed through surplus or deficit.

Employee Benefits

Liabilities for wages and salaries, including employer KiwiSaver contributions, non-monetary benefits and annual leave are recognised when the Company has a legal or constructive obligation to remunerate employees for services provided. The Company is obligated to remunerate all recognised employee benefits within 12 months of reporting date, therefore they are recognised as current and measured on an undiscounted basis and expensed in the period in which employment services are provided.

Property, plant and equipment

Recognition and measurement: Items of property, plant and equipment are measured at cost, less accumulated depreciation and impairment losses.

The cost of an item of property, plant and equipment includes expenditure that is directly attributable to bringing it to the location and condition necessary for it to operate as intended and the initial estimate of dismantling and removing the item and restoring the site on which it is located. The cost of an item of property, plant and equipment is recognised only when it is probable that future economic benefit or service potential associated with the item will flow to the Company and if the item's cost or fair value can be measured reliably.

All of the Company's items of property, plant and equipment are subsequently measured at cost less any accumulated depreciation.

Subsequent expenditure: Subsequent expenditure is capitalised only when it is probable that the future economic benefits associated with the expenditure will flow to the Company. Ongoing repairs and maintenance are expensed as incurred.

Depreciation: Depreciation is charged on a straight-line basis over the useful life of the asset. Depreciation is charged at rates calculated to allocate the cost or valuation of the asset less any estimated residual value over its remaining useful life:

Furniture and fittings: 3–17 years (6%–30%)
Computer Equipment: 3–5 years (20%–33.3%)
Leasehold improvements: 15 years (6.67%)
Motor Vehicles: 5 years (20%)

Depreciation methods, useful lives and residual values are reviewed at reporting date and adjusted if appropriate.

Health Hawke's Bay Limited

Significant Accounting Policies cont'd

For the year ended 30 June 2024

Impairment:

The Company does not hold any cash generating property, plant and equipment assets. Cash generating assets are those assets held for the primary objective to generate a commercial return.

The Company's property, plant and equipment are all non-cash generating assets. They are reviewed for impairment when an event or change in circumstance indicate impairment may be necessary. An impairment is recognised for an asset if the carrying value of the asset exceeds the higher of the fair value less cost to sell the asset or the value in use of the asset. Value in use is calculated by determining the remaining service potential of the asset, discounted to present value.

Operating Leases

An operating lease is a lease that does not transfer substantially all the risks and rewards incidental to ownership of an asset.

Lease payments under an operating lease are recognised as an expense on a straight-line basis over the lease term.

Lease incentives received are recognised in surplus or deficit as a reduction of lease expense over the lease term.

Equity

Equity is the residual interest in the Company, measured as the difference between total assets and total liabilities.

Equity is made up of the following components:

Share Capital

Ordinary shares are classified as equity. Incremental costs directly attributable to the issue of new shares are shown in equity as a deduction from the proceeds.

Available-for-sale revaluation reserve

This reserve is for the revaluation of available for sale financial assets, which are measured at fair value through other comprehensive revenue and expense after initial recognition.

Retained earnings

Accumulated comprehensive revenue and expense is the Company's accumulated surplus or deficit since the formation of the company, adjusted for transfers to/from specific reserves.

Health Hawke's Bay Limited

Notes to the Financial Statements

For the year ended 30 June 2024

	2024	2023
1. CONTRACT REVENUE	\$	\$
Capitation	42,146,280	39,168,131
Care Plus	3,707,885	3,470,436
Services to Improve Access	3,071,586	2,890,293
Health Promotion	1,129,885	1,172,228
Health Pathways	274,055	259,105
Coordinated Primary Options	2,359,686	2,223,585
System Level Measures	1,019,774	937,812
Primary Mental Health Initiative	1,179,260	1,114,927
Integrated Primary Mental Health and Addiction Services	4,575,602	3,760,255
Before School Checks	503,321	479,353
Management Services Revenue	4,431,787	3,866,390
Rural Health	591,279	540,341
Other Contracts	3,630,599	2,426,143
Provider Partnership	6,785,789	6,059,123
COVID-19	1,432,753	9,890,435
Disaster Relief	1,237,082	2,481,925
After Hours and Urgent Care	1,300,261	686,863
Nurse Pay Disparities	1,833,827	284,217
Rangitahi	1,823,786	232,041
TOTAL CONTRACT REVENUE	83,034,497	81,943,604

As noted in the significant accounting policies, the Company's contract revenue is determined on a contract by contract basis to be either exchange or non-exchange revenue. Due to the nature of the contracts, the distinction between exchange and non-exchange revenue does not impact the recognition of revenue for the Company so the company has presented revenue by contract or contract grouping rather than disclosing exchange and non-exchange contracts separately.

Health Hawke's Bay Limited

Notes to the Financial Statements cont'd

For the year ended 30 June 2024

	2024	2023
2. CONTRACT PAYMENTS	\$	\$
Capitation	42,154,676	39,178,015
Care Plus	3,674,005	3,440,246
Services to Improve Access	3,012,899	3,080,590
Health Promotion	717,836	1,144,827
Health Pathways	53,285	33,520
Coordinated Primary Options	2,093,241	2,535,470
System Level Measures	744,365	796,653
Primary Mental Health Initiative	786,341	831,996
Integrated Primary Mental Health and Addiction Services	2,802,831	2,029,133
Before School Checks	436,699	477,431
Provider Partnership	6,188,684	6,033,537
Rural Health	591,279	540,281
Other Contracts	3,871,775	923,948
COVID-19	1,440,133	9,693,557
Disaster Relief	1,289,259	2,431,978
After Hours and Urgent Care	1,287,066	657,594
Nurse Pay Disparities	1,832,438	83,691
Rangitahi	1,823,786	232,041
TOTAL CONTRACT PAYMENTS	74,800,598	74,144,509

	2024	2023
3. FINANCE REVENUE	\$	\$
Interest revenue		
Loans and receivables	258	1,567
Available-for-sale financial assets	95,028	50,355
TOTAL FINANCE REVENUE	95,286	51,922

	2024	2023
4. EMPLOYEE BENEFIT EXPENSE	\$	\$
Wages and Salaries	5,865,190	5,987,452
Other employee benefits	170,429	144,307
TOTAL EMPLOYEE BENEFIT EXPENSE	6,035,619	6,131,759

	2024	2023
5. CASH AND CASH EQUIVALENTS	\$	\$
Current accounts	9,247,837	4,368,454
Petty cash	139	972
TOTAL CASH AND CASH EQUIVALENTS	9,247,976	4,369,426

	2024	2023
6. TRADE AND OTHER RECEIVABLES	\$	\$
Trade receivables	1,960,207	5,190,075
Other receivables	259,080	270,599
Prepayments	155,343	34,552
TOTAL TRADE AND OTHER RECEIVABLES	2,374,630	5,495,227

	2024	2023
7. OTHER INVESTMENTS	\$	\$
Non-current fixed interest bonds	2,403,624	2,238,593
TOTAL OTHER INVESTMENTS	2,403,624	2,238,593

					2024
8. PLANT AND EQUIPMENT	MOTOR VEHICLES	LEASEHOLD IMPROVEMENTS	COMPUTER EQUIPMENT	FURNITURE AND FITTINGS	Total
	\$	\$	\$	\$	\$
Balance as at 1 July 2023	10,586	81,973	137,046	60,825	290,430
Acquisitions	-	-	73,650	8,034	81,684
Disposals	-	-	(2,514)	-	(2,514)
Depreciation Expense	(10,586)	(9,425)	(103,601)	(12,990)	(136,602)
Balance as at 30 June 2024	-	72,548	104,581	55,869	232,998
Cost	97,906	141,297	460,431	145,739	845,373
Less: Accumulated Depreciation	(97,906)	(68,749)	(355,850)	(89,870)	(612,375)
BALANCE AS AT 30 JUNE 2024	-	72,548	104,581	55,869	232,998
					2023
PLANT AND EQUIPMENT	MOTOR VEHICLES	LEASEHOLD IMPROVEMENTS	COMPUTER EQUIPMENT	FURNITURE AND FITTINGS	Total
	\$	\$	\$	\$	\$
Balance as at 1 July 2022	30,190	91,405	166,587	66,890	355,072
Acquisitions	-	-	60,039	7,764	67,803
Disposals	-	-	(5,652)	-	(5,652)
Depreciation Expense	(19,604)	(9,432)	(83,928)	(13,829)	(126,793)
Depreciation Recovered	-	-	-	-	-
Balance as at 30 June 2023	10,586	81,973	137,046	60,825	290,430
Cost	97,906	141,297	391,809	137,705	768,717
Less: Accumulated Depreciation	(87,320)	(59,324)	(254,763)	(76,880)	(478,287)
BALANCE AS AT 30 JUNE 2023	10,586	81,973	137,046	60,825	290,430

	2024	2023
9. TRADE AND OTHER PAYABLES	\$	\$
Trade payables	1,689,481	1,464,351
Sundry payables	248,132	1,207,282
TOTAL TRADE AND OTHER PAYABLES	1,937,613	2,671,633

	2024	2023
10. EMPLOYEE BENEFIT LIABILITY	\$	\$
Wage accrual	255,956	187,240
Liability for annual leave	253,092	280,649
TOTAL EMPLOYEE BENEFIT LIABILITY	509,048	467,889

	2024			
11. FINANCIAL INSTRUMENT CLASSIFICATION	LOANS AND RECEIVABLES	AVAILABLE FOR SALE	OTHER AMORTISED COST	TOTAL CARRYING AMOUNT
Assets	\$	\$	\$	\$
Cash and Cash Equivalents	9,247,976	-	-	9,247,976
Trade and Other Receivables	2,219,287	-	-	2,219,287
Other Investments	-	-	-	-
Total Current Financial Assets	11,467,263	-	-	11,467,263
Other Investments	-	2,403,624	-	2,403,624
Total Non-Current Financial Assets	-	2,403,624	-	2,403,624
TOTAL FINANCIAL ASSETS	11,467,263	2,403,624	-	13,870,887
Liabilities				
Trade and Other Payables	-	-	1,937,613	1,937,613
TOTAL CURRENT FINANCIAL LIABILITIES	-	-	1,937,613	1,937,613

	2023			
FINANCIAL INSTRUMENT CLASSIFICATION	LOANS AND RECEIVABLES	AVAILABLE FOR SALE	OTHER AMORTISED COST	TOTAL CARRYING AMOUNT
Assets	\$	\$	\$	\$
Cash and Cash Equivalents	4,369,426	-	-	4,369,426
Trade and Other Receivables	5,460,675	-	-	5,460,675
Other Investments	-	-	-	-
Total Current Financial Assets	9,830,101	-	-	9,830,101
Other Investments	-	2,238,593	-	2,238,593
Total Non-Current Financial Assets	-	2,238,593	-	2,238,593
TOTAL FINANCIAL ASSETS	9,830,101	2,238,593	-	12,068,694
Liabilities				
Trade and Other Payables	-	-	2,671,633	2,671,633
TOTAL CURRENT FINANCIAL LIABILITIES	-	-	2,671,633	2,671,633

Fair value disclosures

Assets and liabilities are recorded at fair value according to the fair value hierarchy as follows:

The fair value estimates were determined by the following methodologies and assumptions:

- Trade and other receivables: The reported amount approximates fair value because they are assessed for impairment and all amounts are receivable within three months.
- Cash and cash equivalents: Available on demand or within a short period. They are at market interest rates and therefore, carrying value approximates fair value.
- Trade and other payables: Considered short-term and therefore, carrying value approximates fair value.

11. Financial Instrument Classification Continued

Other investments

The Company's other investments comprise non-derivative debt securities (bonds) that are quoted in an active market. Fair value is based on level one input, New Zealand Debt exchange as at reporting date. The underlying fund holdings are managed by Dimensional Fund Advisors (DFA), which has developed a proprietary income filter to enhance its environmental, social, and governance (ESG) criteria within its investment process. This filter evaluates fixed income security based on their alignment with ESG principles, focusing on corporate governance practices, environmental impact, and social responsibility. By incorporating ESG considerations into their fixed income strategies, DFA aims to ensure that their portfolios not only seek attractive financial returns but also contribute positively to broader societal and environmental goals. This approach exemplifies best practices in the management of public funds.

Overall Risk management framework

The Company has a Statement of Investment Policy and Objectives (SIPO) which details the objectives, personnel duties and responsibilities and investment policy.

a) Risk Management

Risks arising from the Company's financial assets and liabilities are inherent in the nature of the Company's activities and are managed through an ongoing process of identification, measurement and monitoring. The Company is exposed to credit risk, liquidity risk and market risk (including interest rate and pricing risks).

The Company's investment income is generated from its financial assets. Liabilities which arise from its operations are met from cash flows provided by these assets.

Information regarding the fair value of assets and liabilities exposed to risk is regularly reported to the Company's management, the Company's Audit and Risk Committee and ultimately the Board. The Investment Portfolio is rebalanced, as necessary, to ensure that the asset classes remain within the strategic asset allocation policies as set out in the Company's SIPO. The Board regularly review the Company's SIPO.

The SIPO sets out the Company's primary investment objectives. These can be summarised as to:

- ensure that the investment fund is invested prudently;
- provide inter-generational equity with regard to distribution levels over time;
- ensure money is available for distribution, as required, to meet the needs and distribution policies of the Company;

The Company manages its investment portfolio in terms of its SIPO. The SIPO is monitored on a regular basis by the Board and amended as necessary. The company's investment portfolio is managed by Stewart Group, who assists both management and the Board with investment advice and portfolio management.

b) Credit Risk

Credit risk represents the risk that a counter party to a financial asset fails to discharge an obligation which will cause the Company to incur a financial loss. With regard to the credit risk arising for financial assets, the Company's exposure to credit risk arises from any default by a counter party. There is no security held over these assets.

Concentrations of risk arise when a number of financial instruments or contracts are entered into with the same counterparty or where a number of counterparties are engaged in similar business activities, geographic regions, or similar economic features that would influence their ability to meet their contractual obligations by reason of changes in economic, political or other conditions.

The Company manages credit concentration risks through:

- a diversified and non-correlated basket of investments;
- ensuring compliance with the individual mandate requirements of each investment.

The maximum exposure to credit risk for bonds, cash with bonds manager and cash and cash equivalents is detailed in the table on the following page.

The credit quality is classified using Standard and Poor's rating categories.

11. Financial Instrument Classification Continued

b) Credit Risk cont'd

				2024
	GLOBAL BONDS	NZ BONDS	CASH & CASH	TOTAL
AAA to AA-	70%		100%	
A+ to A-	18%			
BBB+ to BB+	12%			
Unrated				
Funds Invested	\$2,403,624	-	\$9,247,976	\$11,651,600
				2023
	GLOBAL BONDS	NZ BONDS	CASH & CASH	TOTAL
AAA to AA-	70%		100%	
A+ to A-	18%			
BBB+ to BB+	13%			
Unrated				
Funds Invested	\$2,238,593	-	\$4,369,426	\$6,608,018

c) Market Risk

Market risk embodies the potential for both loss and gains and includes interest risk and price risk. The Company's investment strategy and the management of the market risk are detailed in the SIPO. The Company's investments are diversified across a range of asset classes, entities, investment ratings and maturities.

Within each asset class there are defined policies and mandates to ensure diversification, to minimise investment risk and to limit exposure to any one investment. Each asset class has a defined target allocation and is managed within a defined allocation range.

12. CAPITAL AND RESERVES

	2024	2023
Ordinary shares	\$	\$
Opening Balance	1	1
Issue of Ordinary Shares for Cash	-	-
CLOSING BALANCE	1	1

Share capital

At 30 June 2024 share capital comprised 100 ordinary fully paid shares (2023:100). These shares have no par value. The holders of the ordinary shares have equal voting rights and share equally in dividends and any surplus on liquidation.

Available-for-sale revaluation reserve

Available-for-sale revaluation reserve is comprised of the fair value movement of currently held financial instruments classified as available for sale. Upon sale of a financial instrument, any fair value movement is transferred to other comprehensive revenue and expenses.

Capital management

The capital of the Company is the equity as shown in the Statement of Financial Position. The capital is managed indirectly by managing the credit, liquidity and market risks of the financial assets and liabilities of the Company as outlined in note 11. When managing capital, the objective is to ensure the Company continues as a going concern.

13. Operating Lease Commitments

The Company has entered into commercial leases on office equipment. There are no restrictions placed upon the Company by entering into these leases. The leased office space is for a term of two years with two rights of renewal contained within the lease but does not extend the term of the lease beyond the final expiry date (January 2025).

There is no rent payable for the leased office space but the Company is responsible for the operating expenses. The operating expenses are not included in the table below.

Future minimum rentals payable under non-cancellable operating leases as at 30 June are, as follows;

	2024	2023
	\$	\$
Less than one year	27,913	26,896
Between one and five years	10,889	37,362
More than five years	-	-
TOTAL	38,802	64,258

14. Related Party Transactions

Identity of Related Parties

Parent and ultimate controlling party

The immediate parent and ultimate controlling party of Health Hawke's Bay Limited is Te Matau a Māui Health Trust, which controls 100% of the voting shares in the company.

Trustees of Te Matau a Māui Health Trust include general practitioners who are recipients of funds allocated by Te Whatu Ora via the Company. These transactions have been carried out at arms length.

Payments made

During the period the Company made payments totalling \$20,997 (2023: \$82,443) to the Trustees of the Te Matau a Māui Trust in shareholder meeting attendance fees. These have been included in advisory committee fees.

Key Management Personnel

The Company classifies its key management personnel into two classes;

Members of the governing body
Members of the senior management team

Members of the governing body are paid a Director's fee based on their position on the board (\$41,600 for the Chairperson, \$25,000 for the Deputy-Chairperson, \$25,000 for the HHB Audit and Risk committee, \$20,800 for each of the Chairs of the Priority Population Advisory and Clinical Advisory Committees, and \$16,700 for other Directors per annum). Directors can also claim approved expenses such as kilometre reimbursements and training expenses.

The aggregate remuneration paid to members of the governing body and to the senior management team is presented below:

	2024	2023
	\$	\$
Director's fees paid to members of the governing body	178,255	174,012
Director's expenses paid to members of the governing body	7,960	8,793
Meeting attendance fees paid to members of the governing body	9,625	-
Members of the senior management team	1,254,337	1,398,568

The governing body was made up of 8 individuals as at 30 June 2024 (2023: 10).

The senior management team was made up of 7.0 FTEs as at 30 June 2024 (2023: 7.5).

14. Related Party Transactions cont'd

Other Related Parties

Directors of the company include general practitioners and other related parties who hold relationships with companies who receive capitation and other payments from the company. These transactions have been carried out at arms length. All outstanding amounts at balance date are expected to be settled within one month of balance date.

Darran Lowes, a Director of the Company is also a Director and shareholder of Taradale Medical Centre Ltd (TMCL) and a shareholder of City Medical Ltd (CML). Taradale Medical Centre Ltd and City Medical Ltd received capitation and other payments during the financial year of:

	2024	2023
	\$	\$
The Company made payments to TMCL of	3,472,777	3,730,168
The Company made payments to CML of	558,236	734,201
The Company received from TMCL:	-	10,035
As at balance date the Company had funds owing to TMCL of:	37,887	35,414
As at balance date the Company had funds owing to CML of:	82,484	14,692

Louise Haywood (Cope) is a Director of the Company (appointed 20 March 2023) and is a Director and Shareholder at The Hastings Health Centre Ltd. The Hastings Health Centre Ltd received capitation and other payments during the financial year of:

	2024	2023
	\$	\$
The Company made payments to HHCL of	11,275,481	11,753,911
The Company received from HHCL:	(10,778)	29,174
As at balance date the Company had funds owing to the HHCL of:	234,106	122,950

David Clapperton is a director of the Company. His partner is a clinical psychologist who has received payments from the Company.

	2024	2023
	\$	\$
The Company made payments of: -	5,487	-
As at balance date the Company had funds owing to C Whitehouse	3,510	-

Brendan Duck is a senior management employee of the Company. His spouse is a Director and Shareholder of Anthe Ltd t/a Clive Pharmacy. The pharmacy business was purchased 01 March 2023. Clive Pharmacy received payments during the financial year of:

	2024	2023
	\$	\$
The Company made payments to Clive Pharmacy of	23,754	15,138
As at balance date the Company had funds owing to Clive Pharmacy of:	12,096	4,549

14. Related Party Transactions cont'd

The Company transacts with other related parties in the normal course of their business. These entities include those companies in which the Trustees of Te Matau a Māui Health Trust are related by virtue of common governance or management personnel. The aggregate of the capitation received and other payments during the financial year was:

	2024	2023
	\$	\$
The Company made payments	2,675,303	3,277,869
The Company received	578	9,906
As at balance date the Company had funds owing to	96,021	63,393
As at balance date the Company had funds owing from	-	3,773

15. Events after the reporting date

The directors are not aware of any other matters or circumstances since the end of the reporting period not otherwise dealt with in these financial statements that have significantly or may significantly affect the operations of the Company (2023: none).



Independent auditor's report

To the shareholder of Health Hawke's Bay Limited

Our opinion

In our opinion, the accompanying financial statements of Health Hawke's Bay Limited (the Company), presents fairly, in all material respects:

- the financial position of the Company as at 30 June 2024, its financial performance, and its cash flows for the year then ended; and
- the service performance for the year ended 30 June 2024 in that the service performance information is appropriate and meaningful and prepared in accordance with the Company's measurement bases or evaluation methods

in accordance with Public Benefit Entity Standards issued by the New Zealand Accounting Standards Board.

What we have audited

The financial statements which comprises:

- The financial statements, including:
 - the statement of financial position as at 30 June 2024;
 - the statement of comprehensive revenue and expense for the year then ended;
 - the statement of changes in equity for the year then ended;
 - the statement of cash flows for the year then ended; and
 - the notes to the financial statements, which include significant accounting policies and other explanatory information.
- The service performance information for the year ended 30 June 2024.

Basis for opinion

We conducted our audit in accordance with International Standards on Auditing (New Zealand) (ISAs (NZ)) and the audit of the service performance information in accordance with the ISAs (NZ) and New Zealand Auditing Standard 1 (Revised) *The Audit of Service Performance Information* (NZ AS 1 (Revised)). Our responsibilities under those standards are further described in the *Auditor's responsibilities for the audit of the financial statements* section of our report.

We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our opinion.

Our independence

We are independent of the Company in accordance with Professional and Ethical Standard 1 *International Code of Ethics for Assurance Practitioners (including International Independence Standards) (New Zealand)* (PES 1) issued by the New Zealand Auditing and Assurance Standards Board, and we have fulfilled our other ethical responsibilities in accordance with these requirements.

Our firm carries out other services for the Company in the area of advisory services. The provision of this other service has not impaired our independence as auditor of the Company.

Other information

The Directors are responsible for the other information. The other information comprises the information included in the Annual report (but does not include the financial statements and our auditor's report thereon).

The other information we obtained prior to the date of this auditor's report comprised some sections of the Annual Report, but not all. The remaining other information is expected to be made available to us after that date.

Our opinion on the financial statements does not cover the other information and we do not and will not express any form of audit opinion or assurance conclusion thereon.

In connection with our audit of the financial statements, our responsibility is to read the other information and, in doing so, consider whether the other information is materially inconsistent with the financial statements or our knowledge obtained in the audit, or otherwise appears to be materially misstated.

If, based on the work we have performed on the other information that we obtained prior to the date of this auditor's report, we conclude that there is a material misstatement of this other information, we are required to report that fact. We have nothing to report in this regard.

When we read the other information not yet received, if we conclude that there is a material misstatement therein, we are required to communicate the matter to the Directors and use our professional judgement to determine the appropriate action to take.

Responsibilities of the Directors for the financial statements

The Directors are responsible, on behalf of the Company, for the preparation and fair presentation of the financial statements in accordance with Public Benefit Entity Standards, and for such internal control as the Directors determine is necessary to enable the preparation of the financial statements that is free from material misstatement, whether due to fraud or error.

The Directors are also responsible, on behalf of the Company, for the service performance information, including:

- the selection of elements/aspects of service performance, performance measures and/or descriptions and measurement bases or evaluation methods that present service performance information that is appropriate and meaningful in accordance with PBE FRS 48;
- the preparation and fair presentation of service performance information in accordance with the Company's measurement bases or evaluation methods, in accordance with the applicable financial reporting framework; and
- the overall presentation, structure and content of the service performance information in accordance with the applicable financial reporting framework.

In preparing the financial statements, the Directors are responsible for assessing the Company'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 Directors either intend to liquidate the Company or to cease operations, or have no realistic alternative but to do so.

Auditor's responsibilities for the audit of the financial statements

Our objectives are to obtain reasonable assurance about whether the financial statements, as a whole, is free from material misstatement, whether due to fraud or error, and to issue an auditor's report that includes our opinion. Reasonable assurance is a high level of assurance, but is not a guarantee that an audit conducted in accordance with ISAs (NZ) and NZ AS 1 (Revised) will always detect a material misstatement when it exists. Misstatements can arise from fraud or error and are considered material if, individually or in the aggregate or collectively, they could reasonably be expected to influence the economic decisions of users taken on the basis of these financial statements.



A further description of our responsibilities for the audit of the financial statements is located at the External Reporting Board's website at:

<https://www.xrb.govt.nz/standards/assurance-standards/auditors-responsibilities/audit-report-14/>

This description forms part of our auditor's report.

Who we report to

This report is made solely to the shareholder. Our audit work has been undertaken so that we might state those matters which we are required to state to them in an auditor's 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 Company and the Company's shareholder, for our audit work, for this report or for the opinions we have formed.

The engagement partner on the audit resulting in this independent auditor's report is Maxwell John Dixon.

For and on behalf of:

PricewaterhouseCoopers
Chartered Accountants
27 September 2024

Napier

Mā pango, mā whero
ka oti ai te mahi.

**By the combined efforts
of everyone our objectives
will be achieved.**



HEALTH HAWKE'S BAY

Te Oranga o Te Matau-a-Māui

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