

National
Hauora Coalition

ANNUAL REPORT

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ō mātou tikanga our values

Enhancing and enabling the strengths of whānau to achieve their aspirations.

We believe that whānau who are healthy, engaged, knowledgeable and prosperous are positioned well to succeed, to the benefit of New Zealand.



whānau whakataurangi
keep our word

What we say we are going to do, we do. We build trust & confidence by delivering on our promises to customers, staff and whānau.



whānau whakaaro tika
think like whānau

Whānau well-being is our priority. We succeed when whānau succeed. Whānau defines who we are and what we're about.



whakanuia te whānau
celebrate indigeneity

Indigeneity is woven into the fabric of this organisation, it is a part of who we are. We celebrate and create indigeneity, and we privilege indigenous ways of knowing and being.



mahia kia ea, kia toa
a 'can do' attitude

We are a 'can do', not a 'make do' organisation. We get things done. Our willingness to attempt the impossible will mean we accomplish extraordinary things.



whānau whai hua
outcomes matter

Because the status quo isn't acceptable, and we are intolerant of inequities. We are performance and results focussed, & will prove our contributions make a difference.



whānau auaha
everyone an innovator

We all have the courage to innovate. Our adventurous, creative & open-minded spirit will challenge the status quo to be at the 'cutting edge' of everything we do.

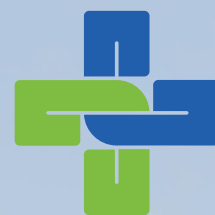
Kā rongo te pō,
I tuia te heke tangata I Hawaiki nui, Hawaiki roa,
Hawaiki pāmāmao.
I hono ki te wairua, ki te whai āo, ki te Ao Mārama.
Whakarongo ki te tangi a te manu nei, te tūī, tūī, tuituia
Tūia i runga
Tūia i raro
Tūia i roto
Tūia i waho
Tūia te muka tangata
Tihei mauriora



Ngā kupu rārangi

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National
Hauora Coalition

Trust Chairperson's foreword



Dame Tariana Turia - DNZM

Ngati Apa/Nga Wairiki, Tuwharetoa,
Nga Rauru, Whanganui

I am very pleased to introduce this year's annual report for the National Hauora Coalition (NHC). I feel fortunate to work with my fellow trustees in supporting the NHC to achieve mana whānau, whānau ora. The National Hauora Coalition Charitable Trust is expected to take a leadership role in 2019 as part of a restructure of the NHC group of entities.

Looking across this year's annual report you will see many examples of the work the NHC does: in service delivery, service design, research, technology and across its network. It is an impressive collection of achievements.

I am always taken by the commitment and know-how the staff of the NHC show in their work. The blending of absolute competence and absolute care is what our whānau need from services to have the confidence and ability to live well now and prepare for their futures.

Having good health is foundational, but at no point can we get swept away into narrowly thinking that the services themselves are the most important thing. At the end of the day it is

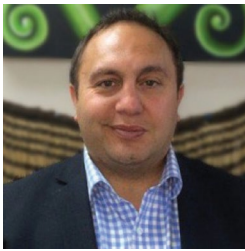
about the people we are here for, recognising their mana, and supporting them in their aspirations, whatever they are.

Staying true to its vision is absolutely essential for the NHC and is a source of great strength. It can also be a source of tension in navigating relationships with funders, who we know struggle with concepts like whānau ora because they aren't centred on existing government silos. The NHC is keenly aware of this — which is part of the rationale for our participation in the Waitangi Tribunal's look into health services and outcomes. We can imagine a better future and believe this is what whānau deserve from health funding.

Lastly, I want to commend the governors, managers and staff of the organisation who have continued to strive for our whānau in these often-difficult conditions, helping the over 130,000 people enrolled in our services to exercise greater control over their health and their lives.

Mauri ora.

NHC Ltd Chairperson's foreword



Matt Sword – Chair

LLB (Barrister and Solicitor of the High Court of New Zealand) Muaupoko

I am pleased to present the National Hauora Coalition (NHC) Report for the 2017/18 year. This is my fourth annual report as Chair and each year I gain an even greater appreciation of the dedication of our staff and the providers within our network to Mana Whānau, Whānau Ora and better health outcomes for the people we serve.

Again, this year I am pleased to report the success of NHC. Our success has been grounded in our commitment to addressing inequity in health and social outcomes. This commitment requires our team to be clinically and culturally competent and to be innovative — so we can make a positive impact on the lives of our communities. I look at the work of the NHC to build a world class data and analytics tool (Mōhio) and I see business minded innovation that can drive performance in the health sector and support the wider aims of government. This sophisticated work is what sets us apart as a health leader.

Striving for equity and the best possible outcomes can be a thankless task as a Māori organisation. There are structural barriers to doing the best for Māori, and barriers to Māori driving the health system that we want and need. The Board look to the Waitangi Tribunal's inquiry into health services and outcomes to take a clear-eyed look at the

challenges for Māori health and what the Crown needs to do to meet its obligations. The first stage of this Inquiry, which looks particularly at primary health care, is an opportunity to start the hard work of building a health system that is truly able to deliver for Māori. And the NHC is ready to be part of that critical work.

I wish to acknowledge the support and contribution of our Board and the NHC Charitable Trust. Our work is also supported by a range of stakeholders and groups who work to support whānau with high quality care so that they can thrive.

I would like to acknowledge the hard work and commitment of our staff. We have amazing people doing amazing things. It is exciting to be a part of such an innovative and driven team. I also acknowledge the senior leadership team who have been instrumental in navigating the often-uncertain waters created by policy and funding changes. I am always impressed by the high quality of knowledge, expertise and drive of our clinical director Dr Rawiri Jansen and Chief Operating Officer Tereki Stewart, supported and led by Chief Executive Simon Royal. All our staff are invaluable in driving us towards our vision - Mana Whānau, Whānau Ora.

Chief Executive's foreword



Simon Royal – Chief Executive

BA (Hons) Public Administration and Political Science
Ngāti Raukawa, Ngāpuhi, Parehauraki, Te Whānau o Haunui

Te amorangi ki mua, te hapai o ki muri

Over the past year we have continued to meet the challenges of providing consistently high-quality services and driving changes nationally and locally, despite changes that inevitably come with a new Government, to shape a better future for whānau. I am privileged to be Chief Executive of an organisation that has been able to do this and thrive despite significant pressures.


Change has followed the National Hauora Coalition (NHC) since our first days in 2013. We have worked within government settings, policies, and funding to ensure the best possible outcomes for the over 130,000 people enrolled in our primary health care services. This requires tenacity and hard work, both of which are characteristics I see across the NHC staff, management and Governors despite trying conditions and, often, uncertainty. I thank everyone for their commitment and drive for mana whānau, whānau ora through 2017/18.

As challenging as it is, change isn't always unwelcome. I am, in particular, optimistic about the Minister of Health establishing a health sector

review with broad terms of reference. In last year's annual report, I called for a review of this nature because we know that the health system is not designed with and for Māori and does not deliver anywhere near the level of health outcomes for Māori that it should. We need a courageous review that challenges the root causes of this inequity, including institutional racism.

My experience in the health sector and as NHC Chief Executive also led me to take a claim to the Waitangi Tribunal along with NHC Trustee, Henare Mason. Our claim (Wai 2687) is centered on what we see as a gulf between what the health system currently delivers for Māori, and what it could and should do. It is our view that what is needed is more radical health system change that is grounded in the partnership guaranteed to Māori in the Treaty. Our claim is being heard in stage one of the Waitangi Tribunal's Kaupapa Inquiry into health – with the first hearings at Tūrangawaewae Marae in October 2018.

As an organisation we also design and implement solutions that help us to practice mana whānau every day. Over the past year our investment in



our incredible internal capacity and capability and strong partnerships, for example with the Health Research Council, have helped us further develop our innovative, whānau-centred, models of care. We have also continued to develop Mōhio into a sector leading analytics tool.

Throughout this report you will see other examples of our every-day success. I trust you will find the contents of the report a useful guide in understanding the depth and breadth of our work over the past year. I also hope you see what I see every day: an organisation with committed staff, demonstrating our core values. I would also like to acknowledge the network of providers who work alongside us to bring our collective vision to reality.

Finally, it would be remiss of me not to make mention of the strong financial operating position of the NHC in the 2017-2018 year. The NHC recorded a surplus of \$1.44m during the financial year. This is an uncharacteristic position resulting from resolving the uncertainty of timing over net income for specific contracts. This surplus was primarily due to fulfilment of expanded contractual

obligations for the Auckland Wide Housing Initiative (AWHI), Mana Taimahi and the Mana Tū programmes. We have now recognised income to cover expenses that were incurred previously as we achieved milestones on these programmes. The surplus was a result of effectively accounting for the funding of these expenses during the year. This mismatch is therefore an outlier and will not recur.

Primary Health Services



86.84%
of Enrolled Māori
pēpi immunised by
24 months.



94.05%
of Maori smokers
given information
about quitting



28,779
Cervical screenings
completed

Our Primary Health Services (PHS) are comprised of 34 general practices, across five District Health Boards, which engage with more than 130,000 enrolled patients, including 21,188 enrolled Māori whānau. Ninety per cent of these practices are Very Low-Cost Access (VLCA) practices.

Our PHS network are supported by a wide range of innovative programmes, including the Mōhio information platform and a suite of fully funded services available to providers.

Impact on whānau

On time immunisation

Achieving on time immunisations for whānau contributed to a reduction in immunisation preventable diseases. Improving immunisations of our 8-month pēpi started with on time vaccination at five months. The PHS team offered additional support to practices with high numbers of babies to immunise, providing after-hours immunisation clinics and transport for whānau, to increase accessibility to this service. These initiatives enabled 82.57% of Māori pēpi to receive their immunisations on time by 8 months, and 86.84% on time immunisations by 24 months.



Otara Whānau Medical Centre – PHS Network Immunisation Campaign. (Left to right: Teremoana Manu-Receptionist, Silia Titiuti-Practice Nurse, Ana Tangataolakepa-Practice nurse, Drew Hewett-Manager)

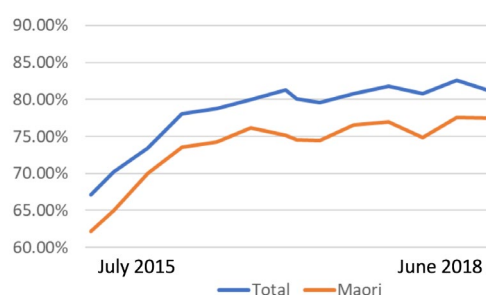
Cervical screening

Targeted initiatives have led to an increase in cervical screenings for both Māori and non-Māori women. The PHS team engaged with wāhine in a variety of ways, endeavouring to meet and connect with people in the community. Local

marae and providers held community events such as Whānau Ora days; which delivered a whole of whānau approach, encouraging women to participate in screening. In addition to opportunistic screening, the PHS team facilitated targeted initiatives including pamper packs, and options for after-hours clinics. Scholarships were made available to practice nurses to enable access to cervical screening training, increasing nurses' capability to offer this service to our enrolled whānau. Flexible Funding allocation provided the option for additional funding to support unscreened or overdue high needs women access cervical screening free of charge.

Graph 1 illustrates the increase in cervical screening for Māori and non-Māori women from July 2015 to June 2018. The NHC network completed 28,779 cervical screenings in the last year, including 73.9 per cent of eligible Māori wāhine, an increase from 71.48% screened in the 2017 period.

Graph 1: Cervical Screening Rates



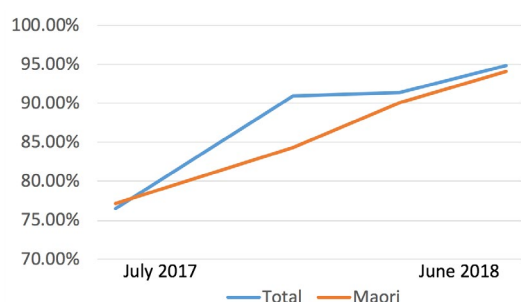
VLCA: Very Low-Cost Access practices are eligible providers that maintain their fee thresholds at lower levels to cater to those patients who can least afford primary health care.

Better help for smokers to quit

Offering brief cessation advice is an important first step to increasing smoking cessation rates. Whānau engagement with smoking cessation information was increased through delivery of a temporary call-centre and a mobile app. The call-centre approach worked well, with a broad ethnic range of callers helping to create connections for whānau seeking help. Both Māori and Asian call makers reassured members of the community when chatting to them about giving up smoking. The app linked whānau members with smoking cessation support, helping to connect people who would not normally engage with providers.

These focused initiatives allowed smoking cessation to reach more smokers: 95% of smokers in our enrolled population were given information about quitting, including 94% of enrolled Māori smokers, an improvement from 91% last year. Graph 2 illustrates the results achieved for smoking brief advice for the total enrolled population and Māori from July 2017 to June 2018.

Graph 2: Smoking Brief Advice



Quality improvement

The NHC recognises that achievement of quality standards leads to better systems of care for whānau. PHS has facilitated continued quality improvement across our practice network, with staff providing support for practices to meet the Cornerstone quality standard. Seven practices are now awaiting Cornerstone accreditation; five practices are due for re-accreditation and 20 practices have achieved accreditation and are currently working through their annual cycle.

The Safety In Practice (SIP) initiative offers additional quality improvement opportunities to the network. The programme is designed to build capability in quality improvement methods and processes to ensure safe and quality of care. SIP has been adopted widely across the network with 12 providers engaged in the programme.

Workforce development

Professional development for the PHS workforce enables our network to provide their whānau with the best available care. In addition to facilitating professional development opportunities, PHS provided training scholarships to nurses within the network, increasing workforce capability to deliver appropriate screening and clinical care for whānau members. Te Tiriti o Waitangi and cultural safety workshop was also popular amongst our providers with 75 participants attending.

PHS recognises the contribution providers make to improving health outcomes for our whānau. This year, PHS celebrated Matariki (Māori New Year) with providers, creating an opportunity to celebrate our indigeneity and acknowledge the significance of a Māori lead PHO.



Picture: NHC Nurse Champion Tiffany Soloai presents kai basket to Whānau Ora Community Centre – Puhinui, Beverley Taoho.

PHS Performance





Mana Tū



200

Participants enrolled into Mana Tū



Average HbA1c decrease of 5mmol/mol 3 months into programme



Awarded the Auckland DHB Matariki Award for Tūhono (team excellence)

The Mana Tū programme takes a holistic approach to caring for people struggling to effectively manage their type 2 diabetes. Mana Tū is funded by the Health Research Council and led by the National Hauora Coalition. The Mana Tū programme is comprised of three components:

NHC-led operational hub

The NHC-led hub drives programme design and operations. The hub also provides ongoing workforce training and development, service quality improvement and key research functions. The Mana Tū programme is supported by an innovative data capturing technology through the Mōhio system.

Kai Manaaki

Kai Manaaki are skilled case managers that walk alongside patients in their journey to live well. The Kai Manaaki understand both health and social barriers that can impact a person's ability to live well with a long-term condition. Kai Manaaki support patients and their whānau over a 12-month period through the delivery of basic diabetes self-management education, better connecting patients with their General Practice and navigating health and social support services for patients and whānau.



Pictured: Mana Tū received the Auckland DHB Matariki Award for Tūhono (Team Excellence)

Collaborations with primary care

Kai Manaaki are successfully integrated into General Practices, promoting cultural safety in patient care and improvements to the system of care for patients.

The innovative programme is now being implemented across five General Practices and will be delivered to 200 patients across Auckland and the Far North over the next 12 months.

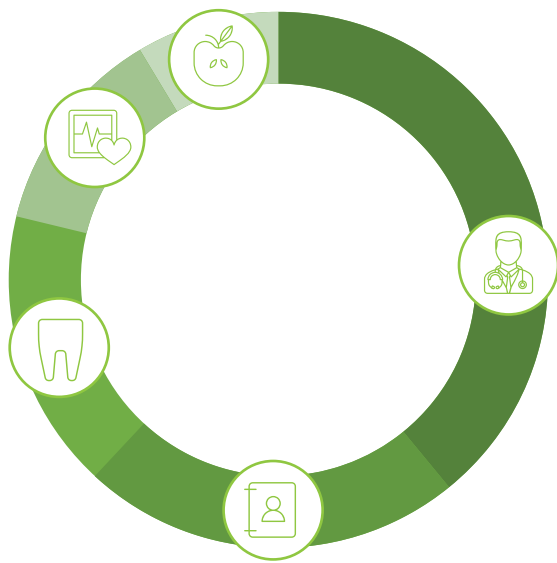
Impact on whānau

For whānau, Mana Tū means a holistic approach to managing their long-term condition. This can be further conveyed in a story from a participant in the Mana Tū programme:

For Hone Mana Tū means better outcomes for him and his whānau. As a full-time worker, husband and grandfather, Hone's priorities were taking care of whānau. Unfortunately, this meant that Hone struggled to successfully manage his diabetes. With ongoing home visits from his Kai Manaaki, Hone has been able to reduce his HbA1c from 119mmol/mol to 63mmol/mol just three months into joining the Mana Tū programme. Hone credits this improvement to the one on one diabetes self-management education and support he receives from his Kai Manaaki. Hone says he has more energy to keep up with his grandchildren, and is passing on the knowledge, skills and strategies he has gained from his Kai Manaaki onto his whānau.

Hone is extremely thankful to the Mana Tū programme and is committed to managing his diabetes and educating his whānau.

"For the first time ever I feel supported and ready to make changes for the sake of my health. Thank you to Mana Tū and staff"



General Practice

26 referrals to GP or Mobile Nurse



WINZ Support

15 referrals to WINZ for financial assistance



Oral Health

10 referrals to local dentist



Diabetes Specialist

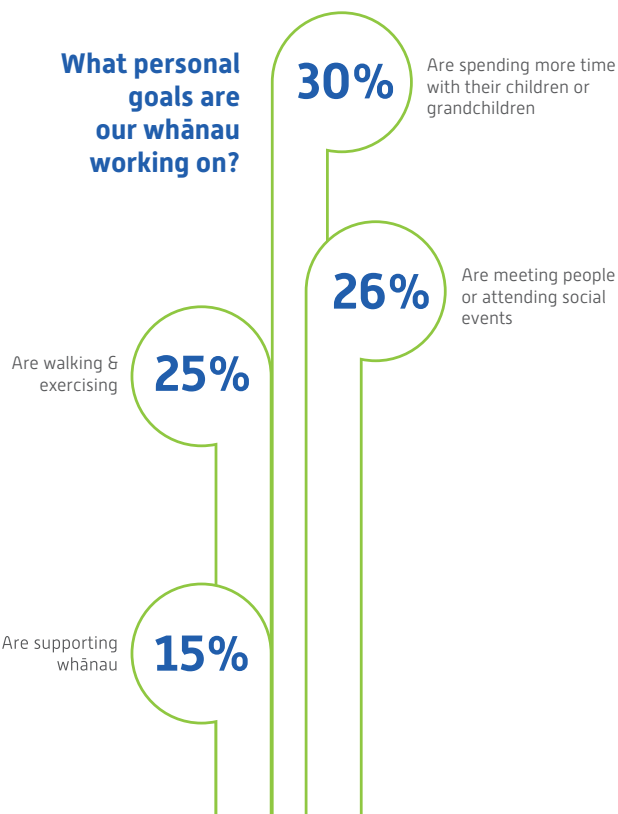
8 referrals to diabetes specialist



Food Grant/Food Bank

5 referrals to receive food grant/food bank

What personal goals are our whānau working on?



-5 mmol/mol

Average HbA1c Reduction 3 months into Mana Tū in 73 participants



100%

Enrolment Target Reached

A total of 200 participants have been enrolled in Mana Tū

Outcomes Services



Mana Taimahi



110
patients engaged
in the programme



195
employment focused
conversations



38
patients increased their
capacity to work, with
some returning to regular
full or part time work

Mana Taimahi recognises the positive effect employment has on whānau. Mana Taimahi seeks to improve employment outcomes for people aged 18-64 years, on work capacity medical certificates to stay in work or return to work. The programme looks at how and why General Practitioners administer work capacity medical certificates and promotes the idea that returning to manageable work benefits the individual, their whānau and wider community. It is a 12-month programme developed by the National Hauora Coalition in partnership with the Ministry of Social Development.

Mana Taimahi has been implemented across seven general practices in the NHC primary care network, including four practices in West Auckland and three in Whanganui. Nine Work & Income offices are involved in the programme; eight in West Auckland and one in Whanganui. After the proof-of-concept pilot in 2016, this programme expanded into its current form in November 2017 with the aim of enrolling 600 clients across West Auckland and Whanganui.

Impact on whānau

The Mana Taimahi programme provides patients with increased support, tools and knowledge to achieve their health goals and return to work or remain in work. In the last year, 110 patients have been engaged in the programme, with more than 195 employment focused conversations being completed. Subsequently, 15 patients have returned to full-time or part-time employment, and 23 patients have increased their capacity to work, meaning an increase in the number of hours they can undertake suitable employment each week. The overall impact of this is that people who stay in work are healthier and have better long-term outcomes compared to those who are unemployed.

Mana Kidz



97%
of tamariki
consented into Mana
Kidz by whānau



19,018
child health
interventions - a
315% increase from
last year



13,240
tamariki were treated
for the bacterial throat
infection Group A
Streptococcus



27,627
skin condition
assessments and
follow-ups

Mana Kidz is a nurse-led, school-based health programme reaching tamariki in primary and intermediate schools in South Auckland. It provides primary care services to more than 34,000 children across 88 primary and intermediate schools. Of the tamariki eligible for the programme, 97% are consented into the programme. The programme covers all decile 1-3 schools (or those schools with a lower socio-economic profile) in South Auckland, with the implementation of a slightly scaled back model to an additional 27 primary and intermediate schools.

The NHC leads a network of primary care and community health providers to deliver the programme providing key support in programme development, network coordination, communications activity, clinical oversight and best practice, standardised tools and processes, quality improvement initiatives, and workforce development.

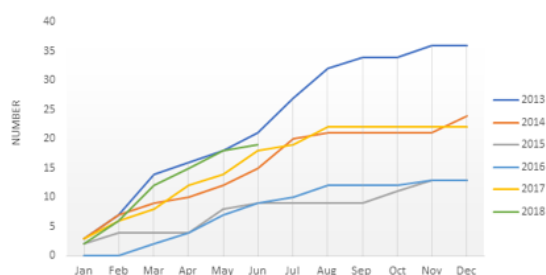
Impact on whānau

Reducing childhood illness

This programme increases access to primary care for tamariki, through daily school-based health services and enables access to other community services to support health and social wellbeing. Health services include free sore throat assessment, treatment and follow up, and diagnosis and management of skin infections. The health team also provides hearing and vision checks, new entrant immunisations, child protection work, enuresis and encopresis, behavioural and developmental assessments.

There has been a reduction in preventable diseases such as acute rheumatic fever since the programme started in 2013, as seen in Graph 3 below. Health teams work with tamariki and whānau directly to improve health literacy and provide health promotion information at events such as school assemblies.

Graph 3: Acute Rheumatic Fever notifications for 5-12 year-olds in CMH



Continuous quality improvement

Mana Kidz has undertaken a range of improvement initiatives in partnership with the provider network. One example of this is our vision improvement work. Poor eyesight can cause learning and behavioural problems in children. Using improvement methodology, we developed a new intervention which includes a letter for parents and new Mōhio forms which were delivered to all providers in a training session. There has subsequently been a 400% increase in the number of vision assessments completed weekly. We expect this will lead to an increase in glasses being provided to tamariki with vision difficulties, with positive learning impacts in school.



Erena had a speech impairment. At 4 years old she was placed into the care of Oranga Tamariki. At preschool, Erena's caregiver was often told that the likely reason she spoke 'like that' was because English was her second language and that she would eventually learn to speak correctly from those around her. When Erena attended school, the Mana Kidz nurse was able

to complete a full ear health assessment and noted her ears were severely impacted with ear wax. Working closely with her caregiver, Erena was referred to the ear health clinic where the wax was removed over two appointments. Erena was then able to better engage with the speech language therapist. Her teacher reported marked improvement in classroom engagement.



Auckland Wide Housing Initiative (AWHI)



1533

families we
worked with



1,789

housing interventions
facilitated for south
Auckland whānau



383

whānau linked to other
services such as budgeting,
food parcels, and smoking
cessation support

The NHC provides the AWHI programme, which works to improve the housing conditions for whānau in the south Tāmaki Makaurau area. AWHI was the first of eight Healthy Housing Initiatives (HHIs) now delivered across Aotearoa. The programme connects whānau to community services and organisations to create healthy, warm and dry homes that give their tamariki the best start in life. The programme also works with whānau to develop housing literacy, ensuring they have the skills and knowledge to take control of their own housing needs.

Impact on whānau

Many common illnesses are caused by poorly ventilated, cold and overcrowded homes, with children particularly affected. AWHI's interventions enable whānau to take simple proactive steps to improve the conditions in the family home. In the last year, AWHI has facilitated provision of 1789 essential housing interventions such as bedding, heating, insulation and financial support to 1,533 whānau in Tāmaki Makaurau. AWHI also connected 383 families to services such as budgeting, food parcels, and smoking cessation support; recognising whānau flourishing extends beyond housing interventions.

The Kakariki Whānau

The Kakariki whānau was referred to AWHI because the children had ongoing recurrence of Strep A and low attendance at school. The Kakariki whānau had seven people living in the home (five children and two adults) and has purchased the three-bedroomed home five years prior to working with AWHI. At the time of purchasing the home, both parents were working full time. Then, the mother became very ill with cancer and had to terminate her employment. The father was made redundant and was working casual jobs night and day to make ends meet. The Kakariki whānau was just managing to pay their mortgage, but some weeks later the father had no work and the Kakariki whānau had fallen into financial hardship. The AWHI Housing Assessment identified leaks to the hot water cylinder. The water leaks had spread to the hallway and created major issues with mould.

The bedrooms had no thermal curtains and the house had no underfloor insulation. Overall, the house was very cold and the Kakariki whānau had no form of heating. The Kakariki whānau were not receiving any government financial support and had been struggling with debt.

Through AWHI support, underfloor insulation and curtains were installed in all the rooms. The leaking hot cylinder was replaced, and holes in the walls were repaired. Smoke alarms were also installed in the property. A heater and blankets were provided to the Kakariki whānau.

Outside the home, the school health team has noticed a reduced recurrence of strep A for the children and the children's school attendance has increased. The father has also secured permanent employment and the family is financially stable.

Auckland Wide Housing Initiative Insights

158

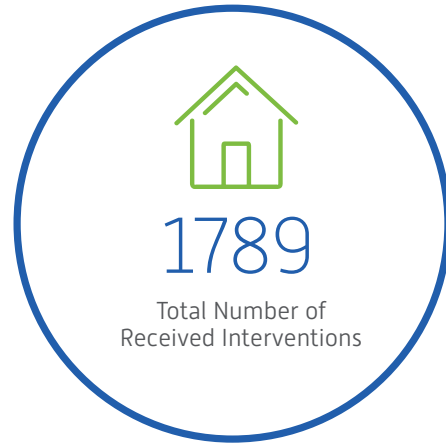


Minor
Repairs

68



Heating Sources
/ Dehumidifiers
Installed



128



Mould
Treatments

30



Moved to
New Homes

163



Heating Costs
Subsidized

25



Homes
Insulated

80



Financial
Entitlement
Received

117



Thermal
Curtains
Installed

88



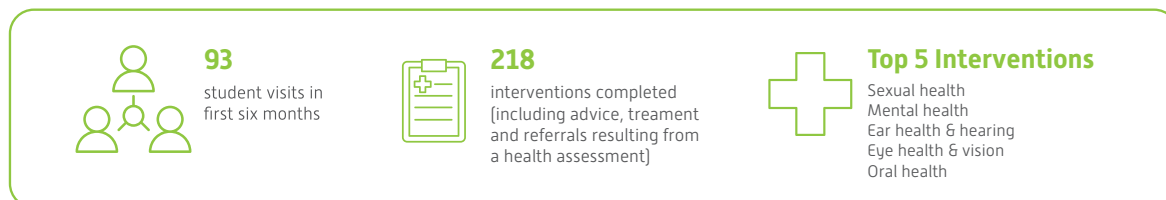
Ventilation
Devices
Installed

112



Beds &
Bedding

Enhanced School-Based Health Services



Enhanced School Based Health Services (ESBHS) is a new initiative, established in January 2018 to support rangatahi with complex health and social needs to realise their full potential. The ESBHS programme delivers onsite, accessible and free nursing services to 90 rangatahi attending three Alternative Education (AE) facilities, one Teen Parenting Unit and a Te Kura Kaupapa Māori within Auckland DHB

ESBHS services include:

- ◇ Youth health and development checks, including comprehensive HEEADSSS (Home, Education, Eating, Activities, Drugs and Alcohol, Suicide and Depression, Sexuality and Safety) assessment for all students, allowing for early identification of mental health, Alcohol and Other Drug (AOD) issues adversely impacting youth development.
- ◇ Sexual health and contraception services
- ◇ Facilitating access to primary healthcare services (including primary mental health and GP services).
- ◇ Sore throat management (rheumatic fever prevention)
- ◇ Long-term conditions assessment and management
- ◇ Health promotion

Impact on whānau

We have achieved high engagement and service acceptability by Maori and Pasifika rangatahi in the first six months of this service. ESBHS nurses have completed 218 interventions for rangatahi, including provision of contraception and sexual health checks, sore throat management and facilitating access to primary healthcare services such as local GP clinics and primary mental health services. One of the key strengths of the service has been the development of strong, engaged relationships with each of the AE sites which has enabled us to maintain a high-quality service despite changes within the AE sites (staffing, location) themselves.



Mōhio Services



68

General practices
utilising Mōhio
products



2,000

live reports delivered
to providers daily



130,000+

whānau receiving care
supported through Mōhio
products every week.

The Mōhio Services Group uses data, analytics and business intelligence to drive outcomes focused solutions for whānau. Mōhio provides a range of solutions for social, community, research, virtual call centre and general practice clinical settings.

Our real-time web-based software is designed to assist healthcare professionals within general practice by integrating patient information from various service providers and funders. All solutions allow live data capture during patient encounters within the clinic, school or community setting. It also acts as a prompt for GPs, alerting them to services a patient may benefit from (for example; advice on how to quit smoking).

The Eastern Bay Primary Health Alliance purchased licences to our Mōhio clinical platform in June 2018 and will be using it across all nine practices of their primary care network by October 2018. Auckland PHO continue to utilise the Mōhio clinical platform in all general practices in their network.

A mobile patient app; 'Toi Whānau Health' is being developed to increase whānau access to health information and enable engagement with their general practice and other NHC services. The app will be offered in multiple languages including Reo Māori, English, Samoan, Tongan, Cook Island Maori, Fijian, Hindi, and Chinese.

How has it driven performance?

Mōhio's clinical platform focuses general practice and other primary health care teams on relevant and real-time data, allowing clinicians to attend to priority issues. This can include patient prompts, reminders, patient lists and other key information required to drive performance. Patient prompts can be delivered when they visit their general practice or delivered to them by text message, phone call or within Toi Whānau Health on their mobile phone.

Mōhio has been successfully deployed to identify performance and improvement opportunities across NHC initiatives such as Mana Kidz and Mana Tū, allowing comprehensive reporting, data warehousing and business intelligence. Mōhio was also used to highlight improvement opportunities in AWHI's (Auckland Wide Healthy Housing Initiative) client management system; greatly increasing staff productivity and collection of whānau outcomes data.

Impact on whānau

Mōhio business products have been developed from the ground up to support Māori, Pacific and other high needs whānau. Proprietary analytics and business intelligence allow targeting of baseline data such as ethnicity to ensure that inequalities can be identified, managed and improved for all whānau.



Design and Development



Design and Development Services is a new unit in its first year of inception. The unit is established to develop opportunities for NHC investment, and support deployment of equity-focused initiatives that achieve better outcomes for whānau. We take a whānau-centred approach to addressing the broader determinants where possible. We have undertaken a stocktake of the Whānau Ora Outcomes System and can describe the unique methodology of NHC. We will lead a project arising from the stocktake to complete the revision and publication of the renamed Mana Whānau System. Design and Development has supported a number of successful bids, including the ESBHS programme.

Our focus in the coming business year is to refine and build on the NHC Mana Whānau system and develop a manual alongside some award-winning examples and prototypes which clearly demonstrate our thought leadership and competency. We will be submitting proposals for the Māori Provider Development and the PHARMAC Evaluation and Equity Framework.

Case Study: Mana Ora

Mana Ora is a mentoring and development initiative, working with rangatahi feeling the impact of intergenerational welfare receipt. The initiative addresses the range of socioeconomic factors contributing to intergenerational disadvantage and seeks to connect with young people, to equip them with the means necessary to look for employment and to flourish in a job.

Mana Ora is delivered through a strengths-based, kaupapa Māori approach. Mentors support rangatahi through their development journey, providing employment preparation, health education and training and links to community services to empower rangatahi and their whānau to take more control over their lives. Mana Ora has engaged over 50 young people through the programme since the launch in early 2018.

Maia

Maia is a 21-year-old Māori female. At the time of her commencement in the Mana Ora programme, Maia had work experience in the Kiwifruit agricultural industry and a foundation forestry skills certificate. Maia lived with her partner and has a restricted license.

An initial strength assessment (pictured) identified housing issues, and alcohol and drug incidents in her present accommodation. Maia explained drug and alcohol issues within the home often left her responsible for other children in the home. Maia's father in law had cancer and was "too stubborn to go to the doctors".

Maia enrolled in Mana Ora and was assigned a mentor. Maia received around 30 hours of direct one on one support from her mentor, with the following goals:

- ◇ searching and gaining safe and healthy housing
- ◇ search for a new job
- ◇ preparing for job interviews



Maia also attended 10 Mana Ora group sessions where she connected with other rangatahi in the programme. Through the programme Maia attended a licensing course and developed a new goal of achieving a full license by the end of the year.

With support, Maia achieved her goals of finding a new house to move into with her partner and is now employed as a baggage handler at Auckland Airport. Maia has received support with budgeting and says she is feeling more confident and secure now that she and her partner are in their own home and she is now employed.

Networks

Waitemata DHB

New Lynn Doctors
McLaren Park Medical
Westview Medical Centre
Hobsonville Point Medical Centre
Doctors on Luckens
Kelston Medical Centre

Auckland DHB

Three Kings A and M Clinic
Dominion Road Surgery
Epsom Medical Care
Onehunga Medical Practice
QuayMed Limited
109 Doctors
Maxcare Medical Centre
St Lukes Medical Centre
Otahuhu Health Clinic Ltd

Counties Manukau DHB

Tamaki Family Health Centre
Otara Whānau Medical Clinic
Papakura Marae Health Clinic
Third Age Health (Counties Manukau)
Te Manu Aute Whare Oranga
Health Star Medical Centre
DW Family Doctors
Mahia Road Surgery
Wiri Family Doctor
Whānau Ora Community Clinic

Waikato DHB

Dr Spry
Te Kuiti Family Health
The Family Clinic Taumarunui Kokiri
Third Age Health (Waikato)

Whanganui DHB

Castlecliff Health
Eastcare Medical Ltd
Jabulani Medical Centre

Mana Kidz Network – Counties Manukau DHB

Health Star Pacific
Kidz First Community
Papakura Marae
South Seas Healthcare
Te Hononga o Tāmaki me Hoturoa
Tongan Health Society
Total Health Care
Turuki Health Care



FINANCIAL STATEMENTS



National
Hauora Coalition

Operating As: National Hauora Coalition

The Board is pleased to present the financial statements of National Māori PHO Coalition Incorporated for the year ended 30 June 2018.

14/12/2018
Date

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Directory

Business Activity	A representative body for Māori Primary Health Organisations
Date of formation	10 December 2007
Registration number	CC37874
Auditors	RSM Hayes Audit Level 1, 1 Broadway Newmarket Auckland
Bankers	ASB Bank Limited Henderson Branch 353 Great North Road Henderson Waitakere
Solicitors	Tuia Group 2/202 Thorndon Quay Pipitea Wellington
Board members	National Māori PHO Coalition Incorporated Cynthia Kiro (Chairperson) Henare Mason National Hauora Coalition Limited Matthew Sword (Chairperson) Joseph Hanita Tina McCafferty Papaarangi Reid David Jansen (resigned 26 April 2018)

Consolidated statement of comprehensive revenue and expense

for the year ended 30 June 2018

in New Zealand Dollars

	Note	2018 \$	2017 \$
Revenue			
Revenue from non-exchange transactions	2	40,180,220	37,386,271
Revenue from exchange transactions		95,135	80,893
Interest and dividends		477	2,911
Total revenue		40,275,832	37,470,075
Expenditure			
Employee benefits expenses		2,972,780	2,967,657
Operating costs	3	35,671,885	34,239,079
Depreciation and amortisation expenses		50,988	45,672
Donations and grants made		463	1,300
Occupancy expenses		121,443	129,773
Interest expense		13,541	596
Total expenditure		38,831,100	37,384,078
Surplus for the year		1,444,732	85,997
Equity accounted share of Joint Venture income	9	-	4,708
Total comprehensive revenue and expense for the year		1,444,732	90,704

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

Consolidated statement of financial position

as at 30 June 2018

in New Zealand Dollars

	Note	2018 \$	2017 \$
Assets			
Cash and cash equivalents		6,020,435	4,796,565
Accounts receivable		2,169,640	1,979,877
Accrued income		5,001	58,031
Prepayments		5,274	10,218
Current assets		8,200,350	6,844,691
Property, plant and equipment	4	196,989	48,139
Intangible assets	5	50,654	-
Investments - Joint Venture	9	-	-
Non-current assets		247,643	48,139
Total assets		8,447,993	6,892,830
<i>Represented by:</i>			
Liabilities			
Accounts payable		1,050,608	1,125,568
Accrued expenses		242,632	250,592
Employee entitlements	6	232,152	298,262
GST payable		39,489	54,239
Income in advance		3,797,669	3,523,457
Current liabilities		5,362,550	5,252,119
Total liabilities		5,362,550	5,252,119
Equity			
Retained earnings		3,085,443	1,640,711
Total equity		3,085,443	1,640,711
Total liabilities and equity		8,447,993	6,892,830

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

Consolidated statement of changes in equity

for the year ended 30 June 2018

in New Zealand Dollars

	Retained earnings \$	Joint venture \$	Total \$
Balance at 1 July 2017	1,640,711	-	1,640,711
Total comprehensive revenue and expense	1,444,732	-	1,444,732
Balance at 30 June 2018	3,085,443	-	3,085,443
Balance at 1 July 2016	1,536,830	13,177	1,550,007
Total comprehensive revenue and expense	85,997	4,708	90,704
Transfer of Joint venture retained earnings	17,885	(17,885)	-
Balance at 30 June 2017	1,640,711	-	1,640,711

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

Consolidated statement of cash flows

for the year ended 30 June 2018

in New Zealand Dollars

	Note	2018 \$	2017 \$
Cash flows from operating activities			
Cash received from customers - exchange transactions		92,973	80,893
Cash received from funders - non-exchange transactions		40,335,345	40,331,228
Interest received		477	2,911
Cash paid to suppliers		(35,916,437)	(34,837,979)
Cash paid to employees		(3,038,891)	(2,933,667)
Interest paid		(1,269)	(596)
Net cash from operating activities	7	1,472,199	2,642,789
Cash flows from investing activities			
Acquisition of property, plant and equipment	4	(199,837)	(29,752)
Acquisition of intangible assets	5	(50,654)	-
Proceeds on disposal of property, plant and equipment		2,162	5,304
Proceeds on return of investment in joint venture		-	17,885
Net cash from investing activities		(248,329)	(6,564)
Net (decrease)/increase in cash		1,223,870	2,636,225
Opening cash and cash equivalents 1 July		4,796,565	2,160,340
Closing cash		6,020,435	4,796,565

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

Notes to the consolidated financial statements (continued)

1 General Overview and Accounting Policies

a) Reporting Entity

The reporting entity is National Māori PHO Coalition Incorporated. National Māori PHO Coalition Incorporated is domiciled in New Zealand and is an Incorporated Society in New Zealand and registered under the Incorporated Societies Act 1908 and the Charities Act 2005.

The consolidated financial statements comprise the Society and its controlled entities, National Hauora Coalition Limited and Mōhio Information Systems Limited (the Group).

These consolidated financial statements and the accompanying notes summarise the financial results of the activities carried out by the Group for the year ended 30 June 2018.

The Group provides funding for the provision of health service by Primary Health Care Providers.

The consolidated financial statements have been approved and were authorised for issue by the board members on the date specified on the cover page.

b) Basis of Preparation

The financial statements have been prepared in accordance with New Zealand Generally Accepted Accounting Practice (NZ GAAP). They comply with Public Benefit Entity Accounting Standards as appropriate for Tier 1 not-for profit public benefit entities. As a registered charity, National Māori PHO Coalition Incorporated is required to prepare financial statements in accordance with NZ GAAP as specified in standard XRB A1. The Group is a Tier 1 reporting entity as it has total expenditure greater than \$30 million in the two preceding periods.

The financial statements are presented in New Zealand Dollars (\$), which is the Group's functional currency. All financial information presented in New Zealand Dollars has been rounded to the nearest dollar.

The financial statements have been prepared on a historical cost basis with the exception of certain items for which specific accounting policies have been identified.

c) Use of estimates and judgements

The preparation of the consolidated financial statements requires management to make judgement, estimates and assumptions that affect the application of accounting policies and the reported amounts of assets, liabilities, income and expenses. Actual results may differ from these estimates.

Estimates and underlying assumptions are reviewed on an ongoing basis. Revisions to accounting estimates are recognised in the period in which the estimates are revised and in any future periods affected.

The Board has determined that there are no significant estimates that will impact on the financial statements in this financial year.

Notes to the consolidated financial statements (continued)

1 General Overview and Accounting Policies (continued)

d) Basis of Consolidation

The consolidated financial statements include the parent entity and its subsidiaries. Subsidiaries are all entities over which the Incorporated Society has control. The Incorporated Society controls an entity when the Incorporated Society is exposed to, or has rights to, variable returns from its involvement with the entity and has the ability to affect those returns through its power over the entity. All significant transactions between the Incorporated Society and the subsidiaries are eliminated on consolidation.

e) Tax

The Incorporated Society is exempt from income tax due to its charitable nature. The Society registered with the Charities Commission on 19 February 2009 and its registered number is CC37874. All amounts are shown exclusive of Goods and Services Tax (GST), except for receivables and payables that are stated inclusive of GST.

f) Cash and cash equivalents

Cash and cash equivalents are short term, highly liquid investments that are readily convertible to known amounts of cash and which are subject to an insignificant risk of changes in value.

g) Receivables and prepayments

Receivables are stated at their estimated realisable value.

h) Accounts payable and accruals

Accounts payable and accruals represent liabilities of goods and services provided to the Group and which have not been paid at the end of the financial year. These amounts are non interest bearing and are usually settled within 30 days. Trade payables are classified as financial liabilities at amortised cost.

i) Employee entitlements

Liabilities for annual leave are accrued and recognised in the Statement of Financial Position. Annual leave is recorded at the undiscounted nominal values based on accrued entitlements at current rates of pay. Entitlements will include unpaid salary, wages or other remuneration due at balance date, including deductions held on employees' behalf, annual leave earned but not taken and long service leave to be settled within 12 months.

j) Leases

Payments on operating lease agreements, where the lessor retains substantially the risk and rewards of ownership of an asset, are recognised as an expense on a straight-line basis over the lease term.

k) Changes in accounting policies

There have been no changes in accounting policies during the reporting period.

Notes to the consolidated financial statements (continued)

2 Revenue

Revenue is recognised to the extent that it is probable that the economic benefit will flow to the Group and revenue can be reliably measured. Revenue is measured at the fair value of the consideration received. The following specific recognition criteria apply:

Revenue from non-exchange transactions

The Group has contracts with government agencies (i.e. the Ministry of Health and regional DHBs) and other funders for grants and funding to provide health services. The Group recognises revenue to the extent that the conditions in the contract have been satisfied. Payments received in advance are recognised as revenue in advance and released to the Statement of Comprehensive Revenue and Expense once the conditions have been met. Certain contracts have claw back provisions where the funding must be returned should they not be used for the purpose intended.

Revenue from exchange transactions

Interest income is recognised as it accrues using the effective interest rate method.

The Group recognises licence revenue on an accrual basis. The group recognises revenue to the extent that the services are delivered and the conditions in the contract have been satisfied. Payments received in advance are recognised as revenue in advance and released to the Statement of Comprehensive Revenue and Expense once the conditions have been met.

Revenue from non-exchange transactions:

	2018	2017
	\$	\$
Capitation	23,973,586	24,183,118
Contract Income	12,007,757	11,661,201
Projects	2,402,297	905,093
Other income	1,796,580	636,859
	40,180,220	37,386,271

3 Expenses

Included in operating costs are:

	2018	2017
	\$	\$
Capitation	21,923,551	21,937,427
Contracts	10,688,114	10,493,489
Projects	1,731,978	651,926
Audit remuneration	25,725	29,696
Other operating expenses	1,302,517	1,126,542
	35,671,885	34,239,079

Notes to the consolidated financial statements (continued)

4 Property, plant and equipment

Property, plant and equipment is stated at cost, less accumulated depreciation and impairment losses. Cost includes expenditure that is directly attributable to the acquisition of the items. Where an asset is acquired in a non-exchange transition for nil or nominal consideration the asset is initially measured at its fair value. Any gain or loss on disposal of an item of property plant and equipment is recognised in surplus or deficit.

Subsequent expenditure is capitalised only if it is probable that the future economic benefits associated with the expenditure will flow to the Group. All other repairs and maintenance costs are recognised in surplus or deficit as incurred.

At each balance date the carrying amounts items of property, plant and equipment are assessed to determine whether there is any indication of impairment. If any such indication exists, the asset's recoverable service amount is estimated. An impairment loss is recognised whenever the carrying amount of an asset exceeds its recoverable service amount. Impairment losses directly reduce the carrying amount of the assets and are recognised in surplus or deficit.

Depreciation is provided for in surplus or deficit on property, plant and equipment. Depreciation rates allocate the assets' cost or valuation less estimated residual value, over its estimated useful life.

National Hauora Coalition has the following classes of Property, plant and equipment:

Leasehold Improvements	3 years	straight-line
Motor Vehicles	3 years	straight-line
Office Equipment	3 years	straight-line
Computer Equipment	3 years	straight-line

Notes to the consolidated financial statements (continued)

4 Property, plant and equipment (continued)

	Leasehold Improvements	Motor Vehicles	Office Equipment	Computer Equipment	Total
30 June 2018	\$	\$	\$	\$	\$
Cost or valuation					
Balance at 1 July 2017	10,898	12,454	89,547	284,823	397,721
Additions	860	140,478	23,478	35,022	199,838
Disposals	-	(12,454)	-	-	(12,454)
Balance at 30 June 2018	11,758	140,478	113,025	319,845	585,105
Accumulated depreciation					
Balance at 1 July 2017	10,068	12,454	56,721	270,339	349,582
Depreciation for the year	1,069	14,159	21,612	14,148	50,988
Disposals	-	(12,454)	-	-	(12,454)
Balance at 30 June 2018	11,137	14,159	78,333	284,487	388,116
Carrying value at 30 June	621	126,319	34,692	35,357	196,989

	Leasehold Improvements	Motor Vehicles	Office Equipment	Computer Equipment	Total
30 June 2017	\$	\$	\$	\$	\$
Cost or valuation					
Balance at 1 July 2016	10,898	24,908	70,781	273,836	380,423
Additions	-	-	18,766	10,987	29,752
Disposals	-	(12,454)	-	-	(12,454)
Balance at 30 June 2017	10,898	12,454	89,547	284,823	397,721
Accumulated depreciation					
Balance at 1 July 2016	8,074	24,908	40,126	243,256	316,364
Depreciation for the year	1,994	-	16,595	27,083	45,672
Disposals	-	(12,454)	-	-	(12,454)
Balance at 30 June 2017	10,068	12,454	56,721	270,339	349,582
Carrying value at 30 June	830	-	32,826	14,483	48,139

5 Intangible assets

Included in intangible assets were \$50,654 of directly attributable costs related to the development of a patient portal, Toi. As at balance date, the software was under development. Upon completion of the development and when the portal is ready for use, amortisation will be calculated. The remaining costs for completion are estimated to be \$150,000 and these costs are expected to be capitalised in the 2019 financial year.

Notes to the consolidated financial statements (continued)

6 Employee entitlements

Short term employee benefit obligations are measured on an undiscounted basis and are expensed as their related service is provided. A provision is recognised for the amount expected to be paid for outstanding annual leave balance if there is a present legal or constructive obligation to pay this amount as a result of past service by the employee and the obligation can be estimated.

	2018	2017
	\$	\$
Employee entitlements		
Wages payable	88,666	117,628
Annual leave	143,486	169,384
Directors fees	-	11,250
	232,152	298,262
Annual leave		
Balance at 1 July	169,384	162,735
Add joint venture annual leave accrual	-	8,589
Less annual leave taken	(25,898)	(1,940)
Balance at 30 June	143,486	169,384

7 Reconciliation of operating surplus with net cash from operating activities

	2018	2017
	\$	\$
Total comprehensive revenue and expense for the year	1,444,732	90,704
<i>Adjustments for:</i>		
Depreciation and Amortisation	50,988	45,672
(Gain)/loss on disposal of sale of property, plant and equipment	(2,162)	(5,304)
<i>Changes in:</i>		
Accounts receivable, prepayments and other assets	(131,790)	592,558
Accounts payable, accruals and other liabilities	110,431	1,923,865
Share of equity accounted Joint Venture	-	(4,708)
Cash generated from operating activities	1,472,199	2,642,789

8 Commitments

The Group has commitments for lease payments which are not recognised as liabilities payable as follows:

	2018	2017
	\$	\$
Office Premises		
Less than one year	99,840	99,840
Between 1 and 5 years	307,840	-
More than 5 years	-	-
Total operating lease commitments	407,680	99,840

The Incorporated Society leases office premises at 485B Rosebank Road, Avondale, Auckland.

Notes to the consolidated financial statements (continued)

8 Commitments (continued)

	2018	2017
	\$	\$
Motor Vehicles		
Less than one year	-	7,111
Between 1 and 5 years	-	-
More than 5 years	-	-
Total operating lease commitments	-	7,111

9 Joint Venture

Ola Coalition Limited was a New Zealand company that was jointly owned by Alliance Health Plus Trust and the National Māori PHO Coalition Incorporated, with equal shareholding. The company was formed in April 2014 and commenced operating in July 2014.

National Māori PHO Coalition Incorporated has recognised their interest in Ola Coalition Limited using the equity method. The table below summarises the financial performance and position of Ola Coalition Limited as included in its own financial statements.

A Deed of Novation with effective date 1 December 2016 assigned the Ministry of Health contract (that the Ola Coalition Limited joint venture had been operating previously) to National Hauora Coalition. The residual assets and liabilities were transferred accordingly during December 2016 and January 2017.

There were no contingent liabilities or assets relating to National Māori PHO Coalition Incorporated's interest in the Ola Coalition Limited joint venture (2017: Nil).

Ola Coalition Limited was removed from the Companies Office Register in March 2018.

Statement of Comprehensive Revenue and Expenditure For the year ended 30 June 2018

	2018	2017
	\$	\$
Revenue from Exchange Transactions	-	289,952
Cost of goods sold	-	(142,909)
Total gross surplus	-	147,043
Expenses		
Operating	-	143,172
Administration	-	3,469
Depreciation	-	402
Net Operating Surplus	-	-
Other Income	-	9,415
Net surplus for the year	-	9,415
National Māori PHO Coalition Inc - 50% share of surplus	-	4,708

The joint venture held no assets nor liabilities at 30 June 2017 and at the time it was wound up.

Notes to the consolidated financial statements (continued)

10 Related parties

The National Māori PHO Coalition Incorporated is the 100% shareholder of National Hauora Coalition Limited, and is the settlor of National Hauora Coalition Trust (a non-trading charitable trust). National Hauora Coalition Limited is the 100% shareholder of Mōhio Information Systems Limited.

The Group received Management Fee Income of \$Nil (2017: \$8,428) and Management Service Fee Income of \$Nil (2017: \$118,142) from Ola Coalition Limited during the current reporting period.

Simon Royal and David Jansen are employees of National Hauora Coalition Limited and were also Directors of the joint venture Ola Coalition Limited.

David Jansen is the Clinical Director of National Hauora Coalition Limited and is the Medical Director of Papakura Marae Health Centre. Provider payments were made to the Papakura Marae Health Centre during the year for the amount of \$1,641,655 (2017: \$1,257,566) and there is \$23,385 (2017: \$nil) outstanding at year end.

Simon Royal is a Director of Mōhio Information Systems Limited and Chief Executive of National Māori PHO Coalition Incorporated.

Gregory Royal is a Director in Blue Kiwi Group Limited. The Group engage Blue Kiwi Group Limited for consultancy services. Gregory Royal is related to Simon Royal, Chief Executive.

The Group paid Blue Kiwi Group Limited the sum of \$Nil (2017: \$20,000) during the current reporting period.

Guy Royal is a partner in Tuia Group. The Group engage Tuia Group for legal services. Guy Royal is related to Simon Royal, Chief Executive.

The Group paid Tuia Group the sum of \$4,025 (2017: \$43,794) during the current reporting period.

Matthew Sword is a Director of National Hauora Coalition Limited. The Group paid Matthew Sword the sum of \$36,187 (2017: \$43,495) during the current reporting period for services provided outside his board fees for National Hauora Coalition Limited.

Dame Tariana Turia is a Trustee of National Hauora Coalition Trust. The Group paid Dame Tariana Turia the sum of \$60,000 (2017: \$60,000) during the current reporting period for the operational services provided to National Māori PHO Coalition Incorporated and National Hauora Coalition Limited outside of her capacity as a Trustee of the Trust.

Key Management Personnel

Key management personnel include the Board Members of the Board and the Senior Management Team. The aggregate remuneration of key management personnel and the number of individuals, determined on a full time basis, receiving remunerations is as follows:

	2018	2017
Board Members		
Total remuneration (\$)	104,275	105,000
Number of FTEs	0.14	0.15
Senior Management Team		
Total remuneration (\$)	632,840	596,700
Number of FTEs	2.6	2.6
Total key management personnel		
Total remuneration (\$)	737,115	701,700
Number of FTEs	2.7	2.8

During the reporting period, no remuneration was paid to any close family members of key management personnel (2017: Nil).

Notes to the consolidated financial statements (continued)

11 Financial instruments

(a) Financial assets and liabilities

The classification of financial assets and liabilities is made on initial recognition and has been disclosed in each of the notes to these financial statements. Financial assets classified as loans and receivables are initially recognised on the date that they are originated. All financial assets are recognised initially at fair value plus directly attributable transaction costs. After initial measurement, such financial assets are subsequently measured at amortised cost using the effective interest method, less impairment. Losses arising from impairment are recognised in the surplus or deficit.

The Group's financial assets include cash and cash equivalents and receivables from exchange and non-exchange transactions.

Financial liabilities are classified as financial liabilities at amortised cost.

All financial liabilities are recognised initially at fair value and, in the case of loans and borrowings, plus directly attributable transaction costs.

The Group's financial liabilities include trade and other creditors and employee entitlements.

(b) Financial risk management

The Group is exposed to various risks in relation to financial instruments. The carrying amounts of financial instruments presented in the Statement of Financial Position relate to the following categories of assets and liabilities:

	2018	2017
	\$	\$
Financial assets		
Cash and cash equivalents	6,020,435	4,796,565
Receivables from non-exchange transactions	2,167,434	1,979,877
Receivables from exchange transactions	2,206	-
	8,190,075	6,776,443
	2018	2017
	\$	\$
Financial liabilities (at amortised cost)		
Trade and other creditors from exchange transactions	1,293,240	4,899,617
Employee entitlements	232,152	298,262
	1,525,392	5,197,879

(i) Credit risk

Credit risk is the risk of financial loss to the Group if a customer, funder or counterparty to a financial instrument fails to meet its contractual obligations. The Group is mainly exposed to credit risk from its financial assets, including cash and cash equivalents and receivables from exchange and non-exchange transactions.

The Group's maximum exposure to credit risk at balance is \$8,190,075 (2017: \$6,776,443), being the total amount of financial assets stated in the Statement of Financial Position.

The Group has the following concentrations of credit risk:

* Cash and cash equivalents are all held with New Zealand banks.

* Limited to the carrying amount of financial assets recognised at reporting date as follows:

Notes to the consolidated financial statements (continued)

11 Financial instruments (continued)

Receivables from exchange transactions

The Group monitors trade receivables and actively engages with the customers to seek repayment of overdue balances.

Receivables from non-exchange transactions

The Group monitors trade receivables and actively engages with the funders to seek repayment of overdue balances.

(ii) *Liquidity risk*

Liquidity risk is the risk that the Group will encounter difficulty in meeting the obligations associated with its financial liabilities that are settled by delivering cash or another financial asset. The Group's approach to managing liquidity is to ensure, as far as possible, that it will have sufficient liquidity to meet its liabilities when they are due, under both normal and stressed conditions, without incurring unacceptable deficits or risking damage to the Group's reputation.

Liquidity is monitored on a regular basis and reported at each Board meeting.

The maturity profile of the Group's financial liabilities is as follows:

- * Payables under exchange transactions - these are predominantly paid within 30 days of balance date.
- * Payables under non-exchange transactions - these are predominantly paid within 30 days of balance date.
- * Employee entitlements - these are progressively settled over the 12 months following balance date.

12 Contingent Assets and Liabilities

There are no contingent assets or liabilities as at balance date (2017: Nil).

13 Going Concern

National Hauora Māori PHO Coalition Incorporated is reliant on continued funding, mainly from the government agencies. It is the belief of the Board that funding contracts will be successfully negotiated with the appropriate funding bodies for the next financial year and beyond.

14 Subsequent Events

All business contracts, activities and net assets of National Māori PHO Coalition Incorporated have been transferred to National Hauora Coalition Limited on or before 30 June 2018, as part of the intragroup transfer agreement signed in May 2013. The board is considering dissolving the National Māori PHO Coalition Incorporated effective 1 July 2018. On dissolving National Māori PHO Coalition Incorporated, the ownership of the shares in National Hauora Coalition Limited will be transferred to the National Hauora Coalition Charitable Trust, a separate charitable organisation.

15 Independent valuation of Intangible assets

National Hauora Coalition Limited, a wholly owned subsidiary of National Māori PHO Coalition Incorporated, holds an intangible asset that has been independently valued by KPMG at \$1.1m as at 30 June 2017, being the depreciated replacement cost of such asset. The intangible asset was an internally developed software solution, called Mōhio, which provides a clinical information platform to general practices and primary care organisations.

This has not been recognised in the financial statements as it is not allowable under GAAP due to National Māori PHO Coalition Incorporated having previously expensed all software development costs. However the Board recognises that this is a piece of useful information for the organisation.

RSM Hayes Audit

PO Box 9588
Newmarket, Auckland 1149
Level 1, 1 Broadway
Newmarket, Auckland 1023

T +64 (9) 367 1656
www.rsmnz.co.nz

Independent Auditor's Report

To the Members of National Māori PHO Coalition Incorporated t/a National Hauora Coalition

Opinion

We have audited the consolidated financial statements of National Māori PHO Coalition Incorporated (the organisation), which comprise:

- The consolidated statement of financial position as at 30 June 2018;
- The consolidated statement of comprehensive revenue and expense for the year then ended;
- Consolidated statement of changes in equity for the year then ended;
- Consolidated statement of cash flows for the year then ended; and
- The notes to the consolidated financial statements, which include significant accounting policies.

In our opinion, the accompanying consolidated financial statements on pages 29 to 42 present fairly, in all material respects, the financial position of the organisation as at 30 June 2018, and its financial performance and its cash flows for the year then ended in accordance with Public Benefit Entity Standards issued by the New Zealand Accounting Standards Board.

Basis for opinion

We conducted our audit in accordance with International Standards on Auditing (New Zealand) (ISAs (NZ)). Our responsibilities under those standards are further described in the *Auditor's responsibilities for the audit of the consolidated financial statements* section of our report.

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

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

Other than in our capacity as auditor we have no relationship with, or interests in, the organisation.

Other matters

The consolidated financial statements for the year ended 30 June 2017 were audited by another auditor who expressed an unmodified opinion on those financial statements on 20 December 2017.

Other information

The Board are responsible for the other information. The other information comprises the Annual Report and Directory on pages 1 to 28 and the Governance and Executive report on page 45 (but does not include the consolidated financial statements and our auditor's report thereon), which we obtained prior to the date of this auditor's report. Our opinion on the consolidated financial statements does not cover the other information and we do not express any form of audit opinion or assurance conclusion thereon.

In connection with our audit of the consolidated financial statements, our responsibility is to read the other information identified above and, in doing so, consider whether the other information is materially inconsistent with the consolidated 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.

Responsibilities of the Board for the consolidated financial statements

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

In preparing the consolidated financial statements, the board is responsible, on behalf of the organisation, for assessing the organisation'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 those charged with governance either intend to liquidate the organisation 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 consolidated 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) 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, they could reasonably be expected to influence the decisions of users taken on the basis of these consolidated financial statements. A further description of the auditor's responsibilities for the audit of the consolidated financial statements is located at the XRB's website at:

https://xrb.govt.nz/Site/Auditing_Assurance_Standards/Current_Standards/Page7.aspx

Who we report to

This report is made solely to National Māori PHO Coalition Incorporated and its members, as a body. Our audit has been undertaken so that we might state to the members those matters 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 organisation and its members as a body, for our work, for this report, or for the opinions we have formed.

A handwritten signature in blue ink, appearing to read 'RSM', is located below the 'Who we report to' section.

RSM Hayes Audit
Auckland

20 December 2018

Governance & Executive

National Hauora Coalition Charitable Trust

Dame Tariana Turia – Chair / Trustee

Ngāti Apa, Ngā Wairiki, Ngā Rauru, Tūwharetoa, and Whanganui

Wayne McLean – Trustee

Ngāti Mahanga, Waikato, Tainui
BA (Management Studies)
Member of the Institute of Directors (NZ)
Member of the Chartered Accountants
Australia and New Zealand

Professor Cindy Kiro – Trustee

Ngāpuhi, Ngāti Hine, Ngāti Mahia
PhD (Social Policy), MBA, MA

Henare Mason – Trustee

Tuhoe, Te Arawa, Ngāti Raukawa,
Ngāti Ranginui

National Hauora Coalition Company

Matt Sword – Chair / Director

Muaupoko, Te Atiawa Ki Taranaki
LLB [Barrister and Solicitor of the High Court of
New Zealand]

Joe Hanita – Director

Ngāti Kahungunu, Ngāti Kuia, Rangitane
BBS, Dip Te Ara Reo Māori, FCA, CPFA
Chair, Finance, Audit and Risk Committee

Professor Papaarangi Reid – Director

Te Rarawa
FNZCPH, DipCOMH, Dip
OBS, MBchB, BSC Biochem/Cell Biol

Tina McCafferty – Director

BSC, Diploma Business
[Health Management], MBA

National Hauora Coalition Executive

Simon Royal

Ngāti Raukawa, Ngāpuhi,
Parehauraki, Te Whānau o Haunui
BA (Hons) Public Administration
and Political Science

Chief Executive

Dr Rawiri Jansen

Ngāti Raukawa, Ngāti Hinerangi
FRNZCGP, MBChB, BHB,
BA (Māori) Dip Tchg,
GradCertClinTch

Clinical Director

Tereki Stewart

Ngāpuhi-nui-tonu
BA, MA (Hons), PGDipClinPsych
CertCompDirection

Chief Operating Officer

[illegible]

[illegible]



National Hauora Coalition

National Hauora Coalition

485B Rosebank Road

Avondale

Auckland 1026

(09) 950 3325

www.nhc.maori.nz

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