PHO Alliance

He huinga ratonga hauora

PHO Alliance, PO Box 5262
Lambton Quay, Wellington 6145
Phone – 022 131 8393
e-mail – admin@phoalliance.org.nz
web – www.phoalliance.org.nz

Annual Report

For the year ending 30 June 2014

PHO Alliance

He huinga ratonga hauora

The hub for the development, exchange and promotion of policies and strategies which advance the objectives of the Primary Health Care Strategy through its member Primary Health Organisations.

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1. Chairman's Report

I consider the PHO Alliance and its membership has had a very good year which of itself reflects the willingness of its members to actively participate in matters that affect us all. As a colleague reflected to us at our June 2014 meeting – "none of us are as smart as all of us." In that regard there are a number of achievements which need to go on the record.

First we have made an energetic (and I believe respected) contribution to matters that affect all PHOs. The first of these is the successful negotiations on the revised national agreement between District Health Boards and Primary Health Organisations. The active contribution and commitment of both Andrew Swanson-Dobbs (CEO – Nelson Bays PHO) with the financial support of his PHO, and our Executive Officer – Philip Grant, to this matter needs to be recorded. Acknowledgment is also made to members for the manner in which they have supported this process by providing feedback and comment – often at very late notice.

The second matter of note has been our success in developing relationships with the wider primary health community. Our growing association with Allied Health Aotearoa New Zealand, the Heart Foundation and the Health Promotion Agency, will I am sure, continue to mature. The widely acclaimed 'Best Practice and Innovation Symposium' held in Wellington in March 2014 is an example of what can be achieved in this respect. I believe this growing 'whole of sector' approach has contributed significantly to our objectives and creditability as well as lending support to our partner organisations. It's an impetus that needs to be sustained and developed.

Finally, and on behalf of the membership, I would like to formally record the significant contribution made to the affairs of the PHO Alliance by our Executive Officer – Philip Grant. His excellent administrative and organisational skill has ensured that the members have been well served by applicable and timely information consistent with our role.

The Executive Committee, very kindly funded by the committee members' own PHOs, have provided wise stewardship of the affairs of the PHO Alliance which has made my role as Chair an enjoyable privilege to fulfil. For that I am grateful.

John Ayling
Chair

2. About the PHO Alliance

The PHO Alliance was formally established as an Incorporated Society in September 2006 to provide national leadership on key issues affecting the Primary Health Care Strategy and Primary Health Organisations in New Zealand.

The PHO Alliance guiding principle is that –

Improving health outcomes for all is best achieved through a combination of clinical leadership and community involvement.

The current PHO Alliance Vision is –

To be the hub for the development, exchange and promotion of policies and strategies which advance the objectives of the Primary Health Care Strategy through its member PHOs.

In line with the PHO Alliance Constitution, the PHO Alliance objectives reflect the Charitable Objects which are to:

- Advocate on behalf of Members for the benefit of their enrolled population
- Promote community health through PHOs
- Foster effective partnerships between providers and communities
- Foster and nurture key strategic relationships at a local and national level
- Encourage collaboration, information and resource sharing within the sector
- Contribute to the development and implementation of health policy at a national level
- Promote organised general practice as a cornerstone of PHOs
- Carry out other activities consistent with the charitable objects of the society.

The PHO Alliance operates what is believed to be a unique governance and operating model on behalf of members. This includes the following key principles:

- The PHO Alliance provides a specifically Primary Health Care focused national body to complement and provide some balance to the number of GP focused organisations in the sector
- The PHO Alliance runs on a low-cost membership model which adds significant additional value through the collective 'in-kind' contributions made by Members
- The PHO Alliance incorporates strong 'on-the-ground' community representation from PHO Board members with a broad skill-set and a degree of independence from provider organisations
- The PHO Alliance strategy and operation is directly guided and determined by members decisions/requirements
- The PHO Alliance operating model is of minimal intrusion into members own day-to-day working responsibilities.

Through the continuing membership of PHOs, the PHO Alliance is able to provide the following on-going benefits:

- National advocacy and representation
- Engagement with government and central agencies
- Strong alliance with national representative organisations across the sector
- Contract negotiation through the national PSAAP forum
- Performance development support programme
- Professional networking and peer support
- Shared best practice
- Training and development
- Quarterly member meetings and leadership forums
- Regular communications and newsletter.

3. The year in summary

2013/14 has been a year of notable achievements and increasing influence for the PHO Alliance. Throughout the year, guided by a new chair and executive officer, members have given tirelessly of their time and resources for the collective benefit of all PHOs and, most importantly, the improvement of outcomes for patients.

In this chapter we summarise the significant number of activities undertaken across the year, several of which are detailed further in the following chapters.

Member Meetings

The chairs and chief executive officers of member PHOs meet quarterly to undertake the business of the PHO Alliance, to agree a collective response to national/shared issues, to share good practice, to network and to have a two-way exchange with invited guests and sector stakeholders.

Professor Norman Sharpe praises PHO delegates at the March 2014 national symposium for their innovation and willingness to share good practice.

During 2013/14 we have been delighted to welcome the following guests and partners to our member meetings:

- Kim Arcus, Manager, Heart Healthcare, Heart Foundation
- Dr Graeme Benny, Director, Health Workforce New Zealand
- David Bratt – Principal Health Advisor, Ministry for Social Development
- Tane Cassidy, General Manager, Health Promotion Agency
- Kate Charles, Ministry of Health
- Hilary Graham-Smith, New Zealand Nursing Organisation
- Kevin Hague MP, Green Party Spokesperson for health
- Belinda-Ray Johnson, Clinical Pharmacist, Central PHO
- Dr John McMenamin – Clinical Champion Primary Care Targets
- Cathy O'Malley, Ministry of Health
- Graeme Osborne - National Health IT Board
- Dr Mark Peterson, Chair, New Zealand Medical Association
- Grant Short, Pharmacy Guild
- Graeme Titcombe, Access Homehealth Ltd
- Petrina Turner-Benny, Chair, Allied Health Aotearoa New Zealand
- Dr Janice Wilson – CEO, Health Quality & Safety Commission.

Sharing Good Practice

Quite possibly the most altruistic of the PHO Alliance membership benefits is that of sharing good practice to improve health outcomes for the whole population of New Zealand.

Whilst members regularly share examples of what works well, the PHO Alliance also proactively seeks other opportunities to avoid 'reinventing the wheel'. This includes working on a consortia basis wherever possible to make best use

of limited manpower and resources in smaller and mid-sized PHOs, as well as openly sharing learning and successful approaches between localities which may often be at different ends of the country.

In March 2014, in partnership with the Heart Foundation and the Health Promotion Agency, we ran a free best practice symposium open to all PHOs and DHBs regardless of whether or not they were members of the PHO Alliance. Nearly 200 delegates attended and provided extremely positive feedback about the learning opportunities available from within New Zealand's own health system. Further details of this very successful event are provided later in this annual report and plans are already in place to undertake a similar learning event in 2015.

Collective Negotiation

A significant component of all PHOs income is derived through the PHO Services Agreement providing for general practice and primary care services between individual PHOs and their District Health Board(s).

Whilst a local contract, it is negotiated and developed nationally between PHOs, DHBs, the Ministry of Health and general practice providers through a formal process known as the PHO Services Agreement Amendment Protocol Group (PSAAP). The PHO Alliance holds a mandate and negotiates on behalf of its member PHOs to ensure a services agreement which is fit-for-purpose and based on a 'best for patient' approach.

Further details regarding the role and work of PSAAP over the past year is provided later in this report.

Performance Analysis

The PHO Alliance continues to seek to add value to support members performance by undertaking additional analysis of the PHO Performance Programme (PPP) results to identify trends and areas of good practice.

Every six months, covering the periods ending June and December, DHB Shared Services publish a full suite of PPP performance data for each PHO. The PHO Alliance supplements this data with additional trend analysis which is shared with members and published on the PHO Alliance website.

In June 2014, this additional analysis by the PHO Alliance was the subject of a feature article in NZ Doctor magazine.

Influencing Policy

During 2013/14, the PHO Alliance has been invited to provide advice and input into a wide range of policy forums including:

- Extension of the GMS claiming rules
- Extension of the content of the national immunisation register (NIR)
- Development of the integrated performance and incentive framework
- The rural funding review.

Intersectorial Working

The PHO Alliance recognises that securing long-term improvements in health outcomes and addressing the wider determinants of health will take a multi-agency intersectorial approach. To support such an approach the PHO Alliance has been delighted to work alongside and develop constructive relationships with a wide range of agencies and key stakeholders. These include key partners such as Allied Health Aotearoa New Zealand, General Practice New Zealand, Grey Power, Health Promotion Agency, Health Workforce New Zealand, The Heart Foundation and New Zealand Medical Association.

The PHO Alliance continues to seek out key working relationships and opportunities for improving health outcomes.

National Advocacy and Media Profile

A key role of the PHO Alliance is to advocate on behalf of member PHOs and to raise the profile of the sector. We do this routinely through our regular stakeholder engagement activities, close relationship with the Ministry of Health, and also through occasional media and communications activity.

The views of the PHO Alliance are regularly sought and quoted by publications such as NZ Doctor and we have also secured specific media focus through articles which have covered subjects such as PHO performance and cross-sector working.

PHO Alliance Website

In March 2014 we surveyed members regarding the usefulness of the PHO Alliance website. The website had been developed over a number of years and, we felt, had become quite difficult to navigate.

The results of the survey showed that members agreed with us. The website was hardly used and was certainly not recommended by any members as a good source of information or assistance.

Based on members' suggestions of what would be helpful on the website, we developed a totally new website based on a simple and easy to navigate structure with up-to-date information and important links to resources such as contract documentation.

The new website was 'piloted' with members of the Executive Committee and went 'live' in May 2014. Feedback from members has been positive and our ability to fully maintain the website in-house and also use it as a platform for sharing resources between members has also delivered noticeable cost savings.

Integrated Performance & Incentive Framework (IPIF)

In 2012, the Ministry of Health signaled a desire to develop a performance and incentive framework that supported a 'whole of system' approach to improving health outcomes.

In late 2012 the Ministry of Health established an Expert Advisory Group (EAG) which reported back to the Acting Director General in Dec 2013 – a report which was subsequently published by the Ministry in February 2014.

A series of workshops and discussion groups had been held by the Ministry of Health during the year to inform the EAG's work. The PHO Alliance was represented at a considerable number of the national and regional events.

In response to a proposed initial IPIF framework presented by the Ministry of Health in May 2014, PSAAP noted that much of the detail around IPIF had still to be developed. A Joint (i.e. Ministry, DHB, PHO and clinical leaders) Project Steering (Joint PSG) Group was then established by the Ministry of Health which will provide governance of the IPIF implementation and further development. The PHO Alliance chair, John Ayling, was appointed as an initial member of that group.

It is hoped that there will be considerable further development of the IPIF during 2014/15 in true partnership with the sector.

4. PHO performance

For over eight years, PHO performance has been measured through the PHO performance Programme (PPP). The PPP was designed by primary care representatives, DHBs and the Ministry of Health to improve the health of enrolled populations and reduce inequalities in health outcomes through supporting clinical governance and rewarding quality improvement within PHOs.

PHO performance against a range of nationally consistent indicators determines the level of incentive payments to PHOs. The first performance period commenced on 1 January 2006 and results are published every six months.

The framework for the PPP was originally developed within the context of:

- The New Zealand Health Strategy (2000)
- The Maori Health Strategy He Korowai Oranga (2002)
- The Primary Health Care Strategy (2001)
- Improving Quality (IQ): A systems approach for the New Zealand health and disability sector (2003).

The PPP framework incorporates these key policies into its design priorities through the governing principles of equity, quality, affordability, sustainability and collaboration.

The PHO Alliance proactively supports members in the delivery of national health targets and performance measures. We similarly undertake regular analysis of published PPP data which we share with members and publish on our website. The latest published PPP data available, for the period of this annual report covers the period to 31 December 2013.

Our analysis, whilst subject to a number of obvious caveats, covers several different dimensions.

Firstly we ranked PHOs by their average overall performance across the (unweighted) 15 PPP indicators which are used to determine the financial reward payable to PHOs under the programme. Our results showed that 3* of the top four PHOs were members of the PHO Alliance:

Rank	PHO	Average of 15 indicators
1	Wairarapa (Compass)	84.22%
2	Nelson Bays Primary Health*	82.46%
3	Central PHO*	81.89%
4	East Health Trust*	81.87%

Secondly, we ranked PHOs by their average 12 month improvement. The top 3* PHOs were all members of the PHO Alliance, thus paying testament to the value of the PHO Alliance performance support initiatives:

Rank	PHO	12 month increase
1	East Health Trust*	17.64%
2	Kimi Hauora Wairau Marlborough PHO*	14.00%
3	Rural Canterbury PHO*	13.51%

Note: Total Healthcare excluded from this analysis due to incomplete data

We then looked at whether there was a noticeable difference in performance based on the size of the PHO. Our analysis found that mid-sized PHOs (60,001 – 175,000 ESUs) were the highest performing and were also the fastest improving. Eight of the 13 mid-sized PHOs are members of the PHO Alliance.

Rank	PHO Size	Average of 15 indicators	12 month increase
1	Mid (60,001 – 175,000)	78.07%	9.60%
2	Small (0 – 60,000)	75.82%	7.50%
3	Large (175,001 +)	73.48%	6.98%

Finally, we looked at the performance of PHOs based upon their membership of national representative organisations/networks. The results showed that the highest performing PHOs are those that are members of both the PHO Alliance and GPNZ.

Further details and the results of the analysis can be found on the PHO Alliance website at **www.phoalliance.org.nz/news**

5. Sharing good practice

Sharing good practice and improving health outcomes for all is at the heart of what the PHO Alliance stands for. Without exception, our member PHOs regularly openly present and share resources and examples of best practice with the aim of ensuring universally good health outcomes regardless of where in the country you may live and regardless of what your ethnic background may be.

The Heart Foundation, Health Promotion Agency and the PHO Alliance worked in partnership to deliver a free national best practice and innovation symposium in 2014. The event was aimed at sharing innovation and supporting better outcomes for patients across the country.

The symposium was held at Te Papa, on March 13 and included parallel workshops showcasing the work of primary care colleagues from across the country, with a specific focus on smoking cessation and the identification and management of CVD risk.

Primary care clinical champions instrumental in developing the latest national guidelines spoke to the recent guideline updates in CVD risk assessment and management, smoking cessation and rheumatic fever. This was a first of its kind primary care focused event provided 'by the sector, for the sector'.

Attendees ranged from PHO and DHB CEOs and managers, Nurses, Allied Health professionals, Clinical Leads and Project Leads along with others. Several of the 188 delegates reported back that the presentations and opportunity to share key successes were both hugely valuable. There was a sense of engagement by the attendees, as evidenced by their willingness to share best practice and to learn from each other.

The objective of the symposium was to bring together key leaders to:

- Update and provide the latest information on research and guidelines in relation to the primary care Health Targets with a specific focus on sharing the upcoming guideline updates and the reasoning behind them
- Allow a platform for sharing case studies and practical stories on what's working (sustainably) in top performing PHOs/DHBs in terms of Health Target success. From the 'horse's mouth' – with sector champions presenting their learnings
- Provide updates on the various tools and resources available
- Networking opportunities for these leads and champions to share stories across the country.

The event had a high profile within the sector and its credibility was added to by the endorsement and opening keynote from the Minister. Feedback has been positive and 100% of the online survey respondents agree they would like to attend another event of its kind within 12 months.

Minister of Health, Tony Ryall, addressing delegates at the March 2014 national symposium in Wellington.

6. PSAAP Group

The PHO Services Agreement Amendment Protocol Group (the PSAAP Group):

- considers and make decisions and/or recommendations on Proposals for variations to the PHO Services Agreement (excluding local agreements between a DHB and a PHO recorded in Part E of the PHO Services Agreement);
- considers and makes decisions and/or recommendations on Proposals for variations to a Referenced Document (including this Referenced Document), or to add a Referenced Document; and
- is a forum for information sharing and discussion of strategic, policy and operational settings that may have a consequential impact on parties to the PHO Services Agreement.

The PSAAP Group comprises:

- each PHO's appointed agent (note that more than one PHO may appoint the same agent), including a representative appointed by the Maori PHO caucus as defined by the primary care sector;
- each DHB's appointed agent (note that more than one DHB may appoint the same agent);
- up to two PHO Contracted Provider representatives appointed by the General Practice Leaders' Forum; and
- up to two representatives appointed by the Ministry of Health.

PSAAP meets regularly during the year to fulfil an agreed workplan and agree fundamental changes to the PHO Services Agreement. During 2013/14 PSAAP undertook an intensive programme of work and met on the following dates:

- 23 August 2013
- 23 September 2013
- 3 October 2013
- 5 December 2013
- 12 December 2013
- 12 February 2014
- 13 February 2014
- 17 April 2014
- 30 April 2014
- 5 June 2014.

PHO Alliance members were represented by Andrew Swanson-Dobbs (CEO, Nelson Bays Primary Health) and/or Philip Grant (Executive Officer, PHO Alliance) at every meeting of PSAAP. All PSAAP papers, where possible, are shared with PHO Alliance members for review ahead of PSAAP meetings and a detailed feedback briefing is provided to members following each PSAAP meeting.

For 2013/14, the PSAAP work programme has included the following key components:

- Major revisions to the PHO Services Agreement
- Extension to GMS claiming rules
- Revision of the rural premium funding arrangements
- Introduction of the Integrated Performance and Incentive Framework.

7. Executive Committee

The PHO Alliance Constitution allows for a core Executive Committee of four: a chairperson and three other members. The Executive Committee also has the power to co-opt members from time to time to ensure adequate representation of rural and urban interests, geographic location, and the size of members PHOs, and to enhance its capacity to respond to issues as they arise.

The Executive Committee members for 2013/14 were:

- John Ayling (Chair), Chair of West Coast PHO
- Dr Denis Lee, Chair of East Health Trust PHO
- Allan Marriott, Chair of Rural Canterbury PHO
- Dr Andrew Miller, Chair of Manaia Health PHO
- John Hunter (co-opted), Chair of Nelson Bays Primary Health
- Ian Macara (co-opted), Chief Executive of Southern PHO
- Liz Stockley (co-opted), CEO of Health Hawke's Bay.

The Register of Interests for the Executive Committee is shown on page 20.

To fulfil the objectives of the PHO alliance, the Executive Committee is supported by the following six sub-committees:

- **Clinical Leadership & Integration Sub-Committee**
  Lead(s): Dr Andrew Miller & Dr Denis Lee
- **Rural Health Sub-Committee**
  Lead(s): Ian Macara & Allan Marriott
- **Maori and Pacific Health Sub-Committee**
  Lead(s): Liz Stockley
- **Finance Sub-Committee**
  Lead(s): John Hunter
- **PHO Performance Sub-Committee**
  Lead(s): Ian Macara
- **PSAAP Sub-Committee**
  Lead(s): Andrew Swanson-Dobbs & Philip Grant.

Each sub-committee has a terms of reference and workplan agreed by the Executive Committee and the respective lead formally reports on progress to each Executive Committee meeting.

Executive Committee Register of Interests

JOHN AYLING – *Chairperson*

- Chair – West Coast PHO
- Chair – Access Home Health Ltd
- Member – CPHAC – West Coast DHB
- Director – Split Ridge Associates Ltd – a provider of contracted services to the health and disability sector.

DR DENIS LEE

- Chair of East Health Trust PHO
- General Practitioner
- Director of East Health Services Limited (MSO)
- Honorary Senior Lecturer
- Medical Examiner for CAA
- Interest in aged and palliative care and in management of chronic conditions.

IAN MACARA

- Chief Executive of Southern PHO

ALLAN MARRIOTT

- Chair of Rural Canterbury PHO
- Background in education, community development, published writing and primary health
- Particular interests in community and individual involvement, access for those isolated (remotely and economically), aged care, standards and best practice.

DR ANDREW MILLER

- Chair of Manaia Health PHO
- GP Bush Road Medical Centre.

JOHN HUNTER

- Chair of Nelson Bays Primary Health
- Director Christchurch Polytechnic Institute of Technology
- Trustee Hunter York Family Trust
- Legal Secretary, Southern Response Earthquake Recovery Limited.

LIZ STOCKLEY

- Chief Executive Officer of Health Hawke's Bay.

8. List of member PHOs

CentralPHO

Kimi Hauora Wairau
Marlborough Primary Health Organisation

christchurch pho

EAST HEALTH TRUST
primary health organisation

HEALTH HAWKE'S BAY
Te Oranga Hawke's Bay

NELSON BAYS PRIMARY HEALTH

Manaia Health PHO

RURAL CANTERBURY
Primary Health Organisation
Te Roopu Hauora Matua O Waitaha Tairwhenua

Te Tai Tokerau
Primary Health Organisation
Hei Oranga Ra

Southern
Primary Health Organisation
Hauora Matua Ki Te Tonga

WBOP PHO

West Coast
Te Tai o Poutini
Primary Health

9. Financial statements for the year ended 30 June 2014

Summary of financial performance 1 July 2013 – 30 June 2014

The PHO Alliance's **income receipts** for the twelve months ending 30 June 2014 were $125,156 (2012-2013: $139,169) and **total expenditure** was $103,972 ($163,235) resulting in a **net operating surplus** of $21,184 (deficit $24,066).

The main expenditure items were: **management and financial services** $70,800 – 68% ($104,752 – 64%), **chair and executive** – 10% (20%) and **PSAAP expenses** – 6% (10%).

Total equity as at the end of the seventh year of operation has increased to $45,586 ($24,402).

Cash in the bank is $71,773 ($26,636).

PHO ALLIANCE Inc

Statement of Financial Performance

For the year ended 30 June 2014

	2014 $	2013 $
Income		
Membership Fees	119,500	137,500
Other Income	5,656	1,669
Total Income	**125,156**	**139,169**
Expenses		
Management Services	70,800	104,752
Travel and Subsistence*	6,593	0
Chair and Executive Fees**	10,000	33,017
PSAAP Expenses	6,379	15,985
Venue Hire & Catering	3,124	3,551
Telephone & Website	690	1,841
Office & Sundry Expenses	5,885	3,663
Depreciation	341	224
Bank Charges	160	202
Total Expenses	**103,972**	**163,235**
Net Surplus/(Deficit)	**21,184**	**(24,066)**

** 2013 travel & subsistence costs included within management services*

*** 2014 Executive Fees were covered by Executive Committee members' own PHOs*

PHO ALLIANCE Inc

Statement of Movements In Equity

For the year ended 30 June 2014

	2014 $	2013 $
Opening Balance as at 1 July	**24,402**	**40,468**
Plus: Total Recognised Revenues and Expenses for the year	21,184	(24,066)
Closing Balance as at 30 June	**45,586**	**24,402**

PHO ALLIANCE Inc

Statement of Financial Position

As at 30 June 2014

	2014	2013
	$	$
Assets		
Current Assets		
Bank Accounts	71,773	26,636
Accounts Receivable	0	1,400
GST Receivable	6,194	6,375
Total Current Assets	**77,967**	**34,411**
Fixed Assets		
Website	0	341
Total Assets	**77,967**	**34,752**
Liabilities		
Current Liabilities		
Accounts Payable	32,381	10,350
Total Current Liabilities	32,381	10,350
Net Assets	**45,586**	**24,402**
Equity		
Retained Earnings	45,586	24,402
Total Equity	**45,586**	**24,402**

Signed by:

John Ayling, Chair

Philip Grant, Executive Officer

Dated: 12 September 2014

PHO ALLIANCE Inc

Notes to the financial statements

For the year ended 30 June 2014

STATEMENT OF ACCOUNTING POLICIES

1. Reporting Entity

PHO Alliance Incorporated is a body that represents and promotes the interests of its members. The PHO Alliance does this through advising and consulting with key stakeholders in the sector, representing common positions on issues of substance to key stakeholders, and facilitating the performance of member organisations through information and resource sharing.

The Alliance's members are organisations responsible for the provision of general practice services and other primary health care services across New Zealand.

The financial statements have been prepared in accordance with generally accepted accounting practice as required by the Institute of Chartered Accountants of New Zealand.

2. General Accounting Policies

General accounting policies have been adopted in the preparation of these financial statements.

1. The measurement base adopted is that of historical cost and reliance is placed on the fact that the PHO Alliance is a going concern.
2. The matching of revenue earned and expenses incurred is applied using accrual accounting concepts.
3. The PHO Alliance Inc. is registered as a charitable entity under the Charities Act 2005; it is therefore exempt from Income Tax.

3. Differential reporting

The PHO Alliance qualifies for differential reporting as it is not publicly accountable, and it qualifies as being a small entity as per the framework for differential reporting. The PHO Alliance has taken advantage of all available differential reporting exemptions.

4. **Goods and Services Tax**

   The financial statements have been prepared stating all income and expenditure items exclusive of GST.

5. **Fixed Assets**

   The previous PHO Alliance web site was replaced during the year and therefore fully written-down to zero.

6. **Financial Operations**

   This is the 7th financial year the PHO Alliance has been operating.

7. **Auditors**

   For the year ending 30 June 2014, the PHO Alliance Inc has not appointed auditors.