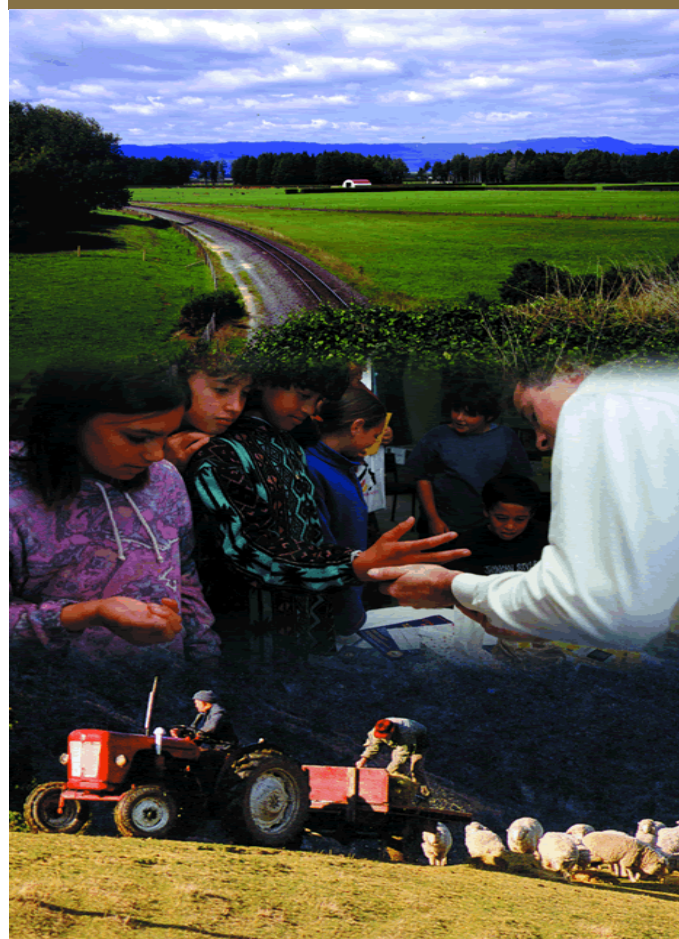




New Zealand Institute of
RURAL HEALTH

New Zealand Institute of Rural Health

Te Pūtahi Hauora ki te Taiwhenua



Annual Report
July 2007 - June 2008

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New Zealand Institute of Rural Health

9 Anzac Street
Cambridge

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For more information, visit our website:

www.nzirh.org.nz

Vision

To promote a healthy future for rural people living in New Zealand and partnering with rural communities to seek to establish a sustainable and effective health system.

Mission

Partnering with the community to build a healthy rural future.

Values

- Respect
- Professionalism
- Partnership
- Cultural responsiveness
- Integrity
- Independence



Sponsors

THE INSTITUTE ACKNOWLEDGES WITH THANKS THE FOLLOWING SPONSORS:



The Institute's first and major sponsor



Joint sponsor in establishing the
New Zealand Institute of Rural Health



THE UNIVERSITY OF AUCKLAND
NEW ZEALAND

Joint sponsor in establishing the
New Zealand Institute of Rural Health



Sponsor of the New Zealand Institute
of Rural Health



Sponsor of the New Zealand Institute
of Rural Health

Chairman's Message



As I complete my first year as Chairman it is my pleasure to present this the seventh annual report of the New Zealand Institute of Rural Health. The year has been challenging with activity continuing to focus on core business streams of Rural Consultancy, Online platform development, Education and Research and Development.

Improving health and wellbeing of rural New Zealanders continues as the driver for the Institute as we work with Funders and Providers to assist and support the delivery of quality services using increasingly efficient models of care. The Institute is committed to playing its part together with other key stakeholders to address these pressing needs. These needs include sustaining of Rural Hospitals and the Rural Health Workforce as the major burden of chronic disease and the

poorer state of health of our Maori and Pacific Island peoples places pressure on both human and physical resources.

The year saw an unanticipated revenue drop in funding, thus the recovery to a year end loss of \$140,076 (of which \$115,644 is an accrual for payback on a completed contract) represents a very positive effort on behalf of the team. The Institute is well placed in 2009/10 to address this deficit and is currently well positioned with cash assets of \$541,807.

The decision by the Clinical Training Agency to withdraw funding from the Institute for the Postgraduate Diploma in Health Sciences (Advanced Nursing) Primary Health Care – Rural Focus programme was poorly evaluated and spreading this relatively small funding amount through 21 District Health Boards will spell the demise of this critically important rural focused nurse education programme. The graduating cohort of these nurses was beginning to lead real change in the rural health sector and without continued growth in these numbers the gains will be lost. The Institute lobbied hard to prevent this decision and is not surprised at the already emerging picture of a reduction of rural focused nurse education.

Looking to the future, the Institute will be pushing for the development of rural health strategy and with other rural focused organisations challenging Central Government and the Ministry of Health to proactively develop rural health specific strategies that will support the sustainability of services rather than react to crisis situations as they appear.

Achievements of the 2007-2008 year include:

- Graduation of 17 nurses with Postgraduate Diploma in Health Sciences (Advanced Nursing) Primary Health Care – Rural Focus
- Awarding of scholarships to the value of \$60,000
- Enrolment of 260 rural New Zealanders on the e-learning platform. A joint project with Rural Schools and The Open Polytechnic of New Zealand
- Release of the Discussion Paper "Moving Forward in Rural Health"

Our thanks to the Gallagher Group for sponsorship during the year and to our patron, The Honourable James Bolger, ONZ for his ongoing support. To my fellow Trustees, thank you for your work on behalf of the Institute.

It was with sadness that the Institute accepted the resignation in April, due to ill health of Dr Paratene Ngata. Pat, a founding Trustee of the Institute, during his term of office acted as Cultural Advisor to both the Board and staff. His wise council and wonderful humour are greatly missed by all at the Institute.

This year staff at the Institute have worked hard networking with Funders and Organisations and supporting their rural health professional colleagues. The Board thanks them for their efforts.

A handwritten signature in black ink, appearing to read 'D Clarke'.

David Clarke
Chairman

New Zealand Institute of Rural Health - Trustees



Mr David Clarke

David has significant commercial experience, at Director and Managing Director level in Health, IT and Biotechnology and brings strong organisational skills to the Trust. David stepped into the New Zealand health sector in 1991 from a background in engineering, finance, marketing and sales with previous positions in the steel and food industries. David was Chief Executive Officer of Counties Manukau District Health Board, one of the leading clinical and research centres and health providers in New Zealand. In addition to his current role as Director of Cranleigh Merchant Bankers, David is also a director of four privately held companies. David is a Fellow of the New Zealand Institute of Management, a member of the Royal Society and a member of the New Zealand Institute of Directors.



Mr Brian Rousseau

Brian Rousseau is Chief Executive of Otago and Southland District Health Boards. Brian joined the New Zealand health services from the South African pharmaceutical industry in 1994. An industrial pharmacist and Master of Business Administration Graduate, Brian has a special interest in development of sustainable rural healthcare delivery models, with particular emphasis on human resources development and quality systems.



Dr Paratene Ngata (Resigned April 2008)

Senior Medical Advisor and general practitioner working with Ngati Porou Hauora in Tolaga Bay. An experienced general practitioner, Dr Ngata spent four years in the Ministry of Health as the Community Medicine Registrar. Highly respected within his profession, he is a founding member of the Maori faculty of the Royal New Zealand College of General Practitioners. A major professional focus for many years has been involvement in designing programmes to stop violence and abuse. Dr Ngata is a Trustee on Hauora.com and the Tairāwhiti Community Trust.



Associate Professor Judy Kilpatrick

Head of School of Nursing Faculty of Medical & Health Sciences at the University of Auckland, Associate Professor Kilpatrick is an experienced nurse and educator and is a past Chairperson of the New Zealand Nursing Council. She is a Board member of the Centre for Evidence Based Nursing for both Counties Manukau and Auckland District Health Boards, an Executive Board member of International Association for Interprofessional Education and Collaborative Practice and a member of the Health Practitioners Disciplinary Board.



Dr John Adams

Dr Adams is Dean of the Dunedin School of Medicine. He is a University of Otago graduate, subsequently training in psychiatry and working for many years at the Ashburn Clinic in Dunedin where he was appointed Medical Director in 1988. He has had extensive involvement with the NZMA initially as a Council delegate, then Board member and subsequently NZMA Chairman from 2001 to 2003. An understanding of, and an interest in, rural health workforce issues were essential components of this role.

A long term interest in professionalism and ethics led to him becoming Chair of the NZMA Ethics Committee, and leading the review of the NZMA Code of Ethics. He is also a member of the RANZCP Ethical Practice Committee. As Dean of the Dunedin School, he has taken a vital interest in the further development of the School's undergraduate and post graduate rural programmes.



Professor Ross Lawrenson

Ross Lawrenson is the head of the Waikato Clinical School and Professor of Primary Care. Ross spent five years in general practice and was the Medical Superintendent of the Wairoa Hospital before being appointed as the Medical Superintendent of Community Health Services for the Waikato Hospital Board in 1988. He then undertook specialist training in Public Health and managed a diabetes programme that became the subject of his thesis "Screening for Diabetes in Rural New Zealand".

In 1994 he moved back to the UK and became Professor of Primary Health Care and Head of the Postgraduate Medical School at the University of Surrey returning to Hamilton in 2005. He is particularly committed to supporting rural general practice, identifying and developing roles for rural hospitals and providing environments where excellent clinical experience can be gained for the whole range of health professionals.



Mrs Sherrill Dackers

Lives in Opononi, South Hokianga. The National Councillor for the Kaurilands Region – Pukekawa to Cape Reinga of Rural Women New Zealand for 9 years. She spent five years as the Health Convenor during which she presented the Rural Women New Zealand Rural Health Survey in 2001. Currently Immediate Past National President of Rural Women New Zealand. Sherrill is also a Trustee for the New Horizons for Women Trust and the Rural Support Trust – Northland. A member of the Consumer Reference Group for Breastscreen Aotearoa and the Cervical Programme and served as a member of the Expert Advisory Committee for the Implementation of the Extension of Breastscreening to the ages 45 to 69 years.



Mr Brent Wiseman

Brent Wiseman is currently Chief Financial Officer of the Waikato District Health Board. Brent is a qualified accountant with the New Zealand Institute of Chartered Accountants and has a Bachelor of Management Studies degree from the University of Waikato. After working in a variety of financial management positions in the Dairy Sector, Brent spent five years in the Aerospace Industry before moving to a role in the Health Sector in 1996. In 1999, Brent was appointed Chief Financial Officer of the Waikato District Health Board. Brent is Chair of the District Health Board (DHB) National CFO Group and a Member of the District Health Board National Performance Framework Group, the District Health Board National Procurement Steering Group and the National Service and Technology Review Advisory Committee.

Chief Executive's Report



The 2007-2008 year has seen the Institute continue its work in rural communities working with Funders, Trusts, other Providers and with the Rural Health Workforce to address rural issues and improve the health and wellbeing of the rural population. It will take considerable effort to maintain rural health issues as a priority for central agencies during the next financial year.

The release of the discussion paper 'Moving Forward in Rural Health' received good coverage and submissions in general supported the Institute analysis of current issues. The new year will see ongoing work on those issues which include models of care, the workforce and the development of a Rural Health Strategy.

A highlight for the Institute is annually, the awarding of its undergraduate scholarships in conjunction with the Waikato District Health Board. This year a total of \$60,000 was awarded with the major \$10,000 scholarship being awarded to Penehuia Patterson from Matamata, a second year physiotherapy student studying at Auckland University of Technology.

A low point of the year was notification from the Clinical Training Agency that the contract held by the Institute to provide the Postgraduate Diploma in Health Sciences (Advanced Nursing) Primary Health Care – Rural Focus programme would complete in December 2008. This contract of four cohorts will by the end of 2008 have graduated some 75 nurses. This rural focused newly qualified workforce is critically needed in rural New Zealand if models of care and professional workforce teams are to meet ongoing demands. Early tracking of the funds now devolved to District Health Boards is showing a huge variety of use for these funds with a disappointingly low completion of programmes in rural study by nurses.

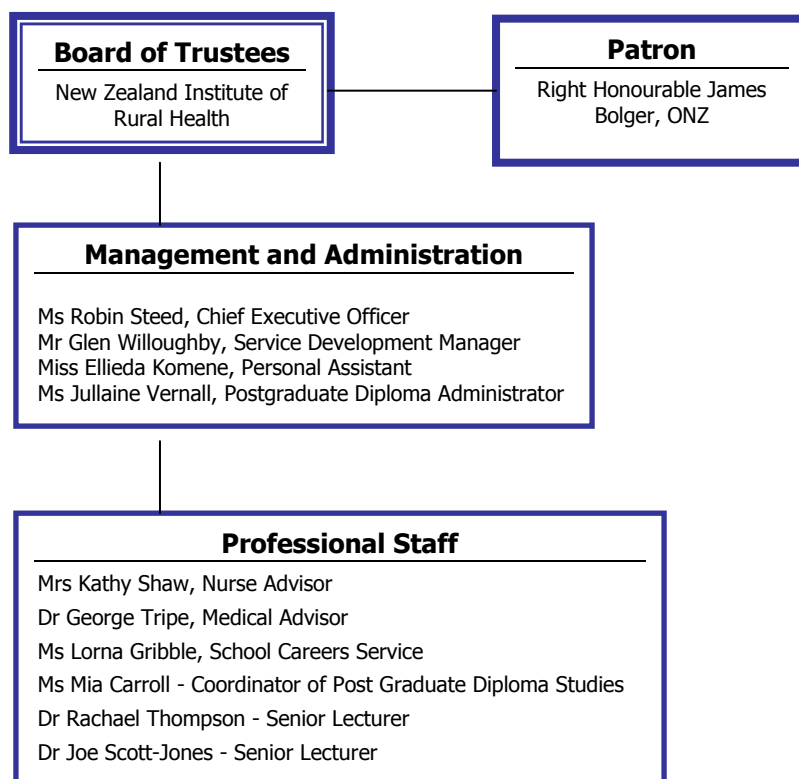
The Board of Trustees has again provided strong leadership to the Institute and particularly to the staff. I am grateful for the time Trustees have made themselves available for Institute activity in the midst of their busy and demanding working lives. In particular on behalf of the staff I want to acknowledge the contribution of Dr Paratene Ngata, a founding Trustee who resigned from the Board in April 2008. Paratene held a real vision for the Institute and what it could achieve and was always willing to assist and offer support or advice to staff. Our Aroha and thanks go to Paratene.

My thanks to the hard working staff at the Institute, your commitment to achieving the Institute's objectives and to supporting your rural colleagues does credit to you.

A handwritten signature in dark ink, appearing to read 'R Steed'. The signature is fluid and cursive, written on a light background.

Robin L Steed
Chief Executive Officer

INSTITUTE STRUCTURE AND ACTIVITY



The professional staff have this year worked throughout New Zealand visiting District Health Board Planning and Funding staff to identify areas of need and to respond to specific requests for intervention. Liaison with Ministry of Health Officials, Professional Colleges, Professional Organisations and Ministers of the Crown have occurred to lobby for resolution to and progress on addressing rural health issues. This activity has resulted in staff meeting with over 1000 health professionals and 200 organisations.

The Medical and Nurse Advisor have visited rural general practices to promote changes in the traditional models of care and in particular the extension of practice for nurses working in rural areas. Submissions to reviews of health legislation have been made and staff have contributed to working parties throughout the country.

The Waikato Region contract focusing on promoting health science careers to school students has facilitated four health expos and has supported the Northern King Country initiative to take ownership of recruitment and retention of students into health careers and health professionals into positions in the Northern King Country.

Business activity with The Open Polytechnic of New Zealand and Rural Schools has continued with rural students studying online using the Institute's e-learning platform. There is a clear demand for foundation education programmes and this service will be enhanced over the next three years.

Work has begun with ACC in relation to Occupation Health and Safety programmes in rural communities, this work should come to fruition in 2009.



Institute Chief Executive, Robin Steed presents Penehuia Patterson with her \$10,000 scholarship.

Part of the School Careers programme is the undergraduate scholarship awards, which this year saw the principle scholarship of \$10,000 awarded with fourteen other students receiving either \$5,000 or \$2,000 each.



Professor Ross Lawrenson works with one of the Grassroots members simulating laparoscopic surgery in the Waikato Clinical School – Skills lab, Waikato weekend.

Again this year the Institute sponsored the Waikato weekend for the Grassroots Club, The University of Auckland rural student club. The weekend offers rural health practice and social experiences to 25 students who have expressed an interest in working rurally on graduation. This weekend is rated highly by students on evaluation.

The third cohort of nurses undertaking the Postgraduate Diploma in Health Sciences (Advanced Nursing) Primary Health Care – Rural Focus completed studies with 17 graduating in December 2007. At this time it appears that the cohort completing in December 2008 will see 85% of the cohort graduating, some 23 students.

Senior Lecturers, General Practitioners Dr Rachael Thomson and Dr Joe Scott-Jones joint appointments with The University of Auckland, Waikato Clinical School both undertook research projects and are awaiting acceptance of these reports, for publication at this time.

The Institute as part of its Rural Consultancy has worked extensively with Otaihape Health Trust as it undertook establishment activity. It now has ownership and responsibility for the three previously separately owned health services of General Practice, Resthome and Hospital services. The involvement of the Institute in this area is ongoing. Rural Consultancy work is increasing for the Institute.

NEW ZEALAND INSTITUTE OF RURAL HEALTH

FINANCIAL STATEMENTS for the year ended 30 June 2008

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Note: Trust Directory including details of the Trustees will be provided separately

Financial Statements

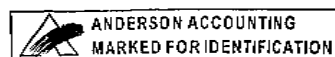
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Income Statement for the year ended 30 June 2008

	<i>Notes</i>	<i>2008 Actual \$</i>	<i>2008 Budget \$</i>	<i>2007 Actual \$</i>
Revenue		1,121,463	1,564,633	1,465,519
Expenses		1,261,539	1,529,196	1,494,142
Net Operating Surplus (Deficit)	3	(140,076)	35,437	(28,623)

The accompanying accounting policies and notes form an integral part of these Financial Statements



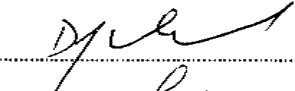
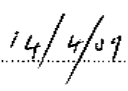
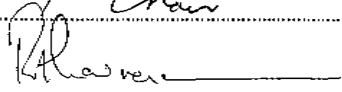
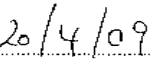
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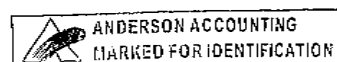
NEW ZEALAND INSTITUTE OF RURAL HEALTH

Balance Sheet as at 30 June 2008

	Notes	2008 Actual \$	2008 Budget \$	2007 Actual \$
Trust Capital	4	400	400	400
Retained Surplus		541,207	716,720	681,083
Public Equity		541,607	717,120	681,483
Represented by:				
Current Assets				
Cash Deposits	5	297,986	594,373	172,327
Receivables and Prepayments	7	85,717	200,000	180,671
Total Current Assets		383,703	794,373	352,998
Current Liabilities				
Accounts Payable	8	105,124	90,200	121,386
Income Received in Advance		115,644	-	-
Total Current Liabilities		220,768	90,200	121,386
Net Working Capital		162,935	704,173	231,612
Non-Current Assets				
Investments	6	350,000	-	414,124
Property, Plant & Equipment	9	28,672	12,947	35,947
Total Non-Current Assets		378,672	12,947	450,071
Net Assets		541,607	717,120	681,683

 Signature  Date
 Chair Position
 Signature  Date
 Treasurer Position

The accompanying accounting policies and notes form an integral part of these Financial Statements



NEW ZEALAND INSTITUTE OF RURAL HEALTH

Statement of Changes in Equity for the year ended 30 June 2008

	<i>Notes</i>	<i>2008 Actual \$</i>	<i>2008 Budget \$</i>	<i>2007 Actual \$</i>
Opening Balance		681,683	681,283	710,106
Net Operating Surplus (Deficit) for the year		(140,076)	35,437	(28,623)
Introduced Trust Capital		-	-	200
Closing Balance		541,607	716,720	681,683

The accompanying accounting policies and notes form an integral part of these Financial Statements

NEW ZEALAND INSTITUTE OF RURAL HEALTH

Notes to the Accounts For the year ended 30 June 2008

1. STATEMENT OF ACCOUNTING POLICIES

Reporting Entity

These financial statements are for the New Zealand Institute of Rural Health.

The New Zealand Institute of Rural Health is incorporated under the Charitable Trusts Act 1957. The Institute's financial statements are general purpose financial statements that have been presented in accordance with the Financial Reporting Standards issued by the Institute of Chartered Accountants of New Zealand, and as required by the Trust Deed.

General Accounting Policies

The accounting principles recognised as appropriate for the measurement and reporting of financial performance and financial position on a historical cost basis are followed by the New Zealand Institute of Rural Health.

These financial statements have been prepared in accordance with generally accepted accounting practice in New Zealand. For this purpose the Institute has designated itself as a public benefit entity.

The information is presented in New Zealand dollars.

Specific Accounting Policies

The following specific accounting policies that materially affect the measurement of financial performance and the financial position have been applied:

(a) Revenue

Interest and donations are recognised on an accrual basis.

Contract revenue is recognised as revenue when it becomes receivable, unless there is an obligation to return the funds if conditions of the contract are not met. If there is such an obligation the funds are initially recorded as income in advance, and recognised as revenue when conditions of the contract are satisfied.

(b) Receivables

Receivables are stated at their estimated realisable value.

(c) Investments

Short-term bank deposits are classified as held to maturity. They are measured at amortised cost using the effective interest method, ie interest is accounted for as it is earned.

(d) Income Tax

The Institute has charitable status and is exempt from income tax.

(e) Goods and Services Tax (GST)

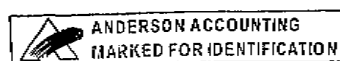
The financial statements have been prepared on a GST exclusive basis.

(f) Financial Instruments

Financial instruments in the statement of financial position include cash balances, receivables and payables.

(g) Property, Plant & Equipment

Property, Plant and Equipment are recorded at cost less accumulated depreciation.



NEW ZEALAND INSTITUTE OF RURAL HEALTH

Notes to the Accounts

For the year ended 30 June 2008

(h) Depreciation

Depreciation has been calculated to allocate the cost or valuation of assets over their estimated useful lives at the following rates:

Plant and Equipment	22% to 60% DV
Furniture, Fixtures, Fittings	11.4% to 31.2% DV
Domain Name	10% SL

(i) Budget Figures

The budget figures are extracted from the Trust budget that was approved by the Trustees at the beginning of the year.

(j) Employee Entitlements – Salary Accruals

Liabilities for annual leave, sick leave, retiring leave and long-service leave are accrued and recognised in the balance sheet. Annual leave and sick leave are recorded at the undiscounted amount expected to be paid for the entitlement earned. For sick leave this is based on the unused entitlement accumulated at balance date and expected to be utilised in the future. For retiring leave and long-service leave the liability is equal to the present value of the estimated future cash outflows, calculated on an actuarial basis, as a result of employee services provided at balance date.

(k) Differential Reporting

The Institute qualifies for differential reporting as it is not publicly accountable, and is not large as defined in the Framework for Differential Reporting. The Institute has taken advantage of all available differential reporting exemptions.

(l) Changes in Accounting Policies

The Trust has implemented the New Zealand equivalents to International Financial Reporting Standards for the first time. This has involved some changes in accounting policy. They are:

- (i) Long service leave is now accounted for on an actuarial basis. Previously it was accrued only when the period of qualifying service was completed.
- (ii) Sick leave is now accrued based on the amount expected to be paid in the future as a result of unused entitlements at balance date. Previously it was accounted for as it was paid.

There have been changes to the disclosures made to comply with New Zealand equivalent to International Financial Reporting Standards. There is:

- A change in the way investments are reported
- More detailed information provided about leases

2. EXPLANATION OF TRANSITION TO NEW ZEALAND EQUIVALENTS TO INTERNATIONAL FINANCIAL REPORTING STANDARDS (NZ IFRS)

The Institute's financial statements for the year ended 30 June 2008 are the first annual financial statements that comply with NZ IFRS. The Institute's transition date is 1 July 2006 and the NZ IFRS balance sheet has been prepared at that date. The Trust's NZ IFRS adoption date is 1 July 2007.

The financial statements have been prepared in accordance with NZ IFRS 1.

NEW ZEALAND INSTITUTE OF RURAL HEALTH

Notes to the Accounts

For the year ended 30 June 2008

Reconciliation of equity

The transition from previous New Zealand Generally Accepted Accounting Practice (NZ GAAP) to NZ IFRS has had the following changes in Trust equity as at 1 July 2006 and 30 June 2007:

Cash and cash equivalents and investments

Those term deposits with maturities of more than three months previously classified as cash and cash equivalents have been reclassified as investments.

	Previous NZ GAAP	1 July 2006 Transition effect	NZ IFRS	Previous NZ GAAP	30 June 2007 Transition effect	NZ IFRS
Current Assets						
Cash and cash equivalents	924,112	(350,000)	574,112	586,451	(414,124)	172,327
Investments	0	350,000	350,000	0	414,124	414,124
Other current assets	208,093	-	208,093	180,671	-	180,671
	<u>1,132,205</u>	<u>-</u>	<u>1,132,205</u>	<u>767,122</u>	<u>0</u>	<u>767,122</u>
Non Current Assets						
Property, plant and equipment	51,276	-	51,276	35,947	-	35,947
	<u>51,276</u>	<u>-</u>	<u>51,276</u>	<u>35,947</u>	<u>-</u>	<u>35,947</u>
Total Liabilities	473,575	-	473,575	121,586	-	121,586
Equity	<u>709,906</u>	<u>0</u>	<u>709,906</u>	<u>681,483</u>	<u>0</u>	<u>681,483</u>

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Notes to the Accounts for the year ended 30 June 2008

	2008 Actual \$	2008 Budget \$	2007 Actual \$
3 Net Operating Surplus			
<i>After Charging:</i>			
Audit Fees	5,575	5,500	5,000
Board of Trustees Remuneration	25,000	15,000	10,000
Depreciation on Fixed Assets	17,610	23,000	20,932
Loss on Disposal of Fixed Assets	2,378	0	1,933
Operating Lease Costs	12,668	12,700	4,789
Rental	24,000	24,000	18,980
Salaries & Wages	496,394	525,000	513,219
<i>After Crediting:</i>			
Contracts - District Health Boards	438,607	368,000	429,655
Contracts - Government	542,983	1,151,633	796,404
Contracts - Tertiary Institutions	81,969	0	36,403
Donations	10,000	15,000	15,000
Interest	39,961	30,000	35,777
4 Trust Capital			
Opening Trust Capital Balance	400	400	200
<i>Capital contributions from new stakeholders:</i>			
Otago University	0	0	100
Otago District Health Board	0	0	100
Closing Trust Capital Balance	400	400	400
	2008 Actual \$	2007 Actual \$	
5 Cash Deposits			
BNZ Cheque Account -000	15,228	101,350	
BNZ Cheque Account -002	116,056	14,184	
BNZ Business Advance Call Account	66,702	56,793	
BNZ Term Investment @ 8.1% matures 17/07/2008	100,000	0	
	297,986	172,327	
6 Investments			
BNZ Term Investment @ 8.6% matures 14/11/2008	350,000	0	
BNZ Term Investment - 90 days or less	0	103,531	
BNZ Term Investment - 90 days or less	0	103,531	
BNZ Term Investment - 90 days or less	0	103,531	
BNZ Term Investment - 90 days or less	0	103,531	
	350,000	414,124	
7 Receivables & Prepayments			
Accounts Receivable	84,460	146,330	
GST Receivable	149	34,341	
Prepayments	1,108	0	
	85,717	180,671	

NEW ZEALAND INSTITUTE OF RURAL HEALTH

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Notes to the Accounts (cont'd) for the year ended 30 June 2008

8 Accounts Payable

Accounts Payable	103,976	121,223
Credit Card Account	1,148	163
	105,124	121,386

9 Property, Plant & Equipment

	2008			2007		
	Cost/ Value	Accum Depn	Book Value	Cost/ Value	Accum Depn	Book Value
Furniture, Fixtures, Fittings	6115	2929	3186	6115	2239	3876
Plant & Equipment	95371	70303	25068	87571	55996	31585
Domain Name	679	261	418	679	193	486
	102165	73493	28672	94365	58418	35947

Depreciation

	2008	2007
Furniture, Fixtures, Fittings	690	903
Plant & Equipment	16,852	19961
Domain Name	68	68
	17,610	20,932

10 Commitments

as at 30 June 2008

Operating Lease Commitments

Lease commitments under non-cancellable operating leases:

	2008	2007
	\$	\$
Not later than one year	37,868	36,668
Later than one year and not later than two years	33,172	37,868
Later than two years	7,879	41,051
	78,919	115,587

The New Zealand Institute of Rural Health has entered into a lease agreement for a property situated at 9 Anzac Avenue, Cambridge. The lease has a renewal date of 1 May 2009, with a final expiry on 30 April 2010.

The New Zealand Institute of Rural Health has also entered into a rental agreement for a photocopier with Fuji Xerox. The agreement expires November 2009.

In February 2007 the New Zealand Institute of Rural Health entered into an agreement to lease a Toyota Aurion car through the Waikato District Health Board's arrangement with LeasePlan. The lease is for 48 months, and expires January 2011. The first invoice for this lease was received in April 2008. An adjustment has been made to the 2007 comparative figures in this note to account for the omission of the commitment in the previous year.

11 Contingent Losses or Gains

as at 30 June 2008

There were no known contingent losses or gains outstanding as at 30 June 2008 (30 June 2007: Nil).

NEW ZEALAND INSTITUTE OF RURAL HEALTH

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Notes to the Accounts (cont'd) for the year ended 30 June 2008

	2008 Actual \$	2007 Actual \$
12 Related Party Transactions		
The Institute has the following stakeholders:		
Waikato District Health Board		
University of Auckland		
Otago District Health Board		
University of Otago		
Each stakeholder is represented on the Board of Trustees		
The following related party transactions occurred during the year:		
	2008 \$	2007 \$
Revenue received from Waikato District Health Board	366,556	506,048
Revenue received from the University of Auckland	222	1,324
13 Board of Trustees Remuneration		
Remuneration paid to the Board members	25,000	10,000
Other Expenses	4,813	4,717
The Board of Trustees fees were apportioned as follows:		
S Dackers	5,000	5,000
D Clarke	20,000	5,000
	25,000	10,000
14 Subsequent Events		
There are no matters or events that have arisen, or been discovered, subsequent to balance date that would require adjustment to, or disclosure in these financial statements.		

**AUDIT REPORT TO THE READERS OF
NEW ZEALAND INSTITUTE OF RURAL HEALTH
FINANCIAL STATEMENTS
FOR THE YEAR ENDED 30 JUNE 2008**

The Auditor-General is the auditor of the New Zealand Institute of Rural Health (the Trust). The Auditor-General has appointed me, Stephen Nelley, using the staff and resources of Anderson Accounting Limited, to carry out the audit of the financial statements of the Trust on his behalf for the year ended 30 June 2008.

Unqualified Opinion

In our opinion, the financial statements of the Trust on pages 1 to 9:

- comply with generally accepted accounting practice in New Zealand; and
- fairly reflect:
 - the Trust's financial position as at 30 June 2008; and
 - the results of its operations and cash flows for the year ended on that date.

The audit was completed on 23 April 2009, and is the date at which our opinion is expressed.

The basis of our opinion is explained below. In addition, we outline the responsibilities of the Trustees and the Auditor, and explain our independence.

Basis of Opinion

We carried out the audit in accordance with the Auditor-General's Auditing Standards, which incorporate the New Zealand Auditing Standards.

We planned and performed the audit to obtain all the information and explanations we considered necessary in order to obtain reasonable assurance that the financial statements did not have material misstatements, whether caused by fraud or error.

Material misstatements are differences or omissions of amounts and disclosures that would affect a reader's overall understanding of the financial statements. If we had found material misstatements that were not corrected, we would have referred to them in our opinion.

The audit involved performing procedures to test the information presented in the financial statements. We assessed the results of those procedures in forming our opinion.

Audit procedures generally include:

- determining whether significant financial and management controls are working and can be relied on to produce complete and accurate data;
- verifying samples of transactions and account balances;
- performing analyses to identify anomalies in the reported data;
- reviewing significant estimates and judgements made by the Trustees;
- confirming year-end balances;
- determining whether accounting policies are appropriate and consistently applied; and
- determining whether all financial statement disclosures are adequate.





We did not examine every transaction, nor do we guarantee complete accuracy of the financial statements.

We evaluated the overall adequacy of the presentation of information in the financial statements. We obtained all the information and explanations we required to support our opinion above.

Responsibilities of the Trustees and the Auditor

The Trustees are responsible for preparing the financial statements in accordance with generally accepted accounting practice in New Zealand. The financial statements must fairly reflect the financial position of the Trust as at 30 June 2008 and the results of its operations for the year ended on that date.

We are responsible for expressing an independent opinion on the financial statements and reporting that opinion to you. This responsibility arises from section 15 of the Public Audit Act 2001.

Independence

When carrying out the audit we followed the independence requirements of the Auditor-General, which incorporate the independence requirements of the Institute of Chartered Accountants of New Zealand.

Other than the audit, we have no relationship with or interests in the Trust.

Stephen Nelley
Anderson Accounting Limited
On behalf of the Auditor-General
Cambridge, New Zealand