Waitematā
District Health Board

Best Care for Everyone

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19 January 2021

[redacted]

Dear [redacted]

Re: OIA request - Waitematā DHB Annual Reports

Thank you for your Official Information Act request received 12 December 2020 seeking the following information from Waitematā District Health Board (DHB):

Would you please provide me with the Waitematā DHB annual reports for 2007/2008 and 2008/2009. PDF versions are acceptable. Alternatively, print copies to my home address are also acceptable.

Please find attached PDF versions of the requested Annual Reports as follows:

Attachment 1: Annual Report 2007/2008
Attachment 2: Annual Report 2008/2009

I trust that this information is helpful.

Waitematā DHB supports the open disclosure of information to assist community understanding of how we are delivering publicly funded healthcare. This includes the proactive publication of anonymised Official Information Act responses on our website from 10 working days after they have been released.

If you consider there are good reasons why this response should not be made publicly available, we will be happy to consider your views.

Yours sincerely

Dr Debbie Holdsworth
Director Funding
Waitematā District Health Board

Attachment 1

WAITEMATA DISTRICT HEALTH BOARD

Annual Report 2008

WAITEMATA DISTRICT HEALTH BOARD

Annual Report for year ended 30 June 2008

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INTRODUCTION

Waitemata District Health Board CEO Dave Davies and Board Chair Kay McKelvie report on the organisation's achievements and challenges of the past year.

We began the 2007-08 year with several key objectives: to develop services and facilities that meet the needs of Waitemata residents more effectively; commit to better cardiovascular and diabetes prevention and management; establish a major new child health and housing initiative, and expand oral health service staffing and equipment. With a large ageing population, we also wanted to provide more services and support for people in residential aged care, and several new mental health service initiatives were planned.

Now, as we reflect on the year past, it is with satisfaction that we can report on solid progress in these and other areas. Of course, the year was also punctuated by the inevitable challenges inherent in the public health sector. At times these placed considerable stress on our resources, and again highlighted the importance of having resilient and committed staff.

On that note, we would like to take this opportunity to thank former Board members Penny Hulse, Mike Cohen, Everdina Fuli and Aroha Hudson – whom we farewelled after the local body and DHB elections on October 13. Their work and loyalty to the organisation over the years of their tenure must be acknowledged. In their place we welcomed two new elected members Mary-Anne Benson Cooper and Wyn Hoadley, and three new appointed members Mary Lythe, Gwen Te Pania Palmer and Robert Khan.

We now invite you to read on for further details of the progress made during the 2007/8 year across Waitemata District Health Board's 14 strategic priority areas.

Waitemata District Health Board: Making a healthy difference

Waitemata District Health Board CEO Dave Davies and Board Chair Kay McKelvie.

THE 2007 ~ 2008 YEAR IN REVIEW

Health Gain And Service Improvement Strategic Priority Areas

Reducing inequalities in health status

Several population groups within Waitemata experience a disproportionate burden of health inequalities, including Maori, Pacific peoples, Asian peoples, refugees, recent immigrants, and those who experience mental illness.

Throughout the year we have implemented various initiatives to address health inequalities across our population.

Among them was the establishment of a new Pacific Support Service based at Waitakere Hospital. The ultimate aim of this culturally appropriate service is to reduce the number of avoidable hospital admissions of Pacific people, and to improve their attendance at outpatient clinics. Essentially, keeping Pacific people well in the community with the services available to them close to home.

Also in the west of our district, a Pacific Breast Screening Support Service is now helping ensure more Pacific women are screened at the BreastScreen Waitemata Northland facility at Waitakere Hospital. The community-based service - a partnership between BreastScreen Aotearoa, West Fono Health Trust and the DHB - supports Pacific women to access screening and any follow-up assessments that may be necessary.

In other initiatives, the award-winning Asian Smokefree Communities Service has continued to help Asian peoples to stop smoking or live free of second-hand smoke this year. The service is a joint initiative between Waitemata DHB, Harbour Health and Auckland Regional Public Health Service and - following a pilot on the North Shore early on - this service has now been rolled out across the Waitemata District.

An Asian Health Support Service collaboration with BreastScreen Waitemata Northland also resulted in a programme to support non-English speaking Asian women to enrol with BreastScreen Aotearoa. This helped ensure more than 70 per cent of the approximately 7,580 eligible Asian women living in North Shore City were screened.

The past 12 months also saw the production of a Cross Cultural Resource kit for health practitioners working with culturally and linguistically diverse (CALD) clients. This innovative kit is the first of its kind and was designed by Waitemata DHB's Asian Health Support Service. The desktop guide provides information on 11 cultures including Vietnamese, Korean, Indian, Cambodian, Burmese and Ethiopian.

A CALD workforce development programme was also progressed. Developed for mental health workers, the project - to be implemented across New Zealand - encourages staff to be more culturally sensitive and aims to improve intercultural communication. The training includes sessions on working with and through interpreters, and assessing patients and clients in more culturally responsive and effective ways.

Of course population health inequalities are not just addressed with isolated projects, they are accounted for in work performed across all of our strategic priority areas (see below).

Healthy Lifestyles

The risk factors for heart disease, diabetes, respiratory diseases and a number of cancers are the same: poor nutrition, obesity, lack of physical exercise and smoking.

Over the 2007/8 year Waitemata DHB has developed a range of initiatives to enhance and support healthy lifestyles.

Healthy Eating Healthy Action (HEHA) planning for an additional 14 Pacific churches to run physical activity and nutrition programmes has been completed, and Maori and Pacific Green Prescription Active Families pilots started in March.

As part of the government's HEHA strategy, the DHB has also allocated Nutrition Fund money to help local schools and early childcare centres to improve their nutrition environments.

As alluded to above, the Asian Smokefree Communities Service - which was highly commended in the Excellence in Primary Health Care category of the 2007 New Zealand Health Innovation Awards – has continued its efforts to help Asian peoples to transition toward a smokefree lifestyle.

A Smokefree Co-ordinator has also been employed since October 2007 at regional forensic mental health facility, the Mason Clinic, and has been successful in helping both staff and patients to stop smoking. The facility is on track to become completely smokefree by 2010. A 10-week stop-smoking programme piloted at the Clinic's Kaupapa Maori Unit this year was also a first in New Zealand.

This year we also worked in conjunction with Counties Manukau and Auckland DHBs, Auckland Regional Public Health Service, the New Zealand Heart Foundation and the Clinical Trials Unit to develop vending machine guidelines. These have been implemented within the DHB to provide healthier alternatives to our staff, patients and visitors. And Waitemata DHB staff also endorsed the importance of a healthy lifestyle when more than 300 of them participated in this year's March Round the Bays fun run.

Cardiovascular Disease

Cardiovascular disease (CVD) is a major cause of illness and death, accounting for around one third of all deaths for the Waitemata population.

With cardiovascular disease having such a devastating impact on our communities, the services and programmes put in place to address CVD are critically important.

On November 5 we opened Waitemata DHB's new state-of-the-art Cardiovascular Unit at North Shore Hospital. The $2.5 million unit is used to diagnose and treat patients with heart disease and blockages of the cardiovascular system. Its opening also means that hundreds of Waitemata residents a year no longer have to travel to Auckland City Hospital for procedures such as angiograms.

In February, the new Cardiovascular Pacing Service (an extension to the Cardiovascular Unit) also started. The launch of this service meant the transfer of 2000 annual patient follow-ups from Auckland DHB to Waitemata DHB. Our patients can now continue having their follow-ups at Waitakere or North Shore Hospital throughout their lives, rather than travelling to Auckland.

In primary care, HealthWEST Primary Health Organisation's Wellness Out West (WOW) Bus began its CVD outreach screening pilot in December and has since screened over 1200 people. In fact all six Waitemata DHB Primary Health Organisations (PHOs) – Coast to Coast, Harbour Health, Procare Network North, Waiora HealthCare, HealthWEST and Te Puna Hauora – began delivering the Cardiovascular Disease and Diabetes Risk Assessment and Management Programme in February. Priority has been given to screening of Maori and Pacific peoples and other high risk groups.

We also funded a One Heart Many Lives joint project between HealthWEST, Waiora HealthCare and West Fono. One Heart Many Lives is a cardiovascular disease primary prevention programme which targets Maori and Pacific Island men aged 35+.

In addition, the past year has seen the production of a state-of-the-art cardiac rehabilitation DVD called Take Heart. The DVD is an educational tool that helps cardiac patients understand coronary artery disease and the risk factors associated with it.

A community-based approach to using the Heart Guide Aotearoa was also piloted with Maori provider Wai Health, in partnership with the New Zealand Heart Foundation and Te Hotu Manawa Maori. It will be evaluated in 2009.

Diabetes

Diabetes is a key priority for Waitemata DHB. It is a major cause of illness and premature death.

There are over 13,000 people in the Waitemata district with diabetes and 800 new cases are diagnosed every year.

As alluded to above, an important development of the past year has therefore been the implementation of a Cardiac and Diabetes Risk Assessment and Management Programme by PHOs across the Waitemata District.

Our Planning and Funding team has also continued to work with PHOs on specialist diabetes training for practice nurses, on ensuring all GP practices have a core set of EPIC (Empowering People with type 2 diabetes to be In Charge) resources, and on supporting community programmes such as the Green Prescription and Diabetes Self Management Education (DSME).

Pleasingly, the number of people with diabetes being referred for retinal screening has continued to grow, but too few eligible people with diabetes are getting a free annual review, and Maori and Pacific results have also not reached target. Work continues in these areas.

More positively, in the 2007/08 financial year Waitemata became the first DHB in the country to introduce the Dose Adjusted for Normal Eating (DAFNE) programme for people with Type 1 diabetes. The programme offers people with Type 1 diabetes greater freedom and the opportunity to gain greater control over their diabetes.

Cancer

Cancer is second only to cardiovascular disease as the leading cause of death in Waitemata. At least one third of cancer can be prevented and early detection and effective treatment of a further third is also achievable.

The July opening of the new BreastScreen Waitemata Northland facility at Waitakere Hospital was a positive and significant development for west Auckland women. Complete with its state-of-the-art digital mammography, the facility gives women living in Waitakere City easy access to breastscreening services and makes travel to central Auckland screening sites a thing of the past.

More than 7,500 women were screened at the site in its first year and screening rates jumped from 40 to 62 per cent for Maori women and from 33 to 61 per cent for Pacific women.

In September, our Adult Health Services Colorectal Cancer Service Improvement project won the Excellence in Quality Improvement category at the New Zealand Health Innovation Awards in Wellington. The project aimed to improve patient certainty and choice, enhance access to services and limit unnecessary delays. It also produced New Zealand's first recovery handbook for colorectal cancer patients.

Over the year work has also been carried out to establish a Maori Cancer Navigation Pilot. This programme will help Maori patients and their whanau to negotiate their pathway through cancer in a culturally supported way. Culturally appropriate materials and resources have also been produced in support of this project, which is set to launch in 2009.

Similarly, a Pacific cancer navigation pilot was also approved for funding under the DHB's Programme Budgeting and Marginal Analysis (PBMA) process this year.

Children and Young People

Childhood health status is a predictor of health in later life and impacts on social and educational development.

The key priority under our Child Health Strategy - developing a child health and housing programme - was realised in the past 12 months.

Delivery of the DHB's 'Warm 'n' Well' programme by Auckland Regional Public Health Service began in the last quarter of the year, though the official launch was set down for early in the 2008/9 year.

The programme, with an initial focus on Ranui and other areas of west Auckland, offers free home insulation and a free health and social assessment to eligible families.

There is considerable research showing that insulated homes can have a major, positive impact on the health of their inhabitants. Warmer, drier homes result in improved health, fewer days off school and work, fewer doctor's and hospital visits, and lower energy bills.

In time, this programme will roll out across the entire Waitemata district.

Breastfeeding has also been shown to have a significant positive impact on the early and future health of babies and young children and - as 'Baby Friendly' hospitals - North Shore and Waitakere have continued to promote exclusive breastfeeding from birth over the past year. In Rodney, the Wellsford Birthing Centre has now also registered to be part of the Baby Friendly Hospital auditing process.

A proposal to extend the Home Interaction Programme for Parents and Youngsters (HIPPY) was also approved under our PBMA funding process in the past year.

June was spent consulting with communities on the proposed transition from school-based to community-based oral health services. A number of community meetings and hui were held to discuss the options for new dental facilities, and improvements to oral health service delivery such as extended opening hours. Poor oral health can lead to poor overall health and research shows that good oral hygiene early in life will carry through to adulthood.

The number of five-year-old children without tooth decay was lower than hoped for the 2007/08 year, which reflects the need for preschool oral health care and services.

Auckland Regional Dental Service, which operates under the auspices of Waitemata DHB, has been working on a preschool project to increase enrolments, examinations and treatments of preschool children.

There are also now 71 full time equivalent dental assistants working within the service compared to 54 in the year to June 2007.

These staff are making a real difference to the number of treatments able to be delivered to our children and young people.

Health of Older People

The health of older people is a national health priority and growth in the older population is impacting on current and future demand for health and disability services.

The 2007/8-year has seen further work on implementing the Health of Older People Strategy.

Five per cent of people aged over 65 years and 29 per cent of people aged 85 years and over are in residential care. This means significant opportunities to improve integration between rest homes and hospitals, and to provide more services and support for the health needs of these people.

To that end, the past year has seen work undertaken to produce 18 Registered Nurse Care Guides for nurses working in aged residential care. The guides, in handbook format, provide a quick reference for common conditions encountered when caring for older people in residential care – including incontinence, pain, palliative care, fractures and falls.

The guides, intended to enhance assessment and care planning, and to promote early intervention and communication, have been produced by Waitemata DHB's Gerontology Nursing Service in conjunction with our Home and Older Adults Service, and leaders and clinicians from aged care facilities.

Within Home and Older Adult Services an academic unit related to the field of geriatrics has also been developed in the past year, and financial support from the Freemasons Charity funded a senior lecturer role for a geriatrician and a senior lecturer or associate professor role for a nurse. These roles, shared between the DHB and the University of Auckland, significantly strengthen the research base for services for older people.

Primary Care

Primary Care is the 'entry point' for the health system, with opportunities for earlier, more effective intervention and better integration with other services, including hospital services. It is also a major government priority area.

As noted throughout, we are working together with primary care on a number of initiatives to improve the health of our communities. In particular, the primary health care sector is substantially involved in these strategic priorities: Reducing Inequalities, Cardiovascular Disease, Diabetes, and Children and Young People.

A project leading to the development of a Primary Care Implementation Plan for the Waitemata District was scoped early in the year and is to have two phases. The first involves us working with key stakeholders such as PHOs, general practitioners, and non-government organisations to establish a shared long-term (10 year) vision for primary care in the district. Phase two will involve developing a medium term (3-5 year) implementation plan including a blueprint for prioritising funding over that period. It is expected that the process will be ready for sign-off in June 2009.

Just over 78 per cent of our population is now enrolled with one of the district's six Primary Health Organisations (PHOs) and, in August, the Board announced a planned public consultation process relating to after hours care and the configuration of PHOs in the district. This consultation took place in September in response to concerns some PHOs had with the Board's existing PHO policy. Given that five years had passed since the policy was established, it was considered timely to confirm stakeholder views and to canvas their preferences regarding the number of PHOs and their geographical boundaries and size.

The public consultation process concluded in October and, while there was a clear preference for the status quo in terms of configuration options, the public was clearly far more interested in the issues surrounding the provision of after hours care.

In the past year a steering group has therefore been established to progress solutions to this issue, with both the DHB and PHOs represented on the group.

A proposal for funding 24-hour care based in Wellsford was successful after being submitted for approval under the PBMA funding process.

Other initiatives such as Pacific Cancer Care Co-ordination, Save our Soles (district-wide podiatry), the Gold Standards Framework for palliative care, and a professional workforce development programme for primary and community nursing were also successful under the process.

In other primary care initiatives, a successful palliative care pilot has been being implemented by a number of HealthWEST GPs in Waitakere City, and Pacific health provider West Fono has been piloting a Baby Friendly Community initiative. PHOs have also been engaged in development of the B4 Schools Check programme – a free check for four-year-olds being introduced in New Zealand in 2008. The programme aims to identify and address any health, behavioural, social, or developmental concerns that could affect a child's ability to learn.

Over the last 12 months it is also pleasing to note that more than 2050 hospital admissions have been prevented as a result of the Waitemata Primary Options initiative. Primary Options enables primary care teams (GPs, practice nurses etc) to access community-based alternatives to acute hospital admissions. The service also supports general practice to reduce general hospital admissions and provides a range of community-based services at no cost to the patient (notwithstanding the initial GP consultation). This is an important initiative that helps to relieve pressure on our secondary services and facilities.

Mental Health

Mental Health is a long-standing government priority area. The target is to provide access to services for the three per cent of the population with serious mental health disorders.

This year saw Waitemata DHB's purpose-built and long-awaited $14 million mental health inpatient facility open on the Waitakere Hospital site. 'Waiatarau' is the result of considerable input from consumers and their families, mental health service staff, cultural services, non-government organisations, and other community representatives.

During the year we also prioritised other mental health initiatives to receive some of the $5.4 million of Blue Print mental health funding available.

As a result we have now contracted various non-government organisations (NGOs) to provide Iwi and Pacific Support workers, Peer Support workers and Family Support workers.

The Iwi and Pacific Support workers provide individual support and rehabilitation services for Pacific or Tangata Whai Ora (Maori service users) living independently, though not necessarily alone, in the community.

Similarly, the Peer Support Service service utilises peer support workers who have personal experience of psychiatric illness and whose primary role is to work with individual consumers to inspire hope and motivation, and to share information about resources and connections that can aid participants in their own recovery process.

Again, along similar lines, Family Support workers provide information, social and emotional support, and advocacy services to the family/whanau and carers of mental health service users.

Funding has also been awarded for a pilot service focussing on people engaged with Mental Health Services for Older Adults, and a unique Community Collaborative Acute Service has also begun. This recovery-orientated service provides intensive support to mental health consumers with high acute support needs. It offers home-based treatment and is unique in that DHB and NGO staff operate as one service.

District and Regional Hospital Services

Ensuring access to elective surgery is a high priority for government. Providing specialist interventions to our community at the right time will improve the health status of our community.

The rapid growth in our population continued to apply pressure to the district's hospital services in the 07/08 financial year.

The increase in patients over winter stretched both physical and human resources to at times unacceptable levels and we saw this play out through winter in our Waitakere and North Shore Hospital Emergency Care Centres (ECCs). There is no doubt that our ECC staff are incredibly hard working and dedicated to their patients, but the winter work load understandably took its toll.

A process to relieve this pressure started quickly once the DHB was assigned its full allocation of population-based funding in 2007. This involved increasing inpatient capacity by adding 25 new beds within the year and within the existing hospital.

Increasing inpatient beds is just part of our longer term facility planning and will see a further 68 beds come on stream next winter. Further inpatient expansion will also occur across both North Shore and Waitakere Hospital from 2013 to 2015, and planning has

already started to further develop the North Shore and Waitakere Hospital Emergency Care Centres.

In other areas, the four northern DHBs (Northland, Auckland, Waitemata and Counties Manukau) met to discuss and agree a future direction for the management of intra-district flows (IDFs). This laid the foundations for a more cohesive regional approach with agreement reached on a range of principles, and areas identified for further action.

It is clear that a number of improvements are needed to enable our population to access services when they need them and in closer proximity to where they live. This means better utilisation of the space and resources available at North Shore and Waitakere Hospitals. It also involves the transfer of services currently delivered by Auckland and Counties Manukau DHBs over to Waitemata DHB.

Already in March, Waitemata patients were transferred from Counties Manukau DHB's orthopaedic hand surgery service to North Shore Hospital.

In September, the additional elective services funding passed down by the Ministry of Health ensured that an additional 1270 Waitemata DHB domiciled patients received surgical procedures and an extra 734 patients received first specialist assessments (FSAs).

Then in October we received notification from the Ministry of Health that we had received a 'green light' for our surgical performance. Our 'caseweight' delivery was on target and across medicine and surgery we even exceeded Ministry targets. We were also notified that we had met targets set for Emergency Care Centre patients classified as triage one (to be seen immediately) and had achieved 100 per cent compliance.

In 2007 work started on the building of the new High Dependency Unit (HDU) at North Shore Hospital and we also opened the new acute theatre. The benefits of the latter include reduced waiting times for acute patients needing surgery, improved patient flow in inpatient wards, assistance in achieving our elective surgical volumes, and a reduction in after hours and overnight surgery requirements.

By the end of 2007 we had come through a very difficult winter and had opened 25 new inpatient beds, the new theatre suit and the Cardiovascular Unit. This created some 'flow' through the system but obviously could not fix the overall issues. However the DHB was also well advanced with planning to further increase bed numbers outside of any significant build programmes.

The start of 2008 also featured intense planning as we worked on ways to increase inpatient bed capacity and prevent a repeat of winter 07. A DHB of Waitemata's size needs to increase inpatient bed capacity by at least 28 beds a year to keep pace with our growing population.

We have clearly not been in a position to do this since we opened Waitakere Hospital in 2005. To play catch up we added 20 beds at Waitakere Hospital and accommodated 48 new beds at North Shore Hospital. The majority of these were timed to come on line before June 2008 to meet winter demand.

In 2008 there was also greater emphasis on improving patient flows by positively utilising wait time, streamlining admissions, conducting well-planned and comprehensive discharges, and better using discharge facilities. However from early in the year staff shortages were having an impact on these projects. A shortage of midwives over the Christmas and New Year period was managed well but signalled to the region that more needs to be done to attract and retain midwives at hospital facilities.

In April we opened the long awaited High Dependency Unit (HDU) at North Shore Hospital. The unit is equipped with eight beds but opened fully staffed for four, with recruitment ongoing to attract the remaining specialist intensive care nursing staff required. The HDU offers a level of care that sits between ward-level care and intensive care.

The DHB's new Acute Intervention Respiratory Services (AIRS) for people with Chronic Obstructive Pulmonary Disease also started in March, with the aim of reducing the time people spend in hospital and help them actively manage their condition – again, a service that relieves pressure on our secondary services and facilities.

Quality and Safety

There is a strong commitment to improvement and performance excellence in order to provide clinical safety and the best service to our community. In particular, there is a focus on safe and quality use of medicines.

It is pleasing to report that Waitemata DHB maintained its certification against New Zealand Health and Disability Standards over the past year.

For the sixth year, we also retained our tertiary status for our injury management and health and safety systems. This followed the regular ACC Partnership Programme audit of the DHB.

There has also been significant progress on various Quality Use of Medicines (QUM) projects.

The patient-held 'Yellow Medication Card', used to list and record patients' medications, continues to be widely disseminated in the community. Patients are able to take the card with them to doctors, pharmacies and into hospital so health providers can readily see the medications being taken.

Guidelines for general practice and community pharmacists on appropriate use of opioid medications in palliative care have also been produced, as has a patient information leaflet, in six languages, about the medication Warfarin.

Culturally appropriate patient information booklets on medicines used in relation to heart failure, heart attacks and patients starting insulin have also been produced, as have

guidelines for primary care on heart failure medicines.

Work is also progressing on a three other projects, including creation of an on-line education tool for junior doctors working at Waitemata DHB to encourage save, evidence-based prescribing.

ORGANISATIONAL DEVELOPMENT STRATEGIC PRIORITY AREAS

Workforce Development

Staff are Waitemata DHB's most important and valuable asset. Building and maintaining workforce capacity and developing the organisation's collective capability are fundamental to the DHB's success. We continue to grow a culture of learning where appropriate use of knowledge is valued.

To the year 2021, demand for hospital services is expected to grow by 52 per cent while the workforce is predicted to grow only 29 per cent.

In the past year we completed a draft Workforce Development Plan, which aligns with regional and national strategies, and which forms the basis of a range of workforce related projects across occupational groups and specialties.

The 2007/8 year has also seen various initiatives implemented to recruit, develop, retain (and reward) staff.

Growing the health workforce is critical and, in November, Waitemata DHB's first ever Health Scholarship Programme made its debut. The programme has been developed to support people living in the Waitemata district to undertake healthcare studies with an accredited New Zealand education provider. The scholarships provide financial support and access to placements within DHB services. Ten scholarships were made available for the 2008 academic year and the successful applicants, who greatly impressed the selection panel, are now pursuing courses of study in Dietetics, Medicine, Nursing, Dental Therapy, Physiotherapy and Midwifery. They range in age from school leavers to those making a mid-life career change. Fifteen scholarships will be available for 2009.

In the early part of the 2008 year we also employed the DHB's first Career Development Consultant in response to findings of our 2006 Staff Survey. This consultant works with staff to identify career pathways for them within the DHB, and to formulate action plans on how to travel those pathways.

Following consultation with staff late in 2007 a review was completed regarding Waitemata DHB's clinical leadership roles. Staff were very supportive of the need for three full-time clinical leadership positions across Medical, Nursing and Allied Health. The roles were advertised early in the year and two of the three (Nursing and Medical) were filled by May.

In June, we also welcomed Andrew Potts to the role of GM, Adult Health Services, Clinical Support Services GM Dale Bramley moved to the position of GM, Funding and Planning. Former Radiology service manager Leith Hart accepted the role vacated by Dale Bramley.

The past year saw seven new graduates embark on Waitemata DHB's Nursing Entry to Practice New Graduate Programme for Primary Health Care Nurses. Places on the programme are sought by nurses working in such areas as general practice, Maori and Pacific health care providers, residential care and Plunket. A strong relationship with Auckland University of Technology has also resulted in the development of a new primary health care nursing paper.

As part of our Healthy Workforce Strategy our Employee Wellness Programme has been successfully implemented and we have had staff take part in the 'Official 10,000 Steps Programme' and the Challenge Me programme where staff are supported to set and achieve small lifestyle goals. It is particularly pleasing to be able to make a healthy difference to our staff as well as the patients we care for.

The DHB now also has a number of Prevention of Bullying and Harassment co-ordinators in place, and managers have also received training in this area. The programme is all about making the DHB environment as positive, healthy, and non-threatening a place to work as possible.

Throughout the 2007/8 year, development of a Long Service Recognition Programme for staff also began. This programme will acknowledge staff who have worked with Waitemata DHB, or its forerunners, for 20, 30 or 40-plus years. Staff retention is vital in health and this programme, to be launched in the 2008/09 year, will give us a way to formally recognise employees who have remained with the organisation for a long period.

Of course, our recruitment efforts are ongoing with new initiatives under way such as the 'Let's Grow Together' programme, established specifically to recruit staff to our Adult Health Services.

We have also had a specific Nurse Recruitment Project team working on locating and recruiting sufficient nurses of appropriate skill and expertise to fill vacancies within the organisation.

Health Information

The past year has seen information about most of the DHB's services added steadily to Healthpoint.

Healthpoint is an on-line tool that allows doctors, patients and caregivers to access local information about what to expect prior to, during, and following a referral to secondary or tertiary medical health care services. The information is approved, regularly reviewed and updated by clinicians from each individual service and new services and specialist information is being added continually. Fifty-six of our services are now live on the site.

In other areas, the Auckland Regional Dental Service (ARDS) rolled out its new Titanium electronic clinical record system to a further 35 sites after a successful 'go live' to 21 school clinics in June. Titanium enables therapists to access the records of any child from any clinic and saves time previously spent on paper records and manual recording. It also allows the the physical space once used at clinics for the storage of these records to be rstored.

Early in 2008 we also employed a quality and audit analyst to make sure the privacy of patients' private electronic clinical information is maintained and improved.

Innovation

We continue to foster and grow a culture of innovation and learning where appropriate use of knowledge is valued. As mentioned earlier, our Adult Health Services Colorectal Cancer Service Improvement project won the Excellence in Quality Improvement category at the New Zealand Health Innovation Awards in Wellington in September. The Asian Smokefree Communities Service pilot programme, mentioned elsewhere in this review, was also highly commended in the Excellence in Primary Health Care category.

In May we again celebrated the achievements of health providers working in the Waitemata region at the annual Waitemata Health Excellence Awards. One of the DHB's core values is customer focus so these Awards are important in recognising projects and innovations that ensure our patients and clients are well served.

On a slightly different tangent, in June we launched the DHB's new EnergyAware Waitemata programme – an energy efficiency initiative that not only benefits the organisation, but all of us as individuals. Every day we work to make a healthy difference to the communities we serve. This new programme supports us to make a healthy difference to our environment as well. As part of the programme any design for new DHB buildings and facilities must now have an energy conservation component to ensure we all move forward in an environmentally sustainable way. As the programme's catch-phrase says, 'all it takes is people power!'

LOOKING AHEAD

As has been repeatedly alluded to above, we are in the midst of planning for a time of significant expansion, and over the past year we have established Vision 2020 - the organisation's clinical services planning process.

The opening of acute services at Waitakere Hospital in 2005 was the last major development of clinical services at the DHB other than those already mentioned. With a significant amount of long-term planning underway and major facility developments planned for the next two to three years, it is essential that these developments hold us in good stead for the population growth we expect across Rodney, and North Shore and Waitakere cities, over the next 50 years.

Vision 2020 is predominantly a plan for hospital services which, at this point in our history, is appropriate for Waitemata DHB. We are struggling to meet acute demand in the face of an increasing population so Vision 2020 specifically sets out to:

- Plan the size, settings and locations of future hospital service delivery for the people of Waitemata over the next 20 years. This includes what is known as the 'Lakeview Extension' – a new Emergency Care Centre, acute admissions unit, and 48-bed inpatient ward on the North Shore Hospital site which should be up and running by 2011. It also encompasses developments to facilitate the delivery of 24-hour Emergency Care Centre services at Waitakere Hospital by 2010
- Describe future models of care
- Identify the implications for workforce development, facilities and financial planning for the DHB
- Determine the pace and timing of service development
- Support business cases for facilities development

Hospitals serve a critical function in the overall system of care. They provide highly valued 'rescue' functions for life threatening conditions and can improve outcomes for patients by concentrating technology and specialist expertise where it can be accessed by a large number of people. But the clinical services plan is not a complete plan for health care services for our population. We cannot consider how the role of the hospital might best develop and change in the future without considering the wider health system. It is clear, for example, that providing ongoing support and management in community settings for people with chronic illnesses is preferable to episodic treatment in a hospital focused on short term treatment. The scope of the plan is therefore somewhat artificial, but pragmatic. It allows us to make progress on essential planning in necessary timeframes.

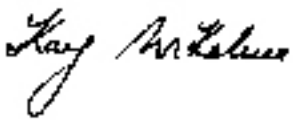
FINANCIAL PERFORMANCE

As we conclude our reflections of the past year, it is pleasing to note that we also ended the 12 months on a positive financial note, being $12.6 million favourable to budget at year end.

IN CLOSING

As is always the case in the health sector, the past year has been characterised by challenges and stresses, but also by achievements and successes. The knowledge, skill, tenacity and dedication of those working in the public sector have been key to overcoming the former and ensuring the latter.

We acknowledge the hard work and dedication of our staff and also the colleagues we have working alongside us in Primary Health Organisations, NGOs and in other health sector settings across the Waitemata District. We look forward to again reporting back on their successes and the DHB's achievements in 2009.



Kay McKelvie - Chair

Dave Davies - CEO

STATUTORY INFORMATION

WAITEMATA DHB BOARD MEMBERS

DHB elections were held in October 2007 and the new Board came into office on 10 December 2007.

Members who served for full 12 months

Kay McKelvie	Chair of the Board
Max Abbott	Deputy Chair of the Board (from 10/12/07)
	Chair of the Hospital Advisory Committee (up to 14/11/07)
Pat Booth	Chair of the Disability Support Committee (February 2008)
	Chair of the Hospital Advisory Committee (from 26/3/08)
Lynne Coleman	Chair of the Quality and Risk Management Committee
Warren Flaunty	Chair of the Community and Public Health Advisory Committee (from 12/12/07)
Brian Neeson	Chair of the Hospital Advisory Committee (from 12/12/07 to 5/3/08)
	Chair of the Audit and Finance Committee (from 26/3/08)

New members who commenced on 10 December 2007

Mary-Anne Benson-Cooper	
Wyn Hoadley QSO	
Robert Khan	
Mary Lythe	Chair of the Disability Support Advisory Committee (from 26/3/08)
Gwen Tepania-Palmer	Chair of the Maori Health Gain Advisory Committee (from 7/2/08)

Members who retired on 10 December 2007

Mike Cohen	Chair of the Disability Support Committee (up to 10/12/07)
Everdina Fuli	Chair of the Community and Public Health Advisory Committee (up to 10/12/07)
Aroha Hudson	Chair of the Maori Health Gain Advisory Committee (up to 10/12/07)
Penny Hulse	
Ross Keenan	Deputy Chair of the Board (up to 10/12/07)

BOARD AND COMMITTEE MEMBER REMUNERATION

Fees paid for the services of board members and co-opted committee members during the year to 30 June 2008 were:

Board Members

Members re-elected/re-appointed in 2007 - Served full 12 months.

Max Abbott $35,396; Pat Booth $28,792; Lynne Coleman $29,000; Warren Flaunty $31,118; Kay McKelvie (Chair) $56,812; Brian Neeson $31,812.

New Members commenced December 2007

Mary-Anne Benson Cooper $17,083; Wyn Hoadley $17,583; Robert Khan $17,083; Mary Lythe $17,895; Gwen Tepania Palmer $17,083.

Members retired December 2007

Mike Cohen $14,522; Everdina Fuli $12,584; Aroha Hudson $13,147; Penny Hulse $13,147; Ross Keenan $11,389.

Co-opted Committee Members

Audit & Finance Committee: David Rankin $1,125. The fees for Mr Rankin's services were paid to Auckland City Council for his time, not to Mr Rankin personally.

Community & Public Health Advisory Committee: Tereki Stewart $2,500; Waitakere HealthLink, North Shore Community Health Voice and Rodney Health Link a total of $3,015 for the services of their representatives: Tracy McIntyre, Lorelle George and Margaret Willoughby.

Disability Support Advisory Committee: Jill Calveley $1000; Anne Frankland $750; Jan Moss $750; Sonia Thursby $1,000; Michele Rangiuia-Poutu $1,000.

Maori Health Gain Advisory Committee: Gary Brown $1,000; Kate Haswell $1,250; Michele Rangiuia-Poutu $1,500

BOARD MEMBERS' INTERESTS

Board members had involvements with the organisations shown in the table below for all or part of the financial year ended 30 June 2008. The organisations marked with an asterisk, or subsidiaries of those organisations, received funding or sought funding from Waitemata DHB. The DHB's transactions with those organisations are conducted on an arm's length basis. Board members do not take part in decisions to award contracts to organisations in which they are involved or to subsidiaries of those organisations.

Involvements with other organisations during all or part of 2007/08

Members re-elected/re-appointed in 2007 - served full 12 months

Kay McKelvie – Chair	Chair - Quotable Value NZ Ltd and its subsidiaries, Quotable Value Australia Pty Ltd and Egan Australasia Pty Ltd Chair, Housing New Zealand Appeal Authority Director - Tourism NZ Ltd Director - Crown Health Financing Agency Member - National Capital Committee, Ministry of Health Director - Word Pictures Ltd
Max Abbott	Pro Vice-Chancellor (North Shore) and Dean – Faculty of Health and Environmental Sciences, AUT University* Patron - Raeburn House*
Pat Booth	Consulting Editor – Fairfax Suburban Papers in Auckland and Northland*
Lynne Coleman	General Practitioner and shareholder CHS Ltd, Harbour PHO Ltd* Chairperson - Shorecare Medical Services Ltd* Director - Shorecare Health Ltd Director - Apollo Health Ltd* Trustee - Harbour Sport* Member – Wilson Home Trust Management Committee*
Warren Flaunty	City Councillor - Waitakere City Council Trustee - West Auckland Hospice* Chair - Waitakere Licensing Trust Shareholder - Metlifecare* Shareholder - EBOS Group*

	Shareholder - Life Pharmacy Ltd*
	Shareholder - Westgate Pharmacy Ltd*
	Trustee - Three Harbours Health Foundation
	Trustee - The Trusts Charitable Foundation
Brian Neeson	Board Member - Waitakere Health Link

New Members commenced December 2007

Mary-Anne Benson-Cooper	General Manager/Health Safety Manager – Focus 2000*
	Director – Health Safety Services – Immunisation
	Committee Member – Occupational Health Nurses
Wyn Hoadley	Member – Earthquake Commission
	Member – North Shore Hospital Foundation Advisory Committee
	Board Member – North Shore Community Health Voice
Robert Khan	Shareholder (100%) – Radio Tarana (NZ) Limited: mainstream Media
	Trustee – Friends of Fiji Heart Foundation
	Weekend Jury Column – NZ Weekend Herald Comments
	Spokesperson – South East Asian, Indian and Pacific Island Comments for
	Various Media Organisations (Print, TV and Radio): NZ and Overseas
	Trustee – Three Harbours Health Foundation
Mary Lythe	Member – Gambling Commission (MOH)
	Member – Wilson Home Trust Management Committee*
	Clinical Services Manager – Alzheimer's Auckland Inc*
	Board Member – Rodney Health Link
Gwen Tepania-Palmer	Chairperson- Ngatihine Health Trust, Bay of Islands
	Committee Member – ACC's EMRG Committee
	Life Member – National Council Maori Nurses
	Alumni – Massey University MBA
	Review Member – Funding Research Applications, Liggins Institute

Members retired December 2007

Mike Cohen	Chair - Devonport Community Board
	Community Board Zone One representative LGNZ
	Chair - Auckland and Far North Community Boards Association
	Deputy Chair - NZ Community Board Executive Committee, LGNZ
Everdina Fuli	Staff member - Health Research Council
Aroha Hudson	Director - Awhi Health Ltd*
	Secretary - Otakanini Topu Incorporation
	Board member - Tamaki Healthcare PHO
	Board member - Health West PHO*
	CEO - Health West PHO*
	Director - Auckland PHO
	Director - Toi Associates Ltd
	Member -ADHB Maori Health Advisory Committee
	Member - Health Research Council
	Board member – National Heart Foundation
	Director of Primary Healthcare Services*
Penny Hulse	City Councillor - Waitakere City Council
	Trustee - Waitakere Anti-violence Essential Services*

Ross Keenan – Deputy Chair	Chair – Allied Work Force Group Ltd
	Chair - Cabletalk Group Ltd
	Chair - Metrowater Ltd
	Chair - Southern Travel Holdings Ltd
	Chair - Auckland Regional Transport Network Ltd
	Deputy Chair - Three Auckland Regional District Health Boards
	Director - Watercare Services Ltd
	Director - Ngai Tahu Holdings Corporation
	Director - Oceania Attractions Ltd
	Director - Oyster Bay Marlborough Vineyards Ltd

Interests in respect of which a waiver was given

The New Zealand Public Health and Disability Act 2000 s 42(4) provides as follows: For the purposes of s 151(1)(j) of the Crown Entities Act 2004, the annual report of a DHB must disclose any interests to which a permission, waiver, or modification given under clause 36(4) or clause 37(1) of Schedule 3 or clause 38(4) or clause 39(1) of Schedule 4 relates, together with a statement of who gave the permission, waiver, or modification, and any conditions of amendments to, or revocation of, the permission, waiver, or modification.

The following waiver was given during the last year.

Meeting of the Waitemata DHB Board 28 November 2007: Dr Lynne Coleman indicated a possible perception of a conflict of interest in item 5.1 Primary Health Consultation: PHO Configuration and After Hours Access by virtue of her affiliation to a PHO as a contracting general practitioner to Apollo medical centre which receives capitation funding from Harbour Health PHO. The Board agreed that Dr Coleman should participate in the discussion of this item because they did not regard this as being a major conflict and because they considered she had a worthwhile contribution to make to the discussion which they wished to hear. Dr Coleman did not take part in the vote on the resolution for this item.

EMPLOYEE REMUNERATION

During the year the following numbers of employees received remuneration over $100,000:

Remuneration range ($)	Number of employees	Remuneration range ($)	Number of employees
100,000 – 109,999	76	290,000 – 299,999	4
110,000 – 119,999	44	300,000 – 309,999	3
120,000 – 129,999	35	310,000 – 319,999	1
130,000 – 139,999	40	320,000 – 329,999	3
140,000 – 149,999	19	330,000 – 339,999	0
150,000 – 159,999	27	340,000 – 349,999	1
160,000 – 169,999	18	350,000 – 359,999	1
170,000 – 179,999	28	360,000 – 369,999	1
180,000 – 189,999	16	370,000 – 379,999	1
190,000 – 199,999	22	380,000 – 389,999	2
200,000 – 209,999	19	390,000 – 399,999	0
210,000 – 219,999	15	400,000 – 409,999	1
220,000 – 229,999	12	410,000 – 419,999	1
230,000 – 239,999	15	420,000 – 429,999	0
240,000 – 249,999	8	430,000 – 439,999	0
250,000 – 259,999	9	440,000 – 449,999	0
260,000 – 269,999	8	450,000 – 459,999	0
270,000 – 279,999	12	460,000 – 469,999	0
280,000 – 289,999	2	470,000 – 479,999	1

Of the 445 employees who received more than $100,000 331 were medical or dental officers. If the remuneration of part-time employees were grossed up to full-time equivalent basis the total number of employees who received more than $100,000 would be 507 compared with the actual total of 445. 44 of the 62 additional employees are medical or dental officers. The remuneration of the Chief Executive was in the $380,000 – 390,000 band.

TERMINATION PAYMENTS

During the year eleven people received redundancy, severance or other termination payments additional to any retirement gratuities, annual leave payments or payments in lieu of notice to which they were entitled. The total amount paid was $427,569.

TRUSTS

Waitemata DHB is associated with the following trusts:

Wilson Home Trust. Waitemata DHB is trustee for the Wilson Home Trust for children with physical disabilities. Waitemata DHB provides services for children with physical disabilities from facilities at the Wilson Home which it leases from the trust.

Three Harbours Health Foundation. Waitemata DHB is the appointor of trustees to this charitable trust. Funds from the trust are made available mainly for clinical research, provision of patients' comforts and amenities, staff training and education, and clinical equipment. Associated trusts North Shore Hospital Foundation and West Auckland Health Services Foundation operate under the umbrella of the Three Harbours Health Foundation.

Spectrum Care Trust. Waitemata DHB and Auckland DHB are jointly the appointor of trustees to the Spectrum Care Trust which provides services and accommodation for intellectually disabled people.

GOOD EMPLOYER OBLIGATIONS

Waitemata DHB is aware of its legal and ethical obligation to be a good employer.

WDHB is committed to the provision of Equal Employment Opportunities and will work towards the elimination of all forms of unfair discrimination in employment.

WDHB's Good Employer policy makes clear that the DHB will provide:

- Good and safe working conditions
- An equal employment opportunities programme
- Recognition of the employment requirements of women
- Recognition of the employment requirements of men
- Recognition of the employment requirements of persons with disabilities
- The impartial selection of suitably qualified persons for employment
- Recognition of the aims, aspirations and employment requirements of Maori people
- Recognition of the aims, aspirations, cultural differences and employment requirements of Pacific Island peoples and peoples from other ethnic or minority groups
- Opportunities for the enhancement of the abilities of individual employees.

WDHB's Good Employer policy takes account of the need to uphold the requirements of the Employment Relations Act 2000, the Race relations Act 1971, the Human Rights Act 1993, the Health and Safety in Employment Act 1998, the State Sector Act 1998 and the Crown Entities Act 2004.

Measures currently in place or being developed as a result of Waitemata DHB's efforts to be a good employer include:

- Provision of Occupational Health services for staff, including the ability to 'self-refer' for any work related health issue for which an employee may wish to receive medical care or advice.
- Worksite assessments (e.g. ergonomic assessments) performed by the DHB's Occupational Health nurses.

- Provision of an independent and confidential Employee Assistance Programme, funded by the DHB, to which employees have ready access.
- A proactive Health and Safety process, with employee-nominated Health and Safety representatives on Unit and Service level committees.
- A comprehensive online reporting system for risks and incidents, including those affecting staff.
- Gaining and maintaining tertiary level accreditation with ACC. The accreditation process has made WDHB a safer workplace, and the in-house management of workplace incidents generally achieves a more rapid resolution for the employee.
- Access to in-house education and training programmes through a comprehensive Learning and Development Service.
- WDHB has a Disability Strategy Coordinator who advises the DHB on the removal of barriers to the employment of people with disabilities.
- Participation in national multi-employer collective agreements which provide national consistency in pay and conditions of employment.
- Job-sizing processes which are designed to provide fair and consistent salaries that comply with CEA requirements and which take account of pay rates for comparable jobs in the private sector.
- Positive engagement with unions through regular Service and DHB-level joint consultative committees and CEO forums.
- Undertaking a Pay and Equity in Employment review to identify any pay or equity anomalies.
- Provision of accommodation for crèches at North Shore and Waitakere Hospitals at discounted rents.
- A staff satisfaction survey to identify ways in which morale and job satisfaction can be improved.

INSURANCE

Waitemata DHB participates in the national collective insurance scheme organised by District Health Boards New Zealand to provide insurance cover for all DHBs. Through the collective insurance scheme Waitemata DHB took out Professional Indemnity, Directors and Officers Liability and Statutory Liability insurance with the intention of ensuring that board members and employees incurred no monetary loss as a result of actions taken by them as board members or employees of the DHB provided they operated within the law.

Board's Financial Summary

Results and distributions

	$000
Group operating surplus / (deficit) for the year	4,639
Share of associated company results	0
Net surplus / (deficit) attributable to the crown	4,639

No distribution is proposed.

Financial performance

The Crown equity of Waitemata District Health Board Group was represented by:

	$000
Current Assets	82,740
Less Current Liabilities	(143,839)
	(61,099)
Plus Non-Current Assets	414,088
Long Term Investments	1,917
Investments in Associates	0
	416,005
Less Non Current Liabilities	(180,947)
CROWN EQUITY	173,959

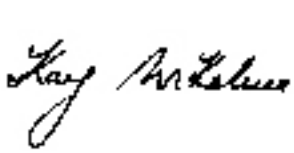
Parent and Group

In the financial statements of this annual report 'Parent' means Waitemata District Health Board. 'Group' means Waitemata District Health Board and its subsidiaries (see note 20 to the financial statements).

Auditor

The Auditor-General is appointed under section 41 of the Public Finance Act 1989. Simon Brotherton of Ernst & Young has been contracted to provide these services.

For and on behalf of the Board, which authorised the issue of the financial report on 29 October 2008.



Kay McKelvie
Chair

Warren Flaunty
Board Member

Income statement

For the year ended 30 June 2008

in thousands of New Zealand Dollars

	Note	Group		Parent		
		2008 Actual $000	2007 Actual $000	2008 Actual $000	2008 Budget $000	2007 Actual $000
Revenue	1	1,094,763	974,347	1,095,566	1,085,406	973,797
Other income	2	15,444	11,010	13,543	10,724	10,740
Finance income	5a	9,804	5,501	9,472	0	5,224
Total income		**1,120,011**	**990,858**	**1,118,581**	**1,096,130**	**989,761**
Employee benefit costs	4	369,849	331,736	369,104	355,266	331,123
Depreciation and amortisation expense	7,8	20,404	18,805	20,404	20,373	18,805
Outsourced Personnel		14,140	12,954	14,140	7,389	12,954
Outsourced services		32,623	27,568	32,623	41,408	27,568
Clinical supplies		54,660	48,535	54,660	52,341	48,535
Infrastructure and non-clinical expenses		49,251	45,823	49,251	47,145	45,823
Payments to health providers		543,277	472,082	543,277	553,001	472,082
Other expenses	3	2,016	1,537	1,893	2,147	1,568
Finance costs	5b	15,030	10,593	14,777	11,125	10,593
Capital charge	6	14,122	12,964	14,122	14,235	12,964
Total expenses		**1,115,372**	**982,597**	**1,114,251**	**1,104,430**	**982,015**
Share of profit of associates	10c	0	0	0	0	0
Surplus (Deficit) for the year		**4,639**	**8,261**	**4,330**	**(8,300)**	**7,746**

The accompanying notes form part of and are to be read in conjunction with these financial statements.

Statement of changes in equity
For the year ended 30 June 2008

	Note	Parent				
		Contributed Equity	Asset Revaluation Reserve	Retained Earnings	Trust/ Special Funds	Total
		$000	**$000**	**$000**	**$000**	**$000**
Equity at 1st July 2006	25	74,936	146,907	(70,411)	0	151,432
Equity contribution from the Crown		6,190	0	0	0	6,190
Total income and expense for the period		0	0	7,746	0	7,746
Equity at 30th June 2007	25	81,126	146,907	(62,665)	0	165,368
Equity at 1st July 2007		81,126	146,907	(62,665)	0	165,368
Equity contribution from the Crown		0	0	0	0	0
Net income and expense recognised directly in equity		0	0	0	0	0
Surplus for the year, being income and expense for the period		0	0	4,330	0	4,330
Equity at 30th June 2008		81,126	146,907	(58,335)	0	169,698

		Group				
		Contributed Equity	Asset Revaluation Reserve	Retained Earnings	Trust/ Special Funds	Total
		$000	**$000**	**$000**	**$000**	**$000**
Equity at 1st July 2006	25	74,936	146,907	(70,411)	3,437	154,869
Equity contribution from the Crown		6,190	0	0	0	6,190
Total income and expense for the period		0	0	7,746	515	8,261
Equity at 30th June 2007	25	81,126	146,907	(62,665)	3,952	169,320
Equity at 1st July 2007		81,126	146,907	(62,665)	3,952	169,320
Equity contribution from the Crown		0	0	0	0	0
Net income and expense recognised directly in equity		0	0	0	0	0
Surplus for the year, being income and expense for the period		0	0	4,330	309	4,639
Equity at 30th June 2008		81,126	146,907	(58,335)	4,261	173,959

The accompanying notes form part of and are to be read in conjunction with these financial statements.

Statement of financial position

As at 30th June 2008

In thousands of New Zealand Dollars

	Note	Group		Parent		
		2008 Actual	2007 Actual	2008 Actual	2008 Budget	2007 Actual
Assets		$000	$000	$000	$000	$000
Property, plant and equipment	7	409,754	404,178	409,754	413,319	404,178
Intangible assets	8	4,334	3,431	4,334	3,744	3,431
Other investments	11	1,917	2,253	0	0	0
Total non-current assets		**416,005**	**409,862**	**414,088**	**417,063**	**407,609**
Inventories held for distribution	9	4,907	4,383	4,907	4,400	4,383
Other investments	11	2,180	1,421	0	0	0
Trade and other receivables	12	29,840	34,631	29,656	28,900	34,372
Cash and cash equivalents	13	45,813	17,132	45,754	0	17,094
Total current assets		**82,740**	**57,567**	**80,317**	**33,300**	**55,849**
Total assets		**498,745**	**467,429**	**494,405**	**450,363**	**463,458**
Equity						
Crown equity		81,126	81,126	81,126	86,526	81,126
Asset revaluation reserves		146,907	146,907	146,907	146,907	146,907
Retained earnings/(losses)		(58,335)	(62,665)	(58,335)	(61,205)	(62,665)
Trust / Special funds		4,261	3,952	0	0	0
Total equity		**173,959**	**169,320**	**169,698**	**172,228**	**165,368**
Liabilities						
Interest-bearing loans and borrowings	15	165,796	164,254	165,796	159,900	164,254
Employee benefits	16	15,151	11,746	15,151	0	11,746
Total non-current liabilities		**180,947**	**176,000**	**180,947**	**159,900**	**176,000**
Bank overdraft	13	0	0	0	500	0
Interest-bearing loans and borrowings	15	0	19	0	0	19
Trade and other payables	17	104,430	85,903	104,351	74,235	85,884
Employee benefits	16	39,409	36,187	39,409	43,500	36,187
Total current liabilities		**143,839**	**122,109**	**143,760**	**118,235**	**122,090**
Total liabilities		**324,786**	**298,109**	**324,707**	**278,135**	**298,090**
Total equity and liabilities		**498,745**	**467,429**	**494,405**	**450,363**	**463,458**

The accompanying notes form part of and are to be read in conjunction with these financial statements.

Statement of cash flows

For the year ended 30 June 2008

in thousands of New Zealand Dollars

	Note	Group		Parent		
		2008 Actual	2007 Actual	2008 Actual	2007 Budget	2007 Actual
Cash flows from operating activities		$000	$000	$000	$000	$000
Cash receipts from Ministry of Health and patients		1,206,980	1,004,026	1,204,865	1,093,072	1,002,328
Cash paid to suppliers		(782,951)	(646,764)	(780,942)	(704,442)	(644,904)
Cash paid to employees		(352,113)	(314,567)	(352,113)	(355,186)	(314,567)
Cash generated from operations		71,916	41,951	71,810	33,444	42,857
Interest received		9,809	3,278	9,470	3,000	3,046
Interest paid		(11,530)	(10,581)	(11,530)	(11,200)	(10,581)
Goods and services tax refunded (paid)		(150)	(744)	(150)	85	(744)
Capital charge paid		(14,117)	(12,399)	(14,117)	(13,560)	(12,399)
Net cash flows from operating activities	13	**55,928**	**22,249**	**55,483**	**11,769**	**22,179**
Cash flows from investing activities						
Proceeds from sale of property, plant and equipment		0	0	0	0	0
Proceeds from sale of investments		336	1,808	0	0	0
Dividend received		0	0	0	0	0
Advance from associate		0	807	0	0	807
Acquisition of property, plant and equipment	7	(26,173)	(28,215)	(28,343)	(30,000)	(28,215)
Acquisition of other investments		(760)	(1,860)	0	0	0
Acquisition of intangible assets	8	(2,170)	(774)	0	0	(774)
Net cash flows from investing activities		**(28,767)**	**(28,234)**	**(28,343)**	**(30,000)**	**(28,182)**
Cash flows from financing activities						
Proceeds from equity injection		0	5,400	0	5,400	5,400
Borrowings raised		1,542	34,754	1,542	12,831	34,754
Repayment of borrowings		(22)	(17,572)	(22)	0	(17,572)
Net cash flows from financing activities		**1,520**	**22,582**	**1,520**	**18,231**	**22,582**
Net increase in cash and cash equivalents		28,681	16,597	28,660	0	16,579
Cash and cash equivalents at beginning of year		17,132	535	17,094	17,094	515
Cash and cash equivalents at end of year	13	**45,813**	**17,132**	**45,754**	**17,094**	**17,094**

The accompanying notes form part of and are to be read in conjunction with these financial statements.

Notes to the financial statements

Significant accounting policies for the year ended 30th June 2008

Reporting entity

Waitemata District Health Board ("WDHB") is a Health Board established by the New Zealand Public Health and Disability Act 2000. WDHB is a crown entity in terms of the Crown Entities Act 2004, owned by the Crown and domiciled in New Zealand. WDHB is a reporting entity for the purposes of the New Zealand Public Health and Disability Act 2000, the Financial Reporting Act 1993, the Public Finance Act 1989 and the Crown Entities Act 2004.

WDHB is a public benefit entity, as defined under NZIAS 1.

The consolidated financial statements of WDHB for the year ended 30 June 2008 comprise WDHB and its subsidiaries (together referred to as "Group") and WDHB's interest in associates and jointly controlled entities.

WDHB's activities involve delivering health and disability services and mental health services in a variety of ways to the community.

WDHB's corporate address:
Level 1, 15 Shea Terrace
Takapuna
NORTH SHORE CITY 1332

The financial statements were authorised for issue by the Board on 29 October 2008.

Statement of compliance

The financial statements have been prepared in accordance with Generally Accepted Accounting Practice in New Zealand (NZGAAP). They comply with New Zealand equivalents to International Financial Reporting Standards (NZIFRS), and other applicable Financial Reporting Standards, as appropriate for public benefit entities.

These are WDHB's first NZIFRS financial statements and NZIFRS 1 has been applied.
An explanation of how the transition to NZIFRS has affected the reported financial position and financial performance of WDHB is provided in note 25.

Basis of preparation

The financial statements are presented in New Zealand Dollars (NZD), rounded to the nearest thousand. The financial statements are prepared on the historical cost basis except that the following assets and liabilities are stated at their fair value: derivative financial instruments (foreign exchange and interest rate swap contracts), financial instruments classified at fair value through profit and loss and land and buildings.

The going concern concept is assumed when preparing these financial statements. Current and expected performance obligations and funding from bodies such as the government are expected to ensure the continued operation of the entity.

Non-current assets held for sale and disposal groups held for sale are stated at the lower of carrying amount and fair value less costs to sell.

The accounting policies set out below have been applied consistently to all periods presented in these financial statements and in preparing an opening NZIFRS Statement of Financial Position at 1 July 2006 for the purposes of the transition to NZIFRS.

Basis for consolidation

Subsidiaries

Subsidiaries are entities in which WDHB has the capacity to determine the financing and operating policies and from which it is has entitlement to significant ownership benefits. The financial statements include WDHB and its subsidiaries, the acquisition of which are accounted for using the purchase method. The effects of all significant intercompany transactions between entities that have been consolidated are eliminated on consolidation. In WDHB's financial statements, investments in subsidiaries are recognised at cost less any impairment losses.

Associates

Associates are those entities in which WDHB has significant influence, but not control, over the financial and operating policies.

The consolidated financial statements include WDHB's share of the total recognised gains and losses of associates on an equity accounted basis, from the date that significant influence commences until the date that significant influence ceases. When WDHB's share of losses exceeds its interest in an associate, WDHB's carrying amount is reduced to nil and recognition of further losses is discontinued except to the extent that WDHB has incurred legal or constructive obligations or made payments on behalf of an associate.

Transactions eliminated on consolidation

Intragroup balances and any unrealised gains and losses or income and expenses arising from intragroup transactions, are eliminated in preparing the consolidated financial statements. Unrealised gains arising from transactions with associates are eliminated to the extent of WDHB's interest in the entity. Unrealised losses are eliminated in the same way as unrealised gains, but only to the extent that there is no evidence of impairment.

Foreign currency

Foreign currency transactions

Transactions in foreign currencies are translated at the foreign exchange rate ruling at the date of the transaction. Monetary assets and liabilities denominated in foreign currencies at the balance sheet date are translated to NZD at the foreign exchange rate ruling at that date. Foreign exchange differences arising on translation are recognised in the income statement. Non-monetary assets and liabilities that are measured in terms of historical cost in a foreign currency are translated using the exchange rate at the date of the transaction. Non-monetary assets and liabilities denominated in foreign currencies that are stated at fair value are translated to NZD at foreign exchange rates ruling at the dates the fair value was determined.

Budget figures

The budget figures are those approved by the health board in its District Annual Plan and included in the Statement of Intent tabled in parliament. The budget figures have been prepared on a basis consistent with the accounting policies adopted by WDHB for the preparation of these financial statements.

Financial instruments

Non-derivative financial instruments

Non-derivative financial instruments comprise investments in equity securities, trade and other receivables, cash and cash equivalents, interest bearing loans and borrowings, and trade and other payables.

Non-derivative financial instruments are recognised initially at fair value plus, for instruments not at fair value through profit or loss, any directly attributable transaction costs. Subsequent to initial recognition non-derivative financial instruments are measured as described below.

A financial instrument is recognised if the DHB becomes a party to the contractual provisions of the instrument. Financial assets are derecognised if the DHB's contractual rights to the cash flows from the financial assets expire or if the DHB transfers the financial asset to another party without retaining control or substantially all risks and rewards of the asset. Regular way purchases and sales of financial assets are accounted for at trade date, i.e., the date that the DHB commits itself to purchase or sell the asset. Financial liabilities are derecognised if the DHB's obligations specified in the contract expire or are discharged or cancelled.

Cash and cash equivalents comprise cash balances and call deposits with maturity of no more than three months from the date of acquisition. Bank overdrafts that are repayable on demand and form an integral part of the DHB's cash management are included as a component of cash and cash equivalents for the purpose of the statement of cash flows.

Accounting for finance income and expense is explained in a separate note.

Instruments at fair value through profit or loss

The Group's investments in debt and equity securities are classified as at fair value through profit and loss. An instrument is classified as at fair value through profit or loss if it is held for trading or is designated as such upon initial recognition. Financial instruments are designated at fair value through profit or loss if the Group manages such investments and makes purchase and sale decisions based on their fair value and they are managed in accordance with a documented investment strategy. Upon initial recognition, attributable transaction costs are recognised in profit or loss when incurred. Subsequent to initial recognition, financial instruments at fair value through profit or loss are measured at fair value, and changes therein are recognised in profit or loss.

Other

Subsequent to initial recognition, other non-derivative financial instruments are measured at amortised cost using the effective interest method, less any impairment losses.

Investments in equity securities

Investments in equity securities held by WDHB are classified as designated at fair value through profit and loss, except for investments in equity securities of subsidiaries, associates and joint ventures which are measured at cost.

The fair value of equity investments classified as available-for-sale is their quoted bid price at the balance sheet date.

Trade and other receivables

Trade and other receivables are initially recognised at fair value and subsequently stated at their amortised cost less impairment losses. Bad debts are written off during the period in which they are identified.

Interest-bearing loans and borrowings

Interest-bearing loans and borrowings are classified as other non-derivative financial instruments and are recorded at amortised cost using the effective interest rate method.

Trade and other payables

Trade and other payables are stated at amortised cost using the effective interest rate.

Derivative financial instruments

WDHB uses foreign exchange and interest rate swap contracts to economically hedge its exposure to foreign exchange and interest rate risks arising from operational, financing and investment activities.
Derivatives that do not qualify for hedge accounting are accounted for as held for trading financial instruments.

Derivative financial instruments are recognised initially at fair value. Subsequent to initial recognition, derivative financial instruments are stated at fair value. The gain or loss on re-measurement to fair value is recognised immediately in the income statement. However, where derivatives qualify for hedge accounting, recognition of any resultant gain or loss depends on the nature of the item being hedged.

The fair value of interest rate swaps is the estimated amount that WDHB would receive or pay to terminate the swap at the balance sheet date, taking into account current interest rates and the current creditworthiness of the swap counterparties. The fair value of forward exchange contracts is their estimated market price at the balance sheet date, taking into account the forward rate effective at balance date and the contracted rate.

Property, plant and equipment

Classes of property, plant and equipment

Owned assets

Except for land and buildings, items of property, plant and equipment are stated at cost, less accumulated depreciation and impairment losses. The cost of self-constructed assets includes the cost of materials, direct labour, the initial estimate, where relevant, of the costs of dismantling and removing the items and restoring the site on which they are located, and an appropriate proportion of direct overheads.

Land and buildings are revalued to fair value as determined by an independent registered valuer, with sufficient regularity to ensure the carrying amount is not materially different to fair value, and at least every five years. Any increase in value of a class of land and buildings is recognised directly to equity unless it offsets a previous decrease in value recognised in the statement of financial position. Any decreases in value relating to a class of land and buildings are debited directly to the asset revaluation reserve, to the extent that they reverse previous surpluses and are otherwise recognised as an expense in the income statement .

Additions to property, plant and equipment between valuations are recorded at cost.

Where material parts of an item of property, plant and equipment have different useful lives, they are accounted for as separate components of property, plant and equipment.

Disposal of Property, Plant and Equipment

Where an item of plant and equipment is disposed of, the gain or loss recognised in the income statement is calculated as the difference between the net sales price and the carrying amount of the asset.

Leased assets

Leases where WDHB assumes substantially all the risks and rewards of ownership are classified as leasehold assets. The assets acquired are stated at an amount equal to the lower of their fair value and the present value of the minimum lease payments at inception of the lease, less accumulated depreciation and impairment losses.

Subsequent costs

Subsequent costs are added to the carrying amount of an item of property, plant and equipment when that cost is incurred if it is probable that the service potential or future economic benefits embodied within the new item will flow to WDHB. All other costs are recognised in the income statement as an expense as incurred.

Depreciation

Depreciation is charged to the income statement using the straight line method. Land is not depreciated.
Depreciation is set at rates that will write off the cost or fair value of the assets, less their estimated residual values, over their useful lives. These rates are reviewed annually. The estimated useful lives of major classes of assets and resulting rates are as follows

Class of asset	Estimated life	Depreciation rate
• Buildings	6-60 years	1.67% – 15%
• Leasehold Improvements	3-12 years	8.33% – 33.33%
• Plant, equipment and vehicles	5 to 15 years	10-20%
• IT Equipment	3 to 5 years	4-33%

The residual value of assets is reassessed annually. Work in progress is not depreciated. The total cost of a project is transferred to the appropriate class of asset on its completion and then depreciated.

Intangible assets

Software

Software that is acquired by WDHB is stated at cost less accumulated amortisation and impairment losses.

Amortisation

Amortisation is charged to the income statement on a straight-line basis over the estimated useful lives of intangible assets unless such lives are indefinite. Intangible assets with an indefinite useful life are tested for impairment at each balance sheet date. Intangible assets are amortised from the date they are available for use. The estimated useful lives are as follows:

Type of asset	Estimated life	Amortisation rate
• Software	3 to 5 years	20-33%

Inventories held for distribution

Inventories held for distribution are stated at the lower of cost and current replacement cost. Valuation is determined on a first in first out basis.

Impairment

The carrying amounts of WDHB's assets other than inventories are reviewed at each balance date to determine whether there is any indication of impairment. If any such indication exists, the assets' recoverable amounts are estimated.

If the estimated recoverable amount of an asset is less than its carrying amount, the asset is written down to its estimated recoverable amount and an impairment loss is recognised in the income statement.

All overdue receivables are assessed for impairment on an ongoing basis and appropriate provisions applied to individual invoices; taking into account age of the debt and payment histories of the debtor. Individual debts that are known to be uncollectible are written off when identified. An impairment provision equal to the receivable carrying amount is recognised when there is evidence that WDHB has exhausted all reasonable prospects of collecting the receivable.

For intangible assets that have an indefinite useful life and intangible assets that are not yet available for use, the recoverable amount is estimated at each balance sheet date and was estimated at the date of transition.

An impairment loss on property, plant and equipment revalued on a class of asset basis is recognised directly against any asset revaluation reserve in respect of the same class of asset to the extent that the impairment loss does not exceed the amount in the asset revaluation reserve for the same class of asset.

Notes to the financial statements
Significant accounting policies for the year ended 30th June 2008

Calculation of recoverable amount
The estimated recoverable amount of receivables carried at amortised cost is calculated as the present value of estimated future cash flows, discounted at their original effective interest rate. Receivables with a short duration are not discounted.

Estimated recoverable amount of other assets is the greater of their fair value less costs to sell and value in use. Value in use is calculated differently depending on whether an asset generates cash or not. For an asset that does not generate largely independent cash inflows, the recoverable amount is determined for the cash-generating unit to which the asset belongs.

Impairment gains and losses, for items of property, plant and equipment that are revalued on a class of assets basis, are also recognised on a class basis.

Reversals of impairment
Impairment losses are reversed when there is a change in the estimates used to determine the recoverable amount.

An impairment loss on an equity instrument investment classified as available-for-sale or on items of property, plant and equipment carried at fair value is reversed through the relevant reserve. All other impairment losses are reversed through the statement of financial performance.

An impairment loss is reversed only to the extent that the asset's carrying amount does not exceed the carrying amount that would have been determined, net of depreciation or amortisation, if no impairment loss had been recognised.

Interest-bearing borrowings
Interest-bearing borrowings are recognised initially at fair value, less attributable transaction costs. Subsequent to initial recognition, interest-bearing borrowings are stated at amortised cost with any difference between amortised cost and redemption value being recognised in the income statement over the period of the borrowings on an effective interest basis.

Employee benefits
Defined contribution plans
Obligations for contributions to defined contribution plans are recognised as an expense in the income statement as incurred.

Long service leave, sabbatical leave and retirement gratuities
WDHB's net obligation in respect of long service leave, sabbatical leave and retirement gratuities is the amount of future benefit that employees have earned in return for their service in the current and prior periods. The obligation is calculated using the projected unit credit method and is discounted to its present value. The discount rate is the market yield on relevant New Zealand government bonds at the balance sheet date.

Annual leave, conference leave, sick leave and medical education leave
Annual leave, conference leave, sick leave and medical education leave are short-term obligations and are calculated on an actual basis at the amount WDHB expects to pay. WDHB accrues the obligation for paid absences when the obligation both relates to employees' past services and it accumulates.

Provisions
A provision is recognised when WDHB has a present legal or constructive obligation as a result of a past event, and it is probable that an outflow of economic benefits will be required to settle the obligation. If the effect is material, provisions are determined by discounting the expected future cash flows at a pre-tax rate that reflects current market rates and, where appropriate, the risks specific to the liability.

Restructuring
A provision for restructuring is recognised when WDHB has approved a detailed and formal restructuring plan, and the restructuring has either commenced or has been announced publicly. Future operating costs are not provided for.

Revenue relating to service contracts
WDHB is required to expend all monies appropriated within certain contracts during the year in which it is appropriated. Should this not be done, the contract may require repayment of the money or WDHB, with the agreement of the Ministry of Health, may be required to expend it on specific services in subsequent years. The amount unexpended is recognised as a liability.

Notes to the financial statements

Significant accounting policies for the year ended 30th June 2008

Income tax

WDHB is a crown entity under the New Zealand Public Health and Disability Act 2000 and is exempt from income tax under section CB3 of the Income Tax Act 1994.

Goods and services tax

All amounts are shown exclusive of Goods and Services Tax (GST), except for receivables and payables that are stated inclusive of GST. Where GST is irrecoverable as an input tax, it is recognised as part of the related asset or expense.

Dividends

Dividend income is recognised in the income statement when the shareholder's right to receive payment is established.

Revenue

Crown funding

The majority of revenue is provided through an appropriation in association with a Crown Funding Agreement. Revenue is recognised monthly in accordance with the Crown Funding Agreement payment schedule, which allocates the appropriation equally throughout the year.

Goods sold and services rendered

Revenue from goods sold is recognised when WDHB has transferred to the buyer the significant risks and rewards of ownership of the goods and WDHB does not retain either continuing managerial involvement to the degree usually associated with ownership nor effective control over the goods sold.

Revenue from services is recognised, to the proportion that a transaction is complete, when it is probable that the payment associated with the transaction will flow to WDHB and that payment can be measured or estimated reliably, and to the extent that any obligations and all conditions have been satisfied by WDHB.

Interest

Interest received and receivable on funds invested is recognised as interest accrues using the effective interest method, allocating the interest income over the relevant period.

Expenses

Operating lease payments

Payments made under operating leases are recognised in the income statement on a straight-line basis over the term of the lease. Lease incentives received are recognised in the income statement over the lease term as an integral part of the total lease expense.

Financing costs

Net financing costs comprising of interest paid and payable on borrowings are calculated using the effective interest rate method accrued on a daily basis and allocated to the relevant period.

New standards adopted and interpretations not yet adopted

Certain new standards, amendments and interpretations to existing standards have been published that are not yet effective for the year ended 30 June 2008, and have not been adopted in preparing these consolidated financial statements. The new standards will be applied once they become effective and the adoption of the following standards is not expected to have a material impact on WDHB's parent or consolidated financial statements.

- NZIAS 1, Presentation of Financial Statements (revised) - (effective from annual periods beginning on or after 1 January 2008)
- NZIAS 23, Borrowing costs (revised) - (effective from annual periods beginning on or after 1 January 2009)
- NZIAS 27, Consolidated and Separate financial statements (amended 2008) – (effective from annual periods beginning on or after 1 July 2009)
- NZIFRS 3, Business Combinations (amended 2008) – (effective from annual periods beginning on or after 1 July 2009)
- NZ IFRIC 14, NZIAS 19 The Limit on a Defined Benefit Asset, Minimum Funding Requirements and their Interaction (effective from annual periods beginning 1 January 2008).

These changes are expected to have no or minimal impact on WDHB's reported results.

Notes to the financial statements

Significant accounting policies for the year ended 30th June 2008

Statement of Service Performance

Cost of Service

The cost of service statements, as reported in the statement of service performance, report the net cost of services for the outputs of WDHB and are represented by the cost of providing the output less all the revenue that can be allocated to these activities.

Cost Allocation

WDHB has arrived at the net cost of service for each significant activity using the cost allocation system outlined below.

Cost Allocation Policy

Direct costs are charged directly to output classes. Indirect costs are charged to output classes based on cost drivers and related activity and usage information.

Criteria for Direct and Indirect Costs

Direct costs are those costs directly attributable to an output class.
Indirect costs are those costs that cannot be identified in an economically feasible manner with a specific output class.

Cost Drivers for Allocation of Indirect Costs

The cost of internal services not directly charged to outputs is allocated as overheads using appropriate cost drivers such as actual usage, staff numbers and floor area.

Notes to the financial statements for the year ended 30th June 2008

in thousands of New Zealand Dollars

1 Revenue

	Note	Group		Parent	
		2008 Actual	2007 Actual	2008 Actual	2007 Actual
		$000	$000	$000	$000
Health and disability services (MOH contracted revenue)		1,012,225	883,769	1,012,225	883,769
Clinical Training Agency		8,233	7,209	8,233	7,209
ACC contract		6,686	5,842	6,686	5,842
Inter District Patient Inflows		67,272	75,831	67,272	75,831
Other revenue		347	1,696	1,150	1,146
		1,094,763	974,347	1,095,566	973,797

Revenue for health services includes all revenue received from the Crown (via the Ministry of Health), Accident Rehabilitation and Compensation Insurance Corporation (ACC), and other sources.

2 Other income

	Group		Parent	
	2008 Actual	2007 Actual	2008 Actual	2007 Actual
	$000	$000	$000	$000
Gain on sale of property, plant and equipment	99	26	99	26
Patient related	3,732	3,943	3,732	3,943
Donations and bequests received	625	273	197	3
Professional fees, training and research grants	3,602	1,504	2,129	1,504
Other	7,386	5,264	7,386	5,264
	15,444	11,010	13,543	10,740

3 Other expenses

	Group		Parent	
	2008 Actual	2007 Actual	2008 Actual	2007 Actual
	$000	$000	$000	$000
Impairment of trade receivables (bad and doubtful debts)	488	175	488	175
Loss on disposal of property, plant and equipment	0	0	0	0
Audit fees (for the audit of the financial statements)	190	121	183	121
Fees paid to auditor for other services (NZIFRS Transition)	30	24	30	24
Fees for Board Members and co-opted committee members (20)	379	371	379	371
Operating lease expenses	816	801	816	801
Koha	29	22	29	22
Other	84	23	(32)	54
	2,016	1,537	1,893	1,568

Notes to the financial statements for the year ended 30th June 2008

in thousands of New Zealand Dollars

4 Employee benefit costs

	Group		Parent	
	2008 Actual $000	2007 Actual $000	2008 Actual $000	2007 Actual $000
Wages and salaries	362,484	321,325	361,739	320,712
Contributions to defined contribution plans	4,143	3,408	4,143	3,408
Increase/(decrease) in employee benefit provisions	3,222	7,003	3,222	7,003
	369,849	331,736	369,104	331,123

5a Finance income

	Group		Parent	
	2008 Actual $000	2007 Actual $000	2008 Actual $000	2007 Actual $000
Dividends received	2	0	2	0
Interest income	9,631	3,323	9,299	3,046
Net gain on re-measurement of financial assets at fair value through profit or loss	171	2,178	171	2,178
	9,804	5,501	9,472	5,224

5b Finance costs

	Group		Parent	
	2008 Actual $000	2007 Actual $000	2008 Actual $000	2007 Actual $000
Interest expense	15,030	10,593	14,777	10,593
	15,030	10,593	14,777	10,593

6 Capital charge

Waitemata DHB pays a monthly capital charge to the Crown based on the greater of its actual or budgeted closing equity balance for the month. The capital charge rate for the period ended 30 June 2008 was 8% per cent (2007: 8% per cent).

7 Property, plant and equipment

Group and parent

	Freehold Land at Valuation	Freehold Buildings at Valuation	Leasehold Improvements	Plant, Equipment and Vehicles	IT Equipment	Work in progress	Total
	$000	$000	$000	$000	$000	$000	$000
Cost							
Balance at 1 July 2006	126,897	217,098	8,026	70,814	22,756	3,817	449,408
Additions	0	7,100	696	5,479	2,380	15,801	31,456
Disposals	0	0	0	(617)	(20)	0	(637)
Balance at 30 June 2007	126,897	224,198	8,722	75,676	25,116	19,618	480,227
Balance at 1 July 2007	126,897	224,198	8,722	75,676	25,116	19,618	480,227
Additions	840	26,280	239	11,808	2,695	0	41,682
Disposals	0	0	0	(782)	0	0	(782)
Transfer to additions	0	0	0	0	0	(17,109)	(17,109)
Balance at 30 June 2008	127,737	250,478	8,961	86,702	27,811	2,509	504,198
Depreciation and impairment losses							
Balance at 1 July 2006	0	0	854	42,960	15,067	0	58,881
Depreciation charge for the year	0	8,470	513	5,907	2,859	0	17,749
Disposals	0	0	0	(562)	(19)	0	(581)
Balance at 30 June 2007	0	8,470	1,367	48,305	17,907	0	76,049
Balance at 1 July 2007	0	8,470	1,367	48,305	17,907	0	76,049
Depreciation charge for the year	0	9248	587	6,369	2,933	0	19,137
Disposals	0	0	0	(742)	0	0	(742)
Balance at 30 June 2008	0	17,718	1,954	53,932	20,840	0	94,444
Carrying amounts							
At 1 July 2006	126,897	217,098	7,172	27,854	7,689	3,817	390,527
At 30 June 2007	126,897	215,728	7,355	27,371	7,209	19,618	404,178
At 30 June 2008	127,737	232,760	7,007	32,770	6,971	2,509	409,754

Revaluation

Current Crown accounting policies require all crown entities to revalue land and buildings in accordance with NZIAS 16, Property, Plant and Equipment. Current valuation standards and guidance notes have been developed in association with the Treasury for the valuation of hospitals and tertiary institutions.

The revaluation of land and buildings was carried out as at 30 June 2006 by M E Gamby, an independent registered valuer with Telfer Young and a member of the New Zealand Institute of Valuers. The valuation conforms to International Valuation Standards and was based on an optimised depreciation replacement cost methodology. The valuer was contracted as an independent valuer. Revaluations are conducted on a cycle not exceeding five years.

The total fair value of land and buildings valued by the valuer amounted to $343,995,000 at 30th June 2006. The revaluation surplus is disclosed in the statement of changes in equity.

Restrictions

WDHB does not have full title to Crown land it occupies but transfer is arranged if and when land is sold. Some of the land may be subject to Waitangi Tribunal claims. The disposal of certain properties may be subject to the provision of section 40 of the Public Works Act 1981.

Titles to land transferred from the Crown to WDHB may be subject to a memorial in terms of the Treaty of Waitangi Act 1975 (as amended by the Treaty of Waitangi (State Enterprises) Act 1988). The effect on the value of assets resulting from potential claims under the Treaty of Waitangi Act 1975 cannot be quantified.

8 Intangible assets
Group and parent

	Total Software $000
Cost	
Balance at 1 July 2006	23,372
Additions	774
Balance at 30 June 2007	24,146
Balance at 1 July 2007	24,146
Additions	2,170
Balance at 30 June 2008	26,316
Amortisation and impairment losses	
Balance at 1 July 2006	19,659
Amortisation charge for the year	1,056
Balance at 30 June 2007	20,715
Balance at 1 July 2007	20,715
Amortisation charge for the year	1,267
Balance at 30 June 2008	21,982
Carrying amounts	
At 1 July 2006	3,713
At 30 June 2007	3,431
At 30 June 2008	4,334

9 Inventories held for distribution
Group and parent

	2008 Actual $000	2007 Actual $000
Pharmaceuticals	509	397
Surgical and medical supplies	4,207	3,827
Other supplies	191	159
	4,907	4,383

Write-down of inventories amounted to $0 for 2008 (2007: $0).

No inventories are pledged as security for liabilities.

10 Investments in associates

WDHB has the following investments in associates:

a) General information

Name of entity	Principal activities	Interest held at 30 June 2008	Balance date
healthAlliance NZ Limited	Professional services	50%	30 June
Northern DHB Support Agency	Professional advice and consultancy services	33.3%	30 June
Auckland Regional RMO Service Limited	Allocation of Resident Medical Officers (RMOs) and other functions related to RMO training	34%	30 June

b) Summary of financial information on associate entities (100 per cent)

2008 Actual	Assets $000	Liabilities $000	Equity $000	Revenues $000	Profit/ (loss) $000
healthAlliance NZ Limited	7,703	7,703	0	32,112	0
Northern DHB Support Agency	5,455	5,173	282	6,156	60
Auckland Regional RMO Service Limited	2,490	2,489	1	2,005	0
	15,648	15,365	283	40,273	60

2007 Actual	Assets $000	Liabilities $000	Equity $000	Revenues $000	Profit/ (loss) $000
healthAlliance NZ Limited	7,638	7,638	0	29,837	0
Northern DHB Support Agency	3,446	3,224	222	7,471	70
Auckland Regional RMO Service Limited	1,819	1,818	1	939	41
	12,903	12,680	223	38,247	111

c) Share of profit of associate entities

	2008 Actual $000	2007 Actual $000
Share of profit/(loss) before tax	20	37
Less: tax expense	0	0
Share of profit/(loss) after tax	20	37

The Group's share of profit and losses shown above has not been accounted for due to their immateriality and the intended breakeven of all associates.

d) Investment in associate entities

	2008 Actual $000	2007 Actual $000
Carrying amount at beginning of year	0	0
Acquisition of new investments	0	0
Share of total recognised revenue and expenses	0	0
Dividends	0	0
Other movements	0	0
Carrying amount at end of year	0	0

11 Other investments

	Group		Parent	
	Actual 2008	Actual 2007	Actual 2008	Actual 2007
Non-current	$000	$000	$000	
Debt and equity securities classified at fair value through profit and loss	1,917	2,253	0	0
	1,917	2,253	0	0
Current				
Debt and equity securities classified at fair value through profit and loss	2,180	1,421	0	0
	2,180	1,421	0	0

12 Trade and other receivables

	Note	Group		Parent	
		Actual 2008	Actual 2007	Actual 2008	Actual 2007
		$000	$000	$000	$000
Trade receivables due from associates	20	203	237	331	274
Trade receivables from non-related parties		2,637	4,788	2,325	4,492
Ministry of Health receivables		7,870	9,036	7,870	9,036
Accrued income		16,548	17,706	16,548	17,706
Prepayments		376	487	376	487
Fair value of foreign exchange and interest rate swaps		2,206	2,377	2,206	2,377
		29,840	34,631	29,656	34,372

Trade receivables are shown net of provision for doubtful debts amounting to $879,000 (2007: $982,000) recognised in the current year and arising from analysis of past payment performance.

13 Cash and cash equivalents

	Group		Parent	
	Actual 2008	Actual 2007	Actual 2008	Actual 2007
	$000	$000	$000	$000
Bank balances	1,813	632	1,754	594
Call deposits	44,000	16,500	44,000	16,500
Cash and cash equivalents	45,813	17,132	45,754	17,094
Bank overdrafts	0	0	0	0
Cash and cash equivalents in the statement of cash flows	45,813	17,132	45,754	17,094

WDHB administers certain funds on behalf of patients. These funds are held in separate bank accounts and interest earned is allocated to the individual patients.

Working capital facility
WDHB has a working capital facility supplied by Westpac New Zealand Limited, which was established in November 2004. The facility consists of a bank overdraft and revolving multi-option credit facility. The facility was unused at 30 June 2008.
The Westpac working capital facility is secured by a negative pledge. Without Westpac's prior written consent, WDHB cannot perform the following actions:

- create any security over its assets except in certain circumstances,
- lend money to another person or entity (except in the ordinary course of business and then only on commercial terms) or give a guarantee,
- make a substantial change in the nature or scope of its business as presently conducted.

At all times since the facility was established the covenant has been met. The Westpac facility has a limit of $39m.

13 Cash and cash equivalents (continued)

Reconciliation of surplus for the period with net cash flows from operating activities:

	Note	Group Actual 2008 $000	Group Actual 2007 $000	Parent Actual 2008 $000	Parent Actual 2007 $000
Surplus for the period	14	4,639	8,261	4,330	7,746
Add back non-cash items:					
Depreciation and assets written off		20,404	18,805	20,404	18,805
Add back items classified as financing activity:					
Interest Rate Swaps		171	(2,178)	171	(2,178)
Movements in working capital:					
(Increase)/decrease in trade and other receivables		4,791	(21,254)	4,716	(20,909)
(Increase)/decrease in inventories		(524)	(7)	(524)	(7)
Increase/(decrease) in trade and other payables		23,225	11,842	23,164	11,942
Increase/(decrease) in provisions		3,222	6,780	3,222	6,780
Net movement in working capital		30,715	(2,639)	30,578	(2,194)
Net cash inflow/(outflow) from operating activities		55,928	22,249	55,483	22,179

14 Capital and reserves (Group and parent)

Revaluation reserve

The revaluation reserve relates to land and buildings.

Trust/ Special funds

Special funds are funds donated or bequeathed for a specific purpose. The use of these assets must comply with the specific terms of the sources from which the funds were derived. The revenue and expenditure in respect of these funds is included in the income statement. An amount equal to the expenditure is transferred from the Trust fund component of equity to retained earnings. An amount equal to the revenue is transferred from retained earnings to trust funds.

All trust funds are held in bank accounts that are separate from WDHB's normal banking facilities.

Trust/ Special funds Group	2008 Actual $000	2007 Actual $000
Balance at beginning of year	3,952	3,437
Transfer from retained earnings in respect of:		
Interest received	332	277
Donations and funds received	2,111	1,671
Transfer to retained earnings in respect of:		
Funds spent	(2,134)	(1,433)
Balance at end of year	4,261	3,952

15 Interest-bearing loans and borrowings (Group and parent)

	2008 Actual $000	2007 Actual $000
Non-current		
Secured loans	165,796	164,254
Current		
Current portion of secured bank loans	0	19
	165,796	164,273

Secured bank loans (parent only)
WDHB has a secured loan with the Crown Health Financing Agency. The details of terms and conditions are as follows:

Interest rate summary	2008 Actual	2007 Actual
Crown Health Financing Agency	6.31-7.89%	6.31-8.01%

Repayable as follows:	2008 Actual $000	2007 Actual $000
Within one year	0	0
More than 12 months	165,796	165,254

WDHB has the right and expects to re-finance or roll-over its loans with Crown Health Financing Agency upon maturity, provided that any such roll over does not extend beyond the facility expiry date (31 December 2017), and the Terms and Conditions are complied with in all other respects.

Term loan facility limits	2008 Actual $000	2007 Actual $000
Crown Health Financing Agency	165,796	165,796
Westpac	39,000	39,000

Security and terms
The term loan is secured. Continued use of this facility is subject to normal commercial loan covenants such as interest cover.

WDHB uses interest rate swaps in order to manage interest rate risk. The notional principal or contract amount of interest rate swaps outstanding at 30 June 2008 was $57m (pay floating), $52m (pay fixed) and $10m collar (receive fixed). (2007:($52m (pay fixed) and $10m collar (receive fixed)).

The loan facility is provided by the Crown Health Financing Agency.
The Crown Health Financing Agency term liabilities are secured by a negative pledge. Without the Crown Health Financing Agency's prior written consent WDHB cannot perform the following actions:

- create any security over its assets except in certain circumstances,
- lend money to another person or entity (except in the ordinary course of business and then only on commercial terms) or give a guarantee,
- make a substantial change in the nature or scope of its business as presently conducted or undertake any business or activity unrelated to health; and
- dispose of any of its assets except disposals at full value in the ordinary course of business.

WDHB must also meet the following covenants:

- interest cover: earnings must exceed funding costs by at least three times
- debt to debt plus equity: interest bearing debt is less than 60 per cent of the total of interest bearing debt plus equity.

The covenants have been complied with at all times since the facility was established. The Government of New Zealand does not guarantee term loans.

16 Employee benefits

Group and parent

	2008 Actual $000	2007 Actual $000
Non-current liabilities		
Liability for long-service leave	3,116	2,645
Liability for retirement gratuities	6,251	5,453
Liability for continuing medical education	3,047	2,632
Liability for other employee entitlements	2,737	1,016
	15,151	11,746

	2008 Actual	2007 Actual
Current liabilities		
Liability for long-service leave	91	169
Liability for sabbatical leave	300	300
Liability for retirement gratuities	860	643
Liability for annual leave	29,622	26,439
Liability for sick leave	1,068	262
Liability for continuing medical education leave	3,395	3,976
Salary and wages accrual	4,073	4,398
	39,409	36,187

17 Trade and other payables

	Note	Group Actual 2008 $000	Group Actual 2007 $000	Parent Actual 2008 $000	Parent Actual 2007 $000
Trade payables due to associates	20	148	281	161	281
Trade payables to non-related parties		70,848	55,175	70,756	55,156
ACC levy payable		2,350	1,802	2,350	1,802
GST and PAYE payable		10,156	8,628	10,156	8,628
Income in advance relating to contracts with specific performance obligations		524	3,966	524	3,966
Capital charge due to the Crown		1,186	1,182	1,186	1,182
Other non-trade payables and accrued expenses		19,218	14,598	19,218	14,598
		104,430	85,632	104,351	85,613

18 Commitments

Group and parent

Non- lease commitments	Group Actual 2008 $000	Group Actual 2007 $000	Parent Actual 2008 $000	Parent Actual 2007 $000
Capital commitments	3,225	5,108	3,225	5,108
Non-cancellable – operating lease commitments				
Not more than one year	8,366	5,937	8,366	5,937
One to two years	4,283	4,357	4,283	4,357
Two to five years	11,546	11,166	11,546	11,166
Over five years	23,812	24,559	23,812	24,559
	48,007	**46,019**	**48,007**	**46,019**

WDHB leases a number of buildings, vehicles and office equipment (mainly photocopiers and computers) under operating leases. The leases typically run for a period of up to 25 years (for buildings) and 3 years (for vehicles and office equipment), with an option to renew the lease after that date.

19 Financial instruments

Exposure to credit, interest rate and currency risks arise in the normal course of WDHB's operations. Derivative financial instruments are used to economically hedge exposure to fluctuations in foreign exchange rates and interest rates.

Credit risk
Financial instruments, which potentially subject WDHB to concentrations of risk, consist principally of cash, short-term deposits, accounts receivable and other investments.

WDHB places its cash and short-term deposits with high-quality financial institutions and has a policy that limits the amount of credit exposure to any one financial institution.

Concentrations of credit risk from accounts receivable are limited due to the large number and variety of customers. The Ministry of Health is the largest single debtor (approximately 69 per cent). It is assessed to be a low risk and high-quality entity due to its nature as the government funded purchaser of health and disability support services.

The status of trade receivables at the reporting date is as follows:

Trade receivables	**Parent**		**Parent**	
	Gross Receivable 2008	**Impairment 2008**	**Gross Receivable 2007**	**Impairment 2007**
	$000	**$000**	**$000**	**$000**
Not past due	8,934	0	6,492	0
Past due 0-30 days	700	0	5,994	0
Past due 31-90 days	834	0	326	0
Past due more than 91 days	885	(879)	1,276	(982)
Total	11,353	(879)	14,088	(982)

In summary, trade receivables are determined to be impaired as follows:

Trade receivables	**Parent**	
	Actual 2008	**Actual 2007**
	$000	**$000**
Gross trade receivables	11,353	14,088
Individual impairment	(879)	(982)
Net total trade receivables	10,474	13,106

Group figures have not been presented, as parent receivables comprise the vast majority of group receivables. Group receivables held by subsidiaries are immaterial.

At the balance sheet date there were no significant other concentrations of credit risk. The maximum exposure to credit risk is represented by the carrying amount of each financial asset, including derivative financial instruments, in the balance sheet.

Liquidity risk
Liquidity risk represents WDHB's ability to meet its contractual obligations. WDHB evaluates its liquidity requirements on an ongoing basis. In general, the WDHB generates sufficient cash flows from its operating activities to meet its obligations arising from its financial liabilities and has credit lines in place to cover potential shortfalls.

19 Financial instruments (continued)

Liquidity risk

The following table sets out the contractual cash flows for the principal portion of all financial liabilities and for derivatives which have a negative fair value or that are settled on a gross cash flow basis.

2008 Group	Balance sheet	Contractual cash flow	6 mths or less	6-12 mths	1-2 years	2-5 years	More than 5 years
	$000	$000	$000	$000	$000	$000	$000
Secured bank loans	165,796	(165,796)	0	0	0	0	(165,796)
Trade and other payables	104,430	(104,430)	(104,430)	0	0	0	0
Total	270,226	(270,226)	(104,430)	0	0	0	(165,796)
2008 Parent							
Secured bank loans	165,796	(165,796)	0	0	0	0	(165,796)
Trade and other payables	104,351	(104,351)	(104,351)	0	0	0	0
Total	270,147	(270,147)	(104,351)	0	0	0	(165,796)
2007 Group							
Secured bank loans	164,273	(164,273)	(19)	0	0	0	(164,254)
Trade and other payables	85,903	(85,903)	(85,903)	0	0	0	0
Total	250,176	(250,176)	(85,922)	0	0	0	(164,254)
2007 Parent							
Secured bank loans	164,273	(164,273)	(19)	0	0	0	(164,254)
Trade and other payables	85,884	(85,884)	(85,884)	0	0	0	0
Total	250,157	(250,157)	(85,903)	0	0	0	(164,254)

in thousands of New Zealand Dollars

19 Financial instruments (continued)

Market risk

WDHB enters into derivative arrangements in the ordinary course of business to manage foreign currency and interest rate risks. The Finance and Audit Committee composed of board members, with input from senior management and internal auditors, provides oversight for risk management. This committee determines WDHB's financial risk policies and objectives, and provides guidelines for derivative instrument utilisation. This committee also establishes procedures for control and valuation, risk analysis, counterparty credit approval, and ongoing monitoring and reporting.

Summary of treasury policy

	Amount	Floating	Fixed	1-4 years	4-7 years	7-10 years
Policy		10-50%	50-90%	30-60%	20-50%	0-40%
Actual Term Debt 2008	$165,796,000	22%	78%	39%	44%	17%
Actual Term Debt 2007	$164,254,000	18%	82%	39%	35%	26%

Interest rate risk

Interest rate risk is the risk that the fair value of a financial instrument will fluctuate or, the cash flows from a financial instrument will fluctuate, due to changes in market interest rates.

WDHB adopts a policy of ensuring that between 50 and 90 per cent of its exposure to changes in interest rates on borrowings is on a fixed rate basis. Interest rate swaps, denominated in NZD, have been entered into to achieve an appropriate mix of fixed and floating rate exposure within WDHB's policy. The swaps mature over the next six years following the maturity of the related loans (see the following table) and have fixed swap rates ranging from 6.295% per cent to 6.705% per cent. At 30 June 2008, WDHB had interest rate swaps with notional contract amounts of $57m (pay floating), $52m (pay fixed) and $10m collar (pay fixed). (2007:($52m (pay fixed), $47m (pay floating) and $10m collar (pay fixed)).

The net fair value of swaps at 30 June 2008 was $2,206,000 (2007: $2,377,000). These amounts were recognised as fair value derivatives in the statement of financial position.

19 Financial instruments (continued)

Effective interest rates and repricing analysis
In respect of interest-earning financial assets and interest-bearing financial liabilities, the following table indicates their effective interest rates at the balance sheet date and the periods in which they reprice.

	Note	Group and Parent 2008 Actual						
		Effective interest rate	Total	6 mths or less	6-12 mths	1-2 yrs	2-5 yrs	More than 5 yrs
		%	$000	$000	$000	$000	$000	$000
Cash and cash equivalents	13	7.25-11.25%	45,813	45,813	0	0	0	0
NZD loans	15	6.31-7.89%	(165,796)	(22,000)	(8,100)	(15,000)	0	(120,696)
Effect of interest rate swaps (net)		6.29-7.77%	0	5,000	(20,000)	0	(42,000)	57,000
			(119,983)	28,813	(28,100)	(15,000)	(42,000)	(63,696)

	Note	Group and Parent 2007 Actual						
		Effective interest rate	Total	6 mths or less	6-12 mths	1-2 yrs	2-5 yrs	More than 5 yrs
		%	$000	$000	$000	$000	$000	$000
Cash and cash equivalents	13	6.65-9.3%	19,791	17,677	244	395	624	851
NZD loans	15	6.31-8.01%	(164,273)	(22,019)	(22,154)	(8,100)	(15,000)	(97,000)
Effect of interest rate swaps (net)		6.295-6.94%	0	15,000	0	(20,000)	(27,000)	32,000
			(144,482)	10,658	(21,910)	(27,705)	(41,736)	(64,149)

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19 Financial instruments (continued)

Foreign currency risk

Foreign exchange risk is the risk that the fair value of future cash flows of a financial instrument will fluctuate because of changes in foreign exchange rates.

WDHB is exposed to foreign currency risk on purchases that are denominated in a currency other than NZD. The currency giving rise to this risk is primarily U.S. Dollars.

WDHB hedges between 0 and 50 per cent of all trade receivables and trade payables denominated in a foreign currency. At any point in time WDHB also hedges between 0 and 50 percent of its estimated foreign currency exposure in respect of forecasted purchases over the following six months. WDHB uses forward exchange contracts to hedge its foreign currency risk. Most of the forward exchange contracts have maturities of less than one year after the balance sheet date. Where necessary, the forward exchange contracts are rolled over at maturity. In respect of other monetary assets and liabilities held in currencies other than NZD, WDHB ensures that the net exposure is kept to an acceptable level, by buying or selling foreign currencies at spot rates where necessary to address short-term imbalances.

WDHB had no outstanding foreign exchange contracts at year end.

Capital management policy

The WDHB's capital is its equity, which comprises Crown equity, asset revaluation reserves, trust / special funds and retained earnings. Equity is represented by net assets. The WDHB manages its revenues, expenses, assets, liabilities and general financial dealings prudently in compliance with the budgetary processes.

The WDHB's policy and objectives of managing the equity is to ensure the WDHB effectively achieves its goals and objectives, whilst maintaining a strong capital base. The WDHB policies in respect of capital management are reviewed regularly by the governing Board.

There have been no material changes in the WDHB's management of capital during the period.

Sensitivity analysis

In managing interest rate and currency risks WDHB aims to reduce the impact of short-term fluctuations on WDHB's earnings. Over the longer-term, however, permanent changes in foreign exchange and interest rates would have an impact on consolidated earnings.

At 30 June 2008, it is estimated that a general increase of one percentage point in interest rates would increase WDHB's surplus by approximately $0.180m (2007: $0.080m). Fair value movements on interest rate swaps have not been included in this calculation.

Any likely change in foreign currency exchange rates is considered to cause only an insignificant impact on the DHB's profit and loss.

19 Financial instruments (continued)

Classification and fair values

The classification and fair values together with the carrying amounts shown in the statement of financial position are as follows:

2008 Actual Group	Note	Held for trading	Designated at fair value through profit & loss	Loans and receivables	Financial liabilities at amortised cost	Carrying amount	Fair value
		$000	$000	$000	$000	$000	$000
Trade and other receivables	12	0	0	27,258	0	27,258	27,258
Cash and cash equivalents	13	0	0	45,813	0	45,813	45,813
Other investments	11	0	4,097	0	0	4,097	4,097
Interest rate swaps:							
Assets	13	2,206	0	0	0	2,206	2,206
Liabilities		0	0	0	0	0	0
Secured bank loans	15	0	0	0	(165,796)	(165,796)	(168,687)
Trade and other payables	17	0	0	0	(104,430)	(104,430)	(104,430)
		2,206	4,097	73,071	(270,226)	(190,852)	(193,743)
2008 Actual Parent							
Trade and other receivables	12	0	0	26,074	0	26,074	26,074
Cash and cash equivalents	13	0	0	45,754	0	45,754	45,754
Other investments	11	0	0	0	0	0	0
Interest rate swaps:							
Assets	13	2,206	0	0	0	2,206	2,206
Liabilities		0	0	0	0	0	0
Secured bank loans	15	0	0	0	(165,796)	(165,796)	(168,687)
Trade and other payables	17	0	0	0	(104,351)	(104,351)	(104,351)
		2,206	0	72,828	(270,147)	(195,113)	(198,004)

19 Financial instruments (continued)

2007 Actual Group	Note	Held for trading	Designated at fair value through profit & loss	Loans and receivables	Financial liabilities at amortised cost	Carrying amount	Fair value
		$000	$000	$000	$000	$000	$000
Trade and other receivables	12	0	0	31,767	0	31,767	31,767
Cash and cash equivalents	13	0	0	17,132	0	17,132	17,132
Other investments	11	0	3,674	0	0	3,674	3,674
Interest rate swaps:							
Assets	13	2,377	0	0	0	2,377	2,377
Liabilities		0	0	0	0	0	0
Secured bank loans	15	0	0	0	(164,254)	(164,254)	(167,120)
Trade and other payables	17	0	0	0	(85,903)	(85,903)	(85,903)
		2,377	3,674	48,889	(250,157)	(195,207)	(198,073)

2007 Actual Parent	Note	Held for trading	Designated at fair value through profit & loss	Loans and receivables	Financial liabilities at amortised cost	Carrying amount	Fair value
		$000	$000	$000	$000	$000	$000
Trade and other receivables	12	0	0	31,508	0	31,508	31,508
Cash and cash equivalents	13	0	0	17,094	0	17,094	17,094
Other investments		0	0	0	0	0	0
Interest rate swaps:							
Assets	13	2,377	0	0	0	2,377	2,377
Liabilities		0	0	0	0	0	0
Secured bank loans	15	0	0	0	(164,254)	(164,254)	(167,120)
Trade and other payables	17	0	0	0	(85,884)	(85,884)	(85,884)
		2,377	0	48,602	(250,138)	(199,159)	(202,025)

19 Financial instruments (continued)

Estimation of fair values analysis

The following summarises the major methods and assumptions used in estimating the fair values of financial instruments reflected in the table.

Securities

Fair value is based on quoted market prices at the balance sheet date without any deduction for transaction costs.

Derivatives

Interest rate swaps are either marked to market using listed market prices or broker quotes are used, those quotes are back tested using pricing models or discounted cash flow techniques.

Where discounted cash flow techniques are used, estimated future cash flows are based on management's best estimates and the discount rate is a market related rate for a similar instrument at the balance sheet date. Where other pricing models are used, inputs are based on market related data at the balance sheet date.

Interest-bearing loans and borrowings

Fair value is calculated based on discounted expected future principal and interest cash flows.

Trade and other receivables / payables

For receivables / payables with a remaining life of less than one year, the notional amount is deemed to reflect the fair value. All other receivables / payables are discounted to determine the fair value.

Interest rates used for determining fair value

The entity uses the government yield curve as of 30 June 2008 plus an adequate constant credit spread to discount financial instruments. The interest rates used are as follows:

	2008 Actual $000	2007 Actual $000
Derivatives	6.29-7.77%	6.29-6.94%
Loans and borrowings	6.31-7.89%	6.31-8.01%

20 Related parties

Identity of related parties

WDHB has a related party relationship with its subsidiaries, associates and with its board members, directors and executive leadership team, as well as with other entities controlled by the Crown.

In the financial year ended 30 June 2008 the combined remuneration of the 13 members of the Executive Leadership Team was $2,418,503 (2007: 14 members with combined remuneration $2,508,976).

As detailed earlier in this Annual Report, annual fees totalling $379k were paid to Board members and co-opted Committee Members of Waitemata DHB (2007: $371k).

Sales to related parties

	2008 Actual $000	2007 Actual $000
Northern DHB Support Agency Ltd	0	0
Three Harbours Health Foundation	1,012	813
HealthAlliance NZ Limited	0	0
	1,012	813

20 Related parties (continued)

Outstanding balances from related parties

	2008 Actual $000	2007 Actual $000
Northern DHB Support Agency Ltd	203	237
Three Harbours Health Foundation	128	37
HealthAlliance NZ Limited	0	0
	331	274

Outstanding balances to related parties

	2008 Actual $000	2007 Actual $000
Northern DHB Support Agency Ltd	0	198
Three Harbours Health Foundation	13	0
HealthAlliance NZ Limited	148	83
	161	281

Transactions with subsidiaries and associates are priced on an arm's length basis.

Notes to the financial statements for the year ended 30th June 2008

in thousands of New Zealand Dollars

20 Related parties (continued)

During the financial year WDHB funded or made payments to entities in which Board members had governance, shareholder or other interests. Board members do not participate in decisions directly related to funding of their related entities. See also the schedule of Board Members' Interests included earlier in this annual report.

Board member	Relationship	Organisation	Total payments by WDHB to the organisation in 2007/08 $000	Outstanding at period end $000	Nature of Service
Max Abbott	Pro Vice-Chancellor and Dean, Faculty of Health and Environmental Sciences	Auckland University of Technology	103	68	Workforce development in nursing, podiatry and other healthcare professions.
	Patron	Raeburn House	24	0	Mental health promotion, networking and information
Pat Booth	Consulting Editor	Fairfax Suburban Papers, Auckland and Northland	13	0	Advertising
Lynne Coleman	General Practitioner. Shareholder of CHS Ltd, an IPA affiliated to Harbour PHO.	CHS Ltd and Harbour PHO	21,815	362	Total of payments to Harbour PHO, for General Practitioner and related services
	Chair	Shorecare Medical Services Ltd	161	10	Payments were mainly for after hours GP services
	Director	Apollo Health Ltd	105	11	General Practitioner and related services
	Trustee	Harbour Sport	180	42	Physical activity plans and programmes
	Member	Wilson Home Trust Committee of Management	385	0	Rental payments for facilities at Wilson Centre
Warren Flaunty	Trustee	West Auckland Hospice	843	77	For provision of hospice care
	Shareholder	Metlifecare	412	35	Funding of aged care services at Metlifecare facilities

Notes to the financial statements for the year ended 30th June 2008

in thousands of New Zealand Dollars

20 Related parties (continued)

Board member	Relationship	Organisation	Total payments by WDHB to the organisation in 2007/08 $000	Outstanding at period end $000	Nature of Service
Warren Flaunty	Shareholder	EBOS Group	23,316	9	For healthcare consumables from EBOS and from its subsidiary, Health Support Ltd
	Shareholder	Life Pharmacy Ltd	482	60	Total of payments to five pharmacies under the Life Pharmacy umbrella
	Shareholder	Westgate Pharmacy Ltd	1,870	183	For provision of community pharmacy services
Mary Lythe	Member	Wilson Home Trust Committee of Management	385	0	Rental payments for facilities at Wilson Centre
	Clinical Services Manager	Alzheimer's Auckland Inc	149	14	Education, care and support for people with Alzheimers and their families
	Board Member	Rodney Health Link	29	8	Community consultation and advocacy
Brian Neeson	Board Member	Waitakere Health Link	36	0	Community consultation and advocacy
Mary-Anne Benson-Cooper	General Manager/Health Safety Manager	Focus 2000 and Focus NorWest	1,291	98	Residential care and support for people with disabilities.
Wyn Hoadley	Board Member	North Shore Community Health Voice	44	0	Community consultation and advocacy
Aroha Hudson	Board member then Chief Executive	HealthWest PHO	21,919	419	General Practitioner and related services
	Director	Primary Healthcare Services	808	73	General Practitioner and related services
	Director	Awhi Health Ltd	9	0	Management consulting services
Penny Hulse	Trustee	Waitakere Anti-Violence Essential Services (WAVES)	16	1	Support and education for domestic violence

20 Related parties (continued)

Ownership

Waitemata DHB is a crown entity in terms of the Crown Entities Act 2004, and is owned by the Crown.

Subsidiaries

Three Harbours Health Foundation (THHF) is a registered charitable trust controlled by WDHB, by virtue of WDHB's ability to appoint all trustees. The principal activities of THHF are to receive and disburse funds for clinical research and staff training; as well as to conduct and co-ordinate fund-raising activities in the community for specific projects relating to the provision of healthcare in the WDHB region. THHF has a balance sheet date of 30 June and is domiciled in New Zealand.

Milford Secure Properties Limited (MSPL) is controlled by WDHB by virtue of WDHB's ability to appoint all the directors of the company. The principal activity of MSPL is to be the vehicle for the purchase of land and buildings to house certain WDHB activities. MSPL has a balance sheet date of 30 June and was incorporated in New Zealand.

Associates

WDHB has a 50 per cent interest in healthAlliance NZ Limited, whose principal activity is providing shared procurement services, information technology, finance and human resource services.

WDHB has a 33.3 per cent interest in Northern DHB Support Agency Limited, whose principal activity is providing contracting advice and consultancy services.

WDHB has a 34% interest in Auckland Regional RMO Services Limited, whose principal activity is arranging the allocation of Resident Medical Officers (RMOs) to the Auckland Region DHBs and performs a range of other functions related to RMO training.

Transactions with other entities controlled by the Crown

There have been transactions with other entities controlled by the Crown that have not been separately disclosed because the transactions have been carried out on the same terms as if the transactions had been carried out at arms length.

21 Contingent liabilities

Neither WDHB nor its associates have been notified of any potential claims as at 30 June 2008 (2007: $0).

22 Subsequent events

There are no significant events subsequent to balance date.

23 Accounting estimates and judgements

Management discussed with the Finance and Audit Committee the development, selection and disclosure of WDHB's critical accounting policies and estimates and the application of these policies and estimates.

Critical accounting judgements in applying WDHB's accounting policies

Certain critical accounting judgments in applying WDHB's accounting policies are described below.

Operating leases

WDHB entered into several leases many years ago. They are combined leases of land and buildings. It is not possible to obtain a reliable estimate of the split of the fair values of the lease interest between land and buildings at inception. Therefore, in determining lease classification WDHB evaluated whether both parts are clearly operating leases or finance leases. Firstly, land title does not pass. Secondly, because the rent paid to the landlord for the building is increased to market rent at regular intervals, and WDHB does not participate in the residual value of the building it is judged that substantially all the risks and rewards of the building are with the landlord. Based on these qualitative factors it is concluded that the leases are operating leases.

24 Explanation of financial variances from budget

The budget figures are those of the parent, approved by the Board at the beginning of the period in the initial statement of intent. The budget figures were prepared in accordance with measurement principles of generally accepted accounting practice and NZIFRS and are consistent with the accounting policies adopted by the Board for the preparation of the financial statements.

The major variances in the Income Statement are due to:

- Revenue for the year $22.45m greater than budget; reflecting additional volumes and services purchased by the Crown during the year, as well as specific programmes and interest income.
- Expenditure for the year was $9.821m greater than budget; reflecting higher personnel and staff benefit costs, due to CEA settlements and cost of cover for vacancies with outsourced locum and bureau costs.

The major variances in the Statement of Financial Position are due to:

- Cash and Cash Equivalents - favourable for the year $28.6m due to greater than budgeted revenue and timing of receipts, payments and borrowing
- Trade and other payables - increased due to timing of payments
- Employee Benefits – due to greater than budgeted payroll settlements.
- Interest bearing loans and borrowings, increase due to budget timing; with CHFA lending drawn down at the end of 2007 financial year.
- Crown Equity - injection from the Crown now expected to be realised in 2008/2009 financial year.

25 Explanation of transition to NZIFRS

These are WDHB's first financial statements prepared in accordance with NZIFRS.

The accounting policies set out in the notes to the financial statements have been applied in preparing financial statements for the year ended 30 June 2008, the comparative information presented for the year ended 30 June 2007 and in the preparation of an opening NZIFRS Balance Sheet at 1 July 2006 (WDHB's date of transition).

In preparing its opening NZIFRS Statement of Financial Position and restating the 2007 financial statements, WDHB has adjusted amounts reported previously in financial statements prepared in accordance with its old basis of accounting (previous GAAP). An explanation of how the transition from previous GAAP to NZIFRS has affected WDHB's statement of financial position, income statement and cash flows is set out in the following tables and the notes that accompany the tables.

25 Explanation of transition to NZIFRS (continued)

Reconciliation of the equity (Group)

	Note	Transition Balance Sheet 1 July 2006			Comparative Balance Sheet 30 June 2007		
		Previous GAAP	Effect of transition to NZIFRS	NZIFRS	Previous GAAP	Effect of transition to NZIFRS	NZIFRS
		$000	$000	$000	$000	$000	$000
Property, plant and equipment	25d	394,240	(3,713)	390,527	407,609	(3,431)	404,178
Other Investments		393		393	2,253	0	2,253
Intangible assets	25d	0	3,713	3,713	0	3,431	3,431
Total non-current assets		394,633	0	394,633	409,862	0	409,862
Inventories held for distribution		4,376	0	4,376	4,383	0	4,383
Other investments	25d	3,229	0	3,229	17,921	(16,500)	1,421
Trade and other receivables	25a	11,000	199	11,199	32,254	2,377	34,631
Cash and cash equivalents	25d	535	0	535	632	16,500	17,132
Total current assets		19,140	199	19,339	55,190	2,377	57,567
Total assets		413,773	199	413,972	465,052	2,377	467,429
Equity							
Crown equity		74,936	0	74,936	81,126	0	81,126
Asset revaluation reserves		146,907	0	146,907	146,907	0	146,907
Retained earning/(losses)		(58,505)	(11,906)	(70,411)	(53,072)	(9,593)	(62,665)
Trust/Special funds		3,437	0	3,437	3,952	0	3,952
Total equity		166,775	(11,906)	154,869	178,913	(9,593)	169,320
Liabilities							
Interest-bearing loans and borrowings		147,019	0	147,019	164,254	0	164,254
Employee benefits	25b 25c	0	12,622	12,622	0	11,746	11,746
Total non-current liabilities		147,019	12,622	159,641	164,254	11,746	176,000
Bank overdrafts		0	0	0	0	0	0
Interest-bearing loans and borrowings		73	0	73	19	0	19
Trade and other payables	25d	70,587	272	70,859	85,632	271	85,903
Employee benefits	25b 25c	29,319	(789)	28,530	36,234	(47)	36,187
Total current liabilities		99,979	(517)	99,462	121,885	224	122,109
Total liabilities		246,998	12,105	259,103	286,139	11,970	298,109
Total equity and liabilities		413,773	199	413,972	465,052	2,377	467,429

25 Explanation of transition to NZIFRS (continued)
Reconciliation of the equity (Parent)

	Note	Transition Balance Sheet 1 July 2006			Comparative Balance Sheet 30 June 2007		
		Previous GAAP	Effect of transition to NZIFRS	NZIFRS	Previous GAAP	Effect of transition to NZIFRS	NZIFRS
		$000	$000	$000	$000	$000	$000
Property, plant and equipment	25d	394,240	(3,713)	390,527	407,609	(3,431)	404,178
Intangible assets	25d	0	3,713	3,713	0	3,431	3,431
Total non-current assets		394,240	0	394,240	407,609	0	407,609
Inventories held for distribution		4,376	0	4,376	4,383	0	4,383
Other investments	25d	0	0	0	16,500	(16,500)	0
Trade and other receivables	25a	11,086	199	11,285	31,995	2,377	34,372
Cash and cash equivalents	25d	515	0	515	594	16,500	17,094
Trust/special fund assets		0	0	0	0	0	0
Total current assets		15,977	0	15,977	53,472	0	55,849
Total assets		410,217	199	410,416	461,081	2,377	463,458
Equity							
Crown equity		74,936	0	74,936	81,126	0	81,126
Asset revaluation reserves		146,907	0	146,907	146,907	0	146,907
Retained earning/(losses)		(58,505)	(11,906)	(70,411)	(53,072)	(9,593)	(62,665)
Trust/Special funds		0	0	0	0	0	0
Total equity		163,338	(11,906)	151,432	174,961	(9,593)	165,368
Liabilities							
Interest-bearing loans and borrowings		147,019	0	147,019	164,254	0	164,254
Employee benefits	25b 25c	0	12,622	12,622	0	11,746	11,746
Total non-current liabilities		147,019	12,622	159,641	164,254	11,746	176,000
Bank overdrafts		0	0	0	0	0	0
Interest-bearing loans and borrowings		73	0	73	19	0	19
Trade and other payables	25d	70,468	272	70,740	85,613	271	85,884
Employee benefits	25b 25c	29,319	(789)	28,530	36,234	(47)	36,187
Total current liabilities		99,860	(517)	99,343	121,866	224	122,090
Total liabilities		246,879	12,105	258,983	286,120	11,970	298,090
Total equity and liabilities		410,217	199	410,416	461,081	2,377	463,458

25 Explanation of transition to NZIFRS (continued)
Reconciliation of the surplus (deficit) for the year ended 30 June 2007

		Group		
	Note	Previous GAAP	Effect of transition to NZIFRS	NZIFRS
		$000	$000	$000
Revenue		974,347	0	974,347
Other operating income		11,010	0	11,010
Finance income	25a	3,323	2,178	5,501
Total income		988,680	2,178	990,858
Employee benefit costs	25b, c, d	331,871	(135)	331,736
Depreciation and amortisation expense		18,805	0	18,805
Outsourced Personnel		12,954	0	12,954
Outsourced services		27,568	0	27,568
Clinical supplies		48,535	0	48,535
Infrastructure and non-clinical expenses		45,823	0	45,823
Payments to health providers		472,082	0	472,082
Other operating expenses		1,537	0	1,537
Finance costs		10,593	0	10,593
Capital charge		12,964	0	12,964
Total expenses		982,732	(135)	982,597
Share of profit of associates		0	0	0
Surplus (Deficit) for the year		5,948	2,313	8,261

25 Explanation of transition to NZIFRS (continued)

Reconciliation of the surplus (deficit) for the year ended 30 June 2007

		Parent		
	Note	Previous GAAP	Effect of transition to NZIFRS	NZIFRS
		$000	$000	$000
Revenue		973,797	0	973,797
Other operating income		10,740	0	10,740
Finance income	25a	3,046	2,178	5,224
Total income		987,583	2,178	989,761
Employee benefit costs	25b,c,d	331,258	(135)	331,123
Depreciation and amortisation expense		18,805	0	18,805
Outsourced Personnel		12,954	0	12,954
Outsourced services		27,568	0	27,568
Clinical supplies		48,535	0	48,535
Infrastructure and non-clinical expenses		45,823	0	45,823
Payments to health providers		472,082	0	472,082
Other operating expenses		1,568	0	1,568
Finance costs		10,593	0	10,593
Capital charge		12,964	0	12,964
Total expenses		982,150	(135)	982,015
Share of profit of associates		0	0	0
Surplus (Deficit) for the year		5,433	2,313	7,746

Reconciliation of cash flows for the year ended 30 June 2007

There was no impact on reported cashflows for the 2007 financial year caused by the adoption of NZIFRS.

25 Explanation of transition to NZIFRS (continued)

a) Derivative financial instruments

Under previous GAAP derivative financial instruments (e.g. foreign exchange forward contracts or interest rate swaps) were not recognised in its financial statements until the underlying cashflow occurred.
In accordance with NZIAS 39, derivative financial instruments are always classified as held for trading with changes in fair value recognised in net profit unless hedge accounting is applied, which it has not been.

1 July 2006 adjustments

In accordance with NZIAS 39, all derivatives (foreign exchange contracts and interest rate swaps) have been recognised as assets or liabilities at their fair values. The effect of this is to increase derivatives (presented in trade and other receivables) by $199k and retained earnings by $199k at 1 July 2006.

30 June 2007 adjustments

Similarly at 30 June 2007, valuing derivatives (foreign exchange contracts and interest rate swaps) at fair value had the following impact: increase derivatives (presented in trade and other receivables) by $2,377m and increase retained earnings by $2,377m.

b) Employee Entitlements

Under previous GAAP long service leave was recognised when the employees' long service leave days had vested.
In accordance with NZIAS 19, the provision for long service leave is calculated as the present value of the future benefit that employees have earned in return for their services in past periods.
Under previous GAAP other accumulating compensating absences including sick leave, retirement leave, sabbatical leave and leave for continuing medical education were not provided for. Since these benefits granted by WDHB to its employees are accumulating compensating absence, WDHB has the obligation to provide for the accumulated leave expected to be taken in future periods (over and above the entitlement to be earned by employees in those future periods). Under NZIAS 19, WDHB now recognises the expected cost of accumulated compensated absences which WDHB expects to be used in future years. These provisions were based on actuarial valuations of historical payroll information.

1 July 2006 adjustments

The effect of recognising the above employee entitlements resulted in a reduction in current provisions by $935k and an increase in non current provisions by $12.622m as at 1 July 2006, and retained earnings by $11.687m.

30 June 2007 adjustments

Similarly, the effect of recognising the above employee entitlements resulted in decrease in current provisions by $308k and an increase in non current provisions by $11.746m as at 30 June 2007 and retained earnings by $11.438m.

c) ACC liability

ACC Partnership Program (APP) offers WDHB the option to accept injury management and financial responsibility for employees who suffer work-related illness or injury for a specified period. In return, the accredited employer's ACC premiums are reduced. Participation in the APP is an insurance contract between the employer and the employee, as the employer (insurer) accepts significant insurance risk from the employee (policyholder) by agreeing to compensate the employee if a work-related injury (the insured event) adversely affects the employee.

Under previous GAAP no liability resulting from insurance risk was recognised by WDHB. In accordance with NZIFRS 4, WDHB has accounted for its participation in the APP as an insurance contract and has recognised the resulting insurance liability.

1 July 2006 adjustments

The effect of recognising the insurance provision was an increase in current provisions by $146k and a decrease in retained earnings by $146k at 1 July 2006.

25 Explanation of transition to NZIFRS (continued)

30 June 2007 adjustments

Similarly, the effect of recognising the above insurance provision resulted in an increase in current provisions by $260k and a decrease in retained earnings by $260k at 30 June 2007.

d) Other adjustments

1 July 2006 adjustments

Under previous GAAP Computer Software was reported as Property Plant and Equipment. In accordance with NZIFRS these assets were reclassified as Intangible Assets. The effect of recognising the above resulted in a net reduction in Property, Plant and Equipment by $3.713m and an increase in Intangible Assets by $3.713m as at 1 July 2006.

30 June 2007 adjustments

Under previous GAAP no liability resulting from NZIFRS adjustments with associate companies were recognised by WDHB. In accordance with NZIFRS 4, WDHB has accounted for a liability of $272k and has recognised this liability as an increase within Trade and other payables and a decrease in retained earnings by $272k at both 30 June 2006 and 2007. This adjustment arises from the associate's participation in the ACC Partnership Program. See (c) above for further explanation.

Under previous GAAP, cash amounts on deposit at the bank were recognised as a short term investment. Due to the short term nature of this arrangement WDHB has reclassified this as being a cash equivalent The effect being a reduction in Other Investments by $16.500m and an increase in Cash and Cash Equivalents of $16.500m as at 30 June 2007.

Under previous GAAP Computer Software was reported as Property Plant and Equipment. In accordance with NZIFRS these assets were reclassified as Intangible Assets. The effect of recognising the above resulted in a net reduction in Property, Plant and Equipment by $3.431m and an increase in Intangible Assets by $3.431m as at 30 June 2007.

e) Retained earnings and reserves

The effect of the above adjustments on retained earnings for parent and group is as follows:

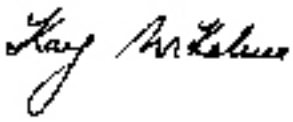
	Note	Retained earnings
2006 Adjustments		**$000**
Derivative financial instruments	25a	199
ACC	25c	(146)
Continuing Medical Education	25b	(644)
Sabbatical Leave	25b	(300)
Sick Leave	25b	(2,705)
Long Service Leave	25b	(2,239)
Retirement Gratuity	25b	(5,799)
Trade and other payables		(272)
Total adjustments to equity at 1 July 2006		**(11,906)**
2007 Adjustments		
Derivative financial instruments	25a	2,377
ACC	25c	(260)
Continuing Medical Education	25b	(2,135)
Sabbatical Leave	25b	(300)
Sick Leave	25b	(1,278)
Long Service Leave	25b	(1,630)
Retirement Gratuity	25b	(6,095)
Trade and other payables	25d	(272)
Total adjustments to equity at 1 July 2007		**(9,593)**

Statement of Responsibility
For the year ended 30 June 2008

1. The Board and management of Waitemata DHB accept responsibility for the preparation of the annual financial statements, the statement of service performance and the judgements used in them;

2. The Board and management of Waitemata DHB accept responsibility for establishing and maintaining a system of internal control designed to provide reasonable assurance as to the integrity and reliability of financial and non-financial reporting; and

3. In the opinion of the Board and Management of Waitemata DHB, the annual financial statements for the year ended 30 June 2008 fairly reflect the financial position and operations of Waitemata DHB; and the statement of service performance fairly reflects the service performance of Waitemata DHB.



Chair

Kay McKelvie

Board Member

Warren Flaunty

29 October 2008

Statement of Service Performance

1 INTRODUCTION

Waitemata District Health Board ("Waitemata DHB") is one of 21 DHBs established on 1 January 2001 by section 19 of the New Zealand Public Health and Disability Act 2000. Waitemata DHB is categorised as a Crown Agent under section 7 of the Crown Entities Act 2004.

As a Crown Agency, Waitemata DHB is required to report annually on its service performance. The level of performance to be achieved was detailed in Waitemata DHB's Statement of Intent (SoI) for the twelve months 1 July 2007 to 30 June 2008.

The Statement of Output Performance in the SoI included a range of key performance measures, covering the range of DHB responsibilities. Waitemata DHB's achievements against these measures are reported in more detail in the following sections.

Provider Selection
District Health Boards (DHBs) and any DHB shared support agency are expected to use the protocols agreed by Cabinet for provider selection reflecting the Government's priority to address inequalities and the need for cost-effective use of scarce health resources. The three Auckland DHBs have jointly developed and agreed a policy/process that is followed by each of the DHBs and the Northern DHB Support Agency.

The process is based on previous Health Funding Authority (HFA) practice, which has been developed further to reflect fully the Cabinet protocols referred to above and to include the decision-making process where proposed service agreements cross district boundaries.

Providers may be selected in one of three ways:
- Preferred provider status
- Registration of interest
- Request for proposal.

Preferred providers are chosen on a limited basis, usually for specialist services, where there is a known provider of proven capability and it is known that there is no other organisation readily available to provide the services. In these circumstances a tender process may not be necessary or appropriate. Some Maori providers may have preferred provider status for specific types of service delivery as part of a strategic plan to develop particular providers, even though they may not be the only Maori organisation able to provide those services.

Registration of interest is a competitive process that gauges through advertisement the level of interest in the provision of a specific service, often when it is unclear if there are any providers/organisations either able to, or interested in, the delivery of the service required.

Request for proposal is a public tendering process most often used where there is no preferred provider and there are a number of organisations available to provide the service required. Proposals are called and evaluate through a formal process.

Most of the funding devolved to DHBs in their Funder capacity is tied to reasonably long term service agreements/contracts. As a result, there have been relatively few occasions where it has been necessary to select new providers. It is not expected that this situation will change significantly over the next year.

The establishment of Primary Health Organisations (PHOs) commenced with a registration of interest/request for proposal process that was carried out in the second half of 2002. Waitemata DHB will continue to foster and facilitate the development of PHOs, working with interested providers and other stakeholders, including local communities.

Section 88 Notices
DHBs may give notice of the terms and conditions on which they will make payment for the provision of health and disability services and if such payment is accepted, the notice effectively becomes a contract. These arrangements are currently used for the funding of some general practitioner, specialist medical, radiology, maternity and anaesthetic services.

2 COST OF SERVICE STATEMENT – for year ending 30 June 2008

$000	*Funds*	*Governance & Funding Admin*	*Provider*	*Elimination*	*Total*
Actual					
Revenue	1,043,296	7,541	548,470	(480,728)	1,118,581
Less Expenses	1,024,002	7,263	563,712	(480,728)	1,114,251
Net Surplus	**19,294**	**278**	**(15,242)**	**0**	**4,330**
Closing Equity					169,698
Budget					
Revenue	1,033,971	7,077	530,788	(475,706)	1,096,130
Less Expenses	1,028,708	7,741	543,687	(475,706)	1,104,430
Net Surplus	**5,263**	**(664)**	**(12,899)**	**0**	**(8,300)**
Closing Equity					172,299
Variance					
Net Surplus	14,031	942	(2,343)	0	12,630
Closing Equity					(2,601)

The Funds division was budgeted to run at a surplus and this was achieved. The surplus was due to timing differences between receipt of revenue and incurring of expenditure and fully offsets the deficit realised by the Provider.

3 ACHIEVEMENT AGAINST STATEMENT OF OUTPUT PERFORMANCE

The remainder of this section describes Waitemata DHB's achievement against the performance measures that were set out in the SoI for 2007/08.

Note on Measures used in Statement of Output Performance.
The Performance Measures adopted by Waitemata DHB for the SoI are a sub-set of measures from the Waitemata DHB District Annual Plan. The structure of the Statement of Forecast Performance in the SoI derives from Waitemata DHB's Strategic Planning/Outcomes Framework that is described in section 2.3.3 of the SoI.

The measures comprise a combination of narrative activity type measures and quantitative, numerical indicators and targets. They include measures from the following sets:

1. The set of indicators of DHB performance (IDPs) developed by the Ministry of Health, in consultation with DHBs.
   This is a standard set of indicators covering all of the DHBs' functions and responsibilities.

2. Hospital Benchmark Information (HBIs) that are used to monitor and benchmark DHBs' provider functions.
   The HBI is administered by the Ministry of Health. The Ministry undertook a review of the HBI measures during 2006/07. As a result, some measures were changed or deleted.

Under the requirements of the Crown Entities Act 2004 (Section 141), DHBs are required to include in their Statement of Intent some **"main measures"** by which future performance may be judged.

Of the 13 priority objectives on the following pages, those for which longer term future targets (for 2010) have been set (i.e. the "main measures") are:

1. Reducing Inequalities
2. Healthy Lifestyles
3. Cardiovascular Disease (CVD)
4. Diabetes
6. Child and Youth Health
8. Primary Health Care
9. Mental Health
11. Quality and Patient Safety
12. Workforce Development, Learning & Knowledge

PERFORMANCE MEASURES AND TARGETS

Health Gain and Service Improvement

1 Reducing Inequalities in Health Status

Description	Achievements
Reducing inequalities is a priority of the New Zealand Health Strategy and a key thread of He Korowai Oranga – The Maori Health Strategy. District Health Boards have a statutory responsibility for reducing health inequalities under the NZ Public Health and Disability Act 2000. Several population groups within Waitemata district suffer from a disproportionate burden of health inequalities. These groups include: Maori, Pacific people, Asian people, refugees and recent immigrants and those that suffer from mental illness. **Deliverable** To ensure that existing major strategic initiatives for Healthy Lifestyles, Cardiovascular Disease, Diabetes, Child Health and Cancer Control continue to enhance planning and action to reduce inequalities in all their sub-projects.	***Achieved*** Healthy Lifestyles: Health Eating Health Action community action programmes for Maori and Pacific have been implemented and Maori and Pacific Green Prescription Active Families pilots commenced in March 2008. Cardiovascular Disease/Diabetes risk assessment: Priority has been given to screening of Maori, Pacific and Quintile 5 people and ethnic specific targets have been set. Cardiac rehab programme at Wai Health has been recommended to continue. Asian Smokefree Service has been rolled out district-wide. Child Health: Child Health and Housing Programme Warm N Well receives referrals of eligible low income families. The programme has begun in West Auckland (Ranui), which is a high deprivation area. A Home Interaction for Positive Parenting for Youngsters (HIPPY) proposal was approved through the Waitemata DHB process for prioritisation and funding allocation (PBMA – Programme Budget Marginal Analysis). Cancer Control: Whanau Ora Navigation pilot implemented in April 2008, and Pacific cancer navigation pilot was approved for funding by PBMA.

Indicators	2006/07 Actual	2007/08 Target	2007/08 Actual	Comments
Accuracy of ethnicity data recording in national collections (IDP QUA-03, WDHB DSP) [aim to reduce % coded "Other" and "Not Stated"]. [*Note: in order to be able to quantify inequalities and assess the impact of different strategies it is very important to be able to analyse variations in utilisation of services etc between different ethnic groups. This requires accurate coding of data to identify ethnicity.]*	NHI 6.7% NMDS 8.2% MHINC 8.0%	NHI <1.5% NMDS <1.5% MHINC <1.5%	NHI 1.9% NMDS 7.9% MHINC 4.9%	Significant improvement An upgrade to the Waitemata DHB patient management system is required before significant progress is made on improving the quality of ethnicity data in NMDS. The current PiMS software does not allow for correction of Other and Not Stated codes in the second and third ethnicity fields. Waitemata DHB now has the lowest percentage of Other and Not Stated among the larger DHBs.

Definitions:
NHI – National Health Index (unique health identifier for every individual)
NMDS – National Minimum Data Set (national collection of hospital discharge data)
MHINC – Mental Health Information National Collection

2 Healthy Lifestyles: obesity, nutrition, physical activity, smoking

Description	Achievements
Prevention is essential to delay and or stop the development of chronic disease. As the risk factors for the development of heart disease, diabetes, respiratory diseases and a number of cancers are the same (poor nutrition, obesity, lack of physical exercise and smoking) Waitemata DHB is developing district wide initiatives to enhance and support healthy lifestyles. **Deliverable** 1. Implement the MoH Healthy Eating Healthy Action (HEHA) Strategy and administer the Nutrition Fund to support healthy eating initiatives in schools and early child care centres. 2. Implement District wide Asian Smokefree Communities service.	***Substantially achieved*** All deliverables related to the implementation of the Ministry's HEHA strategy have been achieved. Quarterly reports on the implementation have been completed and submitted to the Ministry's online database as required. Waitemata DHB completed round 2 of the allocation of the Nutrition Fund during Q4 2007/08 - to support local schools/early childcare centres to improve their nutrition environments. The Asian Smokefree Communities service was implemented and continues to be operated through Harbour Health PHO. This service is available for the West and North Shore populations.

Indicators	2006/07 Actual	2007/08 Target	2007/08 Actual	Comments
Percentage of health promoting schools (Healthy Eating Healthy Action Strategy)	28%	30%	48%	
Number of schools/early childcare centres receiving additional nutrition funding (i.e. Nutrition Fund implemented)	0	15	Round 1: 7 fully funded 4 part funded Round 2: 15 fully funded 17 part funded	

3 Cardiovascular Disease

Description	Achievements
A key priority in the NZ Health Strategy, cardiovascular disease is the major cause of mortality and morbidity accounting for approximately one third of all deaths for the Waitemata district population. The condition is amenable to preventive and ameliorating measures (in public and primary health care) and there is also potential for improvements in treatment. There is significant opportunity for health gain for Maori and Pacific peoples.	***Substantially Achieved***
Deliverables 1. Implement the Cardiovascular/ Diabetes Risk Assessment and Management Programme with Primary Health Organisations (PHOs) in the Waitemata District (with 15% of target population having assessments completed in year1).	All PHOs in district are contracted to deliver the Cardiovascular/Diabetes Risk Assessment and Management Programme and initial volume reports suggest good progress (around 10% - see below). Other services are supporting the approach and this is planned for review again in November 2008.
2. Complete pilot of the Heart Guide Aotearoa with Maori provider Wai Health, in partnership with the Heart Foundation and Te Hotu Manawa Maori.	During 2007/08 a community based approach using the Heart Guide Aotearoa was piloted with Maori provider Wai Health, in partnership with the Heart Foundation and Te Hotu Manawa Maori. Targets were to enrol 100 Maori and 100 non-Maori in the programme. By year end, 83 Maori and 92 non-Maori were enrolled in the programme. A planned National Heart Foundation interim evaluation of the pilot was not completed within 2007/08. This will be completed by November 2008.

Indicators	2006/07 Actual	2007/08 Target	2007/08 Actual	Comments
<u>CVD Risk recognition</u>: Percentage of people in target population who have had their 5-year absolute CVD risk recorded in the last 5 years (IDP POP-02) (WDHB DSP).	< 5% (est)	15%	June 08 reports indicate approx 10.2% of eligible people have been risk assessed in those PHOs who have supplied reports	Only 4 of the 6 PHOs have supplied reports for June 08 data as yet.
<u>Cardiac Rehabilitation</u> Number of patients who have participated in the Aotearoa Heart Manual Project.	n/a	200 Maori: 100 Non-Maori: 100	Maori: 83 Non-Maori: 92	

4 Diabetes

Description	Achievements
A key priority in the NZ Health Strategy, diabetes is also a key strategic priority for Waitemata DHB. Diabetes is a major cause of morbidity and premature death. The condition is amenable to preventive and ameliorating measures (in public and primary health care) - through improving primary and secondary service provision and coordination for people with diabetes with a view to reducing and delaying long-term complications from the disease. There needs to be a targeted approach to addressing the areas of highest need. **Deliverable** Improving performances against the three national diabetes indicators (see below). The major activities related to this will be implementation of the Cardiovascular/Diabetes Risk Assessment and Management Programme with PHOs (refer 3 Cardiovascular Disease).	***Partly Achieved***

Indicators	2006/07 Actual	2007/08 Target	2007/08 Actual	Comments
Diabetes Case Detection Rate and follow up: Percentage of people on register with who have their free annual check-up. (MoH Health Target).	49%	65%	73%	These results are based on the old Ministry prevalence model. An audit in West Auckland suggests that only 52% of people with diabetes who are being actively cared for in primary care are getting a Free Annual Review. Waitemata DHB recognises Get Checked uptake is an issue and we are currently investigating interventions.
Diabetes Case Management: Clinical test (blood sugar levels) of effectiveness of management/control. (MoH Health Target).	80%	82%	79%	The Maori and, in particular, Pacific results continue to be a concern. Waitemata DHB has implemented a Cardiovascular and Diabetes risk assessment and management programme during 2007/08.
Retinal screening of people with diabetes in last two years (MoH Health Target).	32%	74%	71%	Retinal Screening referrals are continuing to grow but contracted service capacity has been reached. This will be reviewed during 2008/09.

* HbA1c is a test that measures the amount of glycosylated haemoglobin in your blood. Glycosylated haemoglobin is a molecule in red blood cells that attaches to glucose (blood sugar). You have more glycosylated haemoglobin if you have more glucose in your blood.

5 Cancer

Description	Achievements
Cancer control is a key priority in the New Zealand Health Strategy. Cancer is second only to cardiovascular disease as the leading cause of death in Waitemata. At least one third of cancer can be prevented and early detection and effective treatment of a further third is also achievable. The MOH requires the DHB to continue to develop and implement the Waitemata DHB Cancer Control strategy and plan that aligns with the Actions and Goals of the NZCC Strategy and Action Plan (2005 - 10). (NZCCSAP). **Deliverable** <u>Set up Maori Cancer Navigation pilot – Whanau Ora Cancer Care Coordination & Advocacy Navigator (WOCCCA) pilot</u>:	***Substantially Achieved***
a. Develop and document the operational pilot model including referral, communication strategy, scope of the roles, network navigation support	Documentation of the operational pilot model has been developed including: • Referral criteria, forms and guidelines • A communication strategy • The scope of the navigator role • Network navigation support, creating linkages with the following service providers: - Waitemata DHB (including the Healthcare Improvement Team - HIT) - Maori Provider Arm: Mo Wai Te Ora - Navigation Provider - Wai-Health However, linkages still need to be developed with Waitemata DHB Adult Health Services
b. Develop community health navigator engagement resources which include – i. Culturally responsive cancer education programme ii. Cultural needs assessment iii. Patient journal	Whanau specific health navigator engagement resources have been developed. These include :- • A culturally responsive cancer education programme for working specifically with whanau • Cultural needs assessment tools • Patient journal
c. Develop specific outcomes focused evaluation plan	A specific outcomes focused evaluation plan has been developed by Health Outcomes International (HOI) in conjunction with Waitemata DHB/HIT and Mo Wai Te Ora. Although most elements are complete, the scope of the data to be collated by the navigator still needs to be developed.

6 Child & Youth Health

Description	Achievements
The importance of child & youth health is reflected not only in the immediate benefits for children in experiencing a healthy and nurturing childhood, but in prevention of adult disease, the roots of which often lie in the early years, even from conception. Childhood health status is a predictor of health in later life and with correlated impacts on social and educational development. There are significant disparities in health status between Maori and Pacific and other children in the Waitemata district and between geographic areas, most notably between West and North. Investment in early childhood including upstream intervention therefore pays good dividends and helps to ensure that all children have the opportunity to maximise their potential. **Deliverable** Complete Child Health & Housing project planning, and commence implementation by June 2008 (providing health assessment and referral, and housing insulation - targeted to families most in need)	***Achieved*** The Child Health & Housing initiative has transferred from project to programme. Families most in need are receiving a health and social assessment and being referred to an insulation provider.

Indicators	2006/07 Actual	2007/08 Target	2007/08 Actual	Comments
Oral Health – Percentage of Children Caries Free at age 5 years (IDP POP-05).	66%	68%	60.5%	Results in terms of caries free are significantly lower than the targets that were set for 07/08. 5year results reflect the need for preschool oral healthcare and services. ARDS is working on a preschool project to increase enrolments, examinations and treatment of preschool children.
Oral Health – Mean decayed, missing and filled teeth (DMT) score at year 8 (IDP POP-04)	1.2	1.1	0.97	
Breast Feeding Rates: Percentage of mothers' breast feeding on discharge from hospital (WDHB DSP).	~ 81%	80%	81% overall	
Achieve Baby Friendly Hospital (BFH) Accreditation (WDHB DSP).	Full accreditation achieved	Maintain full accreditation	Full accreditation maintained	This indicator refers to hospital accreditation. However, WDHB aims to assist all community birthing units to also be fully BFH accredited. The contract with Coast to Coast PHO varied to include payment for the BFH audit. Wellsford Birthing Centre has now registered to be part of the BFH auditing process and will be audited in the next few months, as the first stage towards accreditation.

7 Health of Older People

Description	Achievements
The health of older people is a national health priority, and the DHB is required to implement the Health of Older People Strategy by 2010. The vision of the strategy provides direction regarding the way services need to be delivered. The growth in the older population is impacting on demand for health and disability support services and is expected to continue to do so over the next 20 years. It is important for Waitemata DHB to develop and implement strategies to ensure that sufficient, appropriately targeted, integrated services are in place to meet the needs of its older population now and into the future.	***Not Achieved***
Deliverable	
1. Implement a restorative model of care (restoring people's ability to maintain independence in their own homes) in Home Based Support Services	This project was put on hold when it became apparent that it needed more investment than had originally been estimated, and it needed a stronger and wider strategic approach than had been established. The HOP Strategy continues to be committed to the development of a restorative approach to all services for older people, but the DHB needs to understand better what role the HBSS providers could or should play in the system of care that will enhance outcomes for older people. The work that is required includes analysis of current service delivery from both the DHB community provider arm and the HBSS sector; projected supply and demand; and modelling of sustainable models of care for the future. This work will be continued into the new financial year as part of a wider, comprehensive strategy for sustainable long term support services, once staffing for the HOP strategy is re-established.
2. Develop a health promotion strategy for older people within Waitemata DHB.	This was not completed during 2007/08 due to staffing issues. A Health Promotion Strategy for Older People project manager is now in the final stages of recruitment. The project is due to start in July 2008 and be completed in December 2008.

8 Primary Health Care

Description	Achievements
Primary Care is the "entry point" for the health system, with opportunities for earlier, more effective intervention and better integration with other services, including hospital services. This is a major Government priority area, with the development of the new broad based Primary Health Organisations being central to implementation of the national New Zealand Primary Care Strategy. **Deliverable** Jointly develop with Primary Health Organisations (PHOs) a primary health care (PHC) strategy for the district.	***Partly Achieved*** Waitemata DHB is on track with the intent to develop a district PHC Strategy. With the appointment of the Group Primary Care Manager to lead, this project has commenced, but has not been completed. Waitemata DHB is looking to have joint sponsorship with the PHOs, to ensure collaborative development is achieved. This work will be completed during 2008/09.

Indicators	2006/07 Actual	2007/08 Target	2007/08 Actual	Comments
Percentage of population enrolled with PHO	92% Waitemata population enrolled with **any** PHO	93%	91% Waitemata district population enrolled with **any** PHO	78.5% of Waitemata district population enrolled with a Waitemata PHO
Percentage of high needs populations in PHOs	70.8%	75%	80%	
Number of hospital admissions prevented by Primary Options intervention	2,232	2,300	2,050	Data from July 07 –June 08 Note: during 2007/08 Primary Options discontinued accepting ACC cases.

* Primary Options objectives are to:

- Enable primary care teams (GPs & Practice nurses) to access new & existing community based alternatives to acute hospital admission where these are appropriate.
- Support general practice to reduce unnecessary hospital admissions.
- Provide a range of community diagnostic, therapeutic and logistical services at no cost to the patient (except the initial GP consultation).

9 Mental Health

Description	Achievements
This is a long-standing government priority area with further funding and development of services needed in order to reach the target of providing access to services for the 3% of the population with serious mental health disorders. **Deliverable** 1. Complete allocation of additional Blueprint funding ($4.7M for 2007/08) with services purchased (service agreements with providers in place) and being delivered. 2. Open and commission new acute inpatient Mental Health facility at Waitakere Hospital.	***Partly Achieved*** The Blueprint allocation for 2007/08 has been completed through the PBMA prioritisation process. All but one contract was currently in place and operational by the end of 2007/08. The final contract – for the Kaupapa Maori Iwi support service – was signed during October 2008. New unit fully staffed and patients transferred from old building to new facility in September 2007 as per plan in business case.

Indicators	2006/07 Actual	2007/08 Target	2007/08 Actual	Comments
% of long-term clients with an up-to-date relapse prevention plan (Health Target)	New measure	90%	Adults: 55% Child & Youth: 63%	The Ministry's criteria for meeting the target is broad and Waitemata was able to identify a range of electronic assessments which met this for all of its District Services. Unlike some other DHB's which have reported and worked with a single team, Waitemata has been able to focus on all of District Services and improved compliance by 21% to a 58% average. This has been supported by compliancy reports being available detailing clients not meeting the criteria at a team level. Community Alcohol & other drugs do not have the criteria available electronically so a random audit in early July 2008 of 52 client files returned 90% compliance. The senior advisor for Mental Health System Development, Barry Welsh, has been kept informed and supports our approach.

10 District and Regional Hospital Services

Service Outputs and Elective Services

Description	Achievements
Ensuring access to elective surgery is a high priority for the government. *Providing specialist interventions to our community at the right time (right volume) will improve the health status of our community.* **Deliverables** 1. Maintain compliance with Elective Services Performance Indicators (ESPI) (monitored via Ministry of Health Booking Systems website). 2. Deliver the additional CWD as agreed with the MoH (using the additional $6.7M elective services funding from the Ministry)	***Partly achieved*** Overall achievement for year: Partly Achieved Partly achieved – see below.

Indicators	Results 2007/08	Comments
Service Outputs.	See attached table of key outputs.	
Deliver additional Waitemata DHB provider elective services (822 case weights – being 581 Surgical case weights and 241 Gynaecology case weights) using the additional elective services funding from the MoH ($6.7M) [Note: In addition to these case weights resulting from inpatient admissions, extra outpatient attendances and day procedures are being provided with the extra electives funding]	Surgical CWD = 862 Gynaecology CWD = 125.86	Note that additional electives funding was increased to $8M, increasing surgical caseweight results.

Performance Indicators/Targets (numerical)
Key Waitemata DHB Provider Service Outputs (2007/08)

Contracted Output	Measure/Unit	WDHB 2007/08 Target	WDHB 2007/08 Actual
Personal Health			
Medical Inpatient	caseweights (wies)	22,949	22,627
Medical Procedures	procedures	5,852♦	5,183
Medical Outpatient (FSA)	attendances	11,143	10,334
Medical Outpatient (FU)	attendances	32,632	32,668
Emergency Department (ED) Attendances	attendances	77,776	76,530
Surgical Inpatient - Acute	caseweights (wies)	10,535	9,615
Surgical Inpatient – Elective	caseweights (wies)	8,920*	8,423
Surgical Outpatient (FSA) ❸	attendances	12,781	10,815
Surgical Outpatient (FU)	attendances	25,746	25,138
Community Radiology ❹	relative value unit	39,000	35,026
Mental Health, Community Alcohol and Drug Services and Forensic Services			
District acute, sub-acute – beds	utilised bed days	24,619	26,207
Older persons – beds	utilised bed days	5,585	5,768
Detoxification (CADS) – beds ②	utilised bed days	3,103	3,623
Forensic services inpatient- beds	utilised bed days	38,033	41,242
Clients ③	clients seen per year	16,677	19,415
Methadone clients on programme	places	1,099	1,099
Child, Woman and Family Services			
Paediatric Inpatient	caseweights (wies)	650	663
Paediatric Outpatient ❶	attendances	6,905✝	5,233
Maternity Neonates	caseweights (wies)	1,894	1,768
Maternity Facility Fee Labour	births	6,100	6,627
Maternity Facility Fee Postnatal ①	births	5,500	6,115
School Dental	treatments	337,000	351,656
Gynaecology			
Gynaecology Inpatient - Acute	caseweights (wies)	870	888
Gynaecology Inpatient - Elective	caseweights (wies)	980*	889
Gynaecology Outpatient (FSA)	attendances	2,459	2,581
Gynaecology Outpatient (FU)	attendances	3,998	3,942
Home and Older Adults' Services			
Needs Assessments ④	assessments	11,700	14,401
A T & R Inpatient	admissions	2,060	1,994
CSOA Rehab clinics and domiciliary visits ❷	Clinics, visits, attendances	23,275	20,061

* Note: these figures were found to be incorrect during the course of the year and have been updated in this table (new figures were re-negotiated with the Ministry of Health once found to be incorrect).

✝ Note: this figure should be 5,100, incorrectly included in SoI

♦ Note: this figure should be 5,093, incorrectly included in SoI

Definitions

AT&R - Assessment, Treatment and Rehabilitation
CADS - Community Alcohol and Drug Service
Caseweights – these are used as the unit of measure for inpatient services. These provide a weighting to each patient discharge based on the relative costs of providing treatment for the particular illness or procedure for which the patient was admitted. This enables the different treatments that are provided to each patient to be compared and aggregated using a common unit of measure.
CSOA – Community Services for Older Adults
FSA – First Specialist Assessment (outpatient appointment)
FU – Follow Up (outpatient appointment)
Relative Value Unit (RVU) – another system for applying a weighting to particular activities/ procedures
WIES – Weighted Inlier Equivalent Separations: the weighting figure used to define a caseweight

Notes on Significant Variances (+/- 10%)

Under Target

❶ Paediatric Outpatient – The target listed in the Statement of Intent was incorrect, should read: 5,100
❷ CSOA Rehab clinics and Dom visits – The target volumes for the first 8months were affected by six staff vacancies.
❸ Surgical Outpatient (FSA) – Target includes 2,400 Ophthalmology CWD which have not transferred from Auckland DHB yet.
❹ Community Radiology – Waitemata DHB has had Medical Radiation Technologist (MRT) shortages at Waitakere Hospital. Shortages of radiologists are projected until 2009. High 'Did Not Attend' (DNA) rates are also contributing to low volumes and there are plans to investigate this during 2008/09.

Over Target

① Maternity Facility Fee Postnatal – Higher birth volume than anticipated.
② Detoxification (CADS) - beds – occupancy in excess of 110% against contracted beds
③ Clients – changes in the sentencing pathways has resulted in a large increase in the number of people accessing the service.
④Needs Assessments – increased efficiency and change in delivery model. A proactive approach was adopted whereby assessments were undertaken before inpatients were discharged from the hospital.

11 Quality and Patient Safety

Description	Achievements
There is a strong commitment to improvement and performance excellence in order to provide clinical safety and the best service to our community. There is a need for health professionals in primary and secondary services to address issues that impact on the consumer's experience across the continuum of care. Clinical safety is a strong focus and the key objectives reflect commitment to the 100,000 Lives Campaign and the Quality Improvement Committee priorities. In particular there is a focus on safe and quality use of medicines. **Deliverables** 1. Maintain certification against NZ Health and Disability Standards. 2. Continue public reporting of incident and complaint trends (see note below).	***Substantially achieved*** Certification maintained. Achieved.

Indicators	2006/07 Actual	2007/08 Target	2007/08 Actual	Comments
Overall Patient Satisfaction (HBI)	87% (Q4 2006/07)	88%	85%*	
Hospital Acquired Blood Stream Infection Rate (HBI)	0.21	0.19	0.11 (overall 2007/08) National rate: 0.14	

* Q4 2007/08

Note:

Waitemata DHB's primary objective is to reduce the incidence of adverse events. In order to achieve this it is necessary to establish a culture and expectations to ensure full reporting of such events. Waitemata DHB introduced a new reporting system (RiskPro) in 2006 to help facilitate this and in the medium to short term, reductions in the occurrence of adverse events will be masked by improved reporting, making it difficult to set targets.

Organisational Development Priorities (Capability/Capacity/Viability)

12 Workforce Development, Learning & Knowledge

Description	Achievements
Staff are Waitemata DHB's most important and valuable asset. *Building/maintaining workforce capacity and developing the organisation's collective capability are fundamental to achieving success in all of the key areas highlighted in Waitemata DHB's Strategic and Annual Plans. We continue to grow a culture of learning (both individual and organisational) where appropriate use of knowledge is valued.* **Deliverable** 1. Complete medium to long term Waitemata DHB Workforce Development Plan aligning with national and regional strategies (matching workforce needs and plans to future service delivery requirements). 2. Healthy Workforce Strategy: Develop and implement: - Employee Wellness Programme. - Training for managers on prevention and management of bullying and harassment. - Patient Handling Liten Up Programme Q2	***Substantially Achieved*** Draft plan written and is going out for further consultation during 2008/09. This document forms the basis for a range of workforce related projects across occupational groups and specialities. **Employee Wellness Programme** Programme achieved, successfully implemented and running, taking planned staggered approach throughout the year. This has been a significant achievement within the broader Human Resource Strategy to retain our valued existing staff. **Bullying and Harassment** Training was initiated for contact and investigations people - sessions were held in January and May of this year. Currently we are sourcing a facilitator to implement the training for Managers; we are aiming for August/Sep 2008 for management training sessions to start. **Liten Up Programme** Deliverables achieved. 'Moving into Community'- programme will be put in place, which is the first time in NZ, Training set up for orientation & updates. New Core trainers trained. This programme is going well and is being looked at by other DHBs for sustainability and best practice.

Indicators	2006/07 Actual	2007/08 Target	2007/08 Actual	Comments
Staff Turnover (Voluntary) (HBI).	2.48%	2.40%	WDHB 3.04% (Q4) 3.34% (annual average) National 3.07% (Q4) 3.17% (annual average)	Staff Turnover is the percentage of employees who voluntarily resign, calculated on a quarterly basis. (Note the target of 2.40% equates to an annual turnover of 9.6%).

12 Workforce Development, Learning & Knowledge (continued…)

Indicators	2006/07 Actual	2007/08 Target	2007/08 Actual	Comments
Sick Leave Rate (HBI).	2.92%	2.9%	WDHB 3.35% (Q4) 3.30% (annual average) National 3.84% (Q4) 4.23% (annual average)	Sick Leave Rate is the number of hours of paid or unpaid sick leave expressed as a percentage of the total number of contracted hours.
Work Place Injuries (HBI).	6.31	5.0	WDHB 6.77 (Q4) 7.74 (annual average) National 6.84 (Q4) 6.76 (annual average)	Workplace Injuries is the ratio of the total occurrences of work-related injury or disease to the total number of hours worked by all employees during the quarter x 1,000,000. The Q4 results for WDHB are only marginally above last year's results and below the national level. With the conclusion of the roll-out of the Liten Up programme (during 2008/09), we would expect to see an improvement in work related injuries resulting from patient lifting. Also, WDHB is the regional provider of most Mental Health Services and there is a known correlation between higher numbers of work related injuries and working within this service. Note: a number of DHBs plan to approach the Ministry regarding this indicator, as it does not represent a fair measure of performance – there is no allowance for the severity of the injury, for example.

13 Financial Performance

Description	Achievements
Government has made it clear that financial management is a fundamental performance accountability of DHBs. There is an expectation that deficits will be eliminated and that DHBs will operate within the funding levels provided by the government. **Deliverable** Actual financial performance as reported in Annual Report is within DAP budgets for Funder, Provider and Governance functions of the DHB.	***Partly Achieved*** Within the overall result, the Funds Arm result was $14.03 million favourable to a budgeted surplus of $5.26 million. This variance represents 1.4% of budgeted revenue. The Governance and Funding Administration Arm result was $0.94 million favourable to a budgeted deficit of $0.66 million. This variance represents 13% of budgeted revenue. The Provider Arm result was $2.34 million unfavourable to a budgeted deficit of $12.9 million. This variance represents 0.5% of budgeted revenue.

ERNST & YOUNG

Chartered Accountants

AUDIT REPORT

TO THE READERS OF WAITEMATA DISTRICT HEALTH BOARD AND GROUP'S FINANCIAL STATEMENTS AND STATEMENT OF SERVICE PERFORMANCE FOR THE YEAR ENDED 30 JUNE 2008

The Auditor-General is the auditor of Waitemata District Health Board (the Health Board) and group. The Auditor-General has appointed me, Simon Brotherton, using the staff and resources of Ernst & Young, to carry out the audit on his behalf. The audit covers the financial statements and statement of service performance of the Health Board and group for the year ended 30 June 2008.

Unqualified Opinion

In our opinion:

- The financial statements of the Health Board and group on pages 18 to 57:
  - comply with generally accepted accounting practice in New Zealand; and
  - fairly reflect:
    - the Health Board and group's financial position as at 30 June 2008; and
    - the results of operations and cash flows for the year ended on that date.
- The statement of service performance of the Health Board on pages 59 to 75:
  - complies with generally accepted accounting practice in New Zealand; and
  - fairly reflects for each class of outputs:
    - its standards of delivery performance achieved, as compared with the forecast standards included in the statement of forecast service performance at the start of the financial year; and
    - its actual revenue earned and output expenses incurred, as compared with the expected revenues and proposed output expenses included in the statement of forecast service performance at the start of the financial year.

The audit was completed on 29 October 2008 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 Board 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 and statement of service performance 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 and statement of service performance. 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 and statement of service performance. 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 Board;

- confirming year-end balances;
- determining whether accounting policies are appropriate and consistently applied; and
- determining whether all financial statement and statement of service performance disclosures are adequate.

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

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

Responsibilities of the Board and the Auditor

The Board is responsible for preparing the financial statements and statement of service performance in accordance with generally accepted accounting practice in New Zealand. The financial statements must fairly reflect the financial position of the Health Board and group as at 30 June 2008 and the results of operations and cash flows for the year ended on that date. The statement of service performance must fairly reflect, for each class of outputs, the Health Board's standards of delivery performance achieved and revenue earned and expenses incurred, as compared with the forecast standards, revenue and expenses at the start of the financial year. The Board's responsibilities arise from the New Zealand Public Health and Disability Act 2000 and the Crown Entities Act 2004.

We are responsible for expressing an independent opinion on the financial statements and statement of service performance and reporting that opinion to you. This responsibility arises from section 15 of the Public Audit Act 2001 and the Crown Entities Act 2004.

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.

In addition to the audit we have carried out assignments in the area of advice on the Health Board's conversion to New Zealand equivalents to International Financial Reporting Standards, which are compatible with those independence requirements. Other than the audit and these assignments, we have no relationship with or interests in the Health Board.

Matters Relating to the Electronic Presentation of the Audited Financial Statements and Statement of Service Performance

This audit report relates to the financial statements and statement of service performance of the Health Board for the year ended 30 June 2008 included on the Health Board's website. The Health Board's Board is responsible for the maintenance and integrity of the Health Board's website. We have not been engaged to report on the integrity of the Health Board's website. We accept no responsibility for any changes that may have occurred to the financial statements and statement of service performance since they were initially presented on the website.

The audit report refers only to the financial statements and statement of service performance named above. It does not provide an opinion on any other information which may have been hyperlinked to or from the financial statements and statement of service performance. If readers of this report are concerned with the inherent risks arising from electronic data communication they should refer to the published hard copy of the audited financial statements and statement of service performance and related audit report dated 29 October 2008 to confirm the information included in the audited financial statements and statement of service performance presented on this website.

Legislation in New Zealand governing the preparation and dissemination of financial information may differ from legislation in other jurisdictions.

Simon Brotherton
Ernst & Young
On behalf of the Auditor-General
Auckland, New Zealand

Notes

Notes

Waitemata
District Health Board
Te Wai Awhina

Attachment 2

Annual Report 2008/2009

Waitemata District Health Board
Te Wai Awhina

ISSN: 1173-4051

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Annual Report 2008/2009

Statement of service performance

Financial Statements

From the chair

It is a privilege to have been appointed as chair of the Waitemata District Health Board in June 2009. My distinct impression is that this district health board has immense promise and potential, however to realise this we need to resolve a number of strategic issues.

The immediate priority relates to significant new developments that will be undertaken in the short term to enhance patient access and quality of care in our emergency departments at both North Shore and Waitakere Hospitals. Further new developments underway include expanding the capacity of our adult medical services with the construction of an additional medical ward and the initiation of renal services, for which patients have previously been required to travel to Auckland City. All of these developments have been approved by the Board and are already in various stages of progress. Other developments currently under serious consideration include substantive expansion of elective surgical facilities, re-development of mental health facilities and the development of an education centre for our professional staff. The primary care arena is facing an exciting future, bringing with it opportunities for Waitemata District Health Board to address untapped potential in several areas such as devolving some hospital services closer to a patient's home and finding new and different ways of working more closely with primary care providers.

Dr Lester Levy

The issues that we need to overcome include a significant reduction in bureaucracy in order to enhance flexibility, responsiveness, innovation, productivity and a patient-centric mindset. Managers need to be more accountable and this will happen by decreasing the number of management roles and layers to increase the speed of decision making, increase trust and to create the opportunity for clinical leadership. This clinical leadership and engagement is critical to making more relevant decisions, changing the culture of Waitemata District Health Board to one that is more fully focused on the care process and genuinely builds a culture that attracts and retains the highest quality staff.

It is extremely important for Waitemata District Health Board to confront the reality of the current and future economic context by moving quickly to reduce costs in order to eliminate any operating deficits. Financial health is an essential precondition to our ability to undertake the depth of capital development required to meet our aspirations for patient care.

In future Waitemata District Health Board will provide higher quality services, in shorter time frames with genuine kindness and consideration and at appropriate costs.

We are fortunate at Waitemata to have a very engaged, committed and able Board. It is very important to acknowledge the critical roles played by our deputy chair Max Abbott and the chairs of our key committees being Brian Neeson (chair – Audit and Finance Committee), Wyn Hoadley (chair – Hospital Advisory Committee), Warren Flaunty (chair – Community and Public Health Advisory Committee), Lynne Coleman (chair – Quality and Risk Committee) and Gwen Tepania-Palmer (chair – Maori Health Gain Advisory Committee).

Dr Lester Levy
Chair, Waitemata District Health Board

From the chief executive

As the district health board serving the largest DHB population in the country, it is not surprising that this year has been a challenging and exciting one for Waitemata DHB.

It has been a year in which we boosted the number of our inpatient beds by 13.5 per cent, we performed elective surgery on a record number of people, and we achieved five of our nine government health targets while partially achieving another two.

And it has been a year in which we finalised our Clinical Services Plan, a critical blueprint that identifies the services we will need to meet our population's health requirements over the next 20 years and beyond.

Perhaps the most significant highlight this year, however, was the green light we received in April to progress with our 'Lakeview Development'.

This extension to the Lake Pupuke end of North Shore Hospital will result in a new Emergency Department and a 50-bed Assessment and Diagnostic Unit by 2011.

This will be a significant step towards improving our emergency services and will enhance patient flow and timeliness of patient care.

This year saw the publication of the Health and Disability Commissioner's report into North Shore Hospital, which concluded that Emergency Care Centre (ECC) overcrowding and staff shortages were major contributing factors to unsatisfactory care received by five elderly patients during the winter of 2007.

I have taken the report's findings and recommendations seriously and we have been working hard to address the concerns raised. The Lakeview Development will be a key factor in achieving major, long-term improvement. But we have also taken other significant, and more immediate, steps to address matters raised by the report.

Since 2007, nursing staffing has greatly increased, 62 new beds have been added across the DHB, and significant changes have been made to bed management and patient flow through the hospital.

In addition, two new programmes – Optimising the Patient Journey and The Productive Ward - have made a big difference by freeing up nurses to spend more time on direct patient care.

Waitemata was the first DHB in the country to pilot The Productive Ward, and it has reduced the time nurses spend on administration tasks by 40 minutes per shift. Vacancies have also reduced significantly on those wards that have trialled the programme.

We are committed to providing excellent care to patients and families who come to North Shore and Waitakere Hospitals, and to delivering this care with compassion and respect.

Many of the steps we have taken to achieve that goal over the past year are detailed in the pages that follow. And we are looking forward to raising the bar even further in the 2009/10 year.

Dave Davies

Dave Davies
CEO, Waitemata District Health Board

District snapshot

Waitemata District Health Board serves the largest DHB population in the country – more than 525,000 people. It is also the second fastest growing of New Zealand's 21 DHBs.

We employ around 5,500 people in more than 30 different locations and manage a budget of over a billion dollars a year, serving residents of North Shore City, Waitakere City and the Rodney district.

Waitemata DHB operates North Shore Hospital, on the shores of Lake Pupuke in Takapuna, and Waitakere Hospital in west Auckland.

We provide acute, medical, surgical, maternity, community health and mental health services. We also provide a range of services for the Auckland region including child rehabilitation and respite at Takapuna's Wilson Centre, forensic psychiatric services at the Mason Clinic in Point Chevalier, school dental services and Community Alcohol and Drug Services.

Our district is a diverse one, made up of 57% European, 14% Asian (mostly Chinese, Indian and Korean), 8% Maori, 6% Pacific peoples and 15% other.

Mission

To make a healthy difference

Values

Openness

Ensuring transparency of process, structure and communication

Integrity

Being truthful, sincere, fair and consistent in all dealings

Compassion

Being thoughtful of people's needs and supporting them in ways that protect their mana

Customer focus

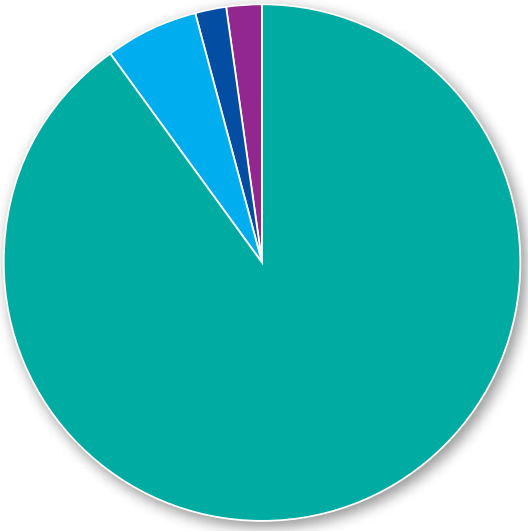
Spending time and energy to ensure that patients, clients and customers are well served

Respect

Acknowledging a person's dignity.

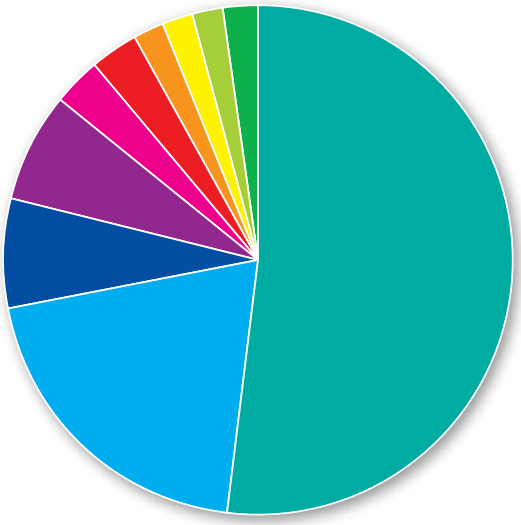
The areas that make up
Waitemata District Health Board

How we allocate our funding



Where did the money come from?

	$m	%
Ministry of Health	$1,095	90%
Other DHBs for care of their residents by Waitemata DHB	$71	6%
Clinical Training Agency, ACC and other health funders	$19	2%
Other income	$26	2%
	$1,211	**100%**



What was it spent on?

	$m	%
Waitemata DHB's own hospital and community health services	$636	52%
Other DHBs mainly for care of Waitemata DHB residents	$238	20%
Community pharmaceuticals	$90	7%
Primary care	$81	7%
Private hospitals	$39	3%
Personal health contracts	$31	3%
Mental health (NGOs, private providers)	$28	2%
Community laboratory tests	$28	2%
Rest homes	$23	2%
Home support services	$22	2%
	$1,216	**100%**

Facts and figures

During the past year

- 7,889 babies were born in our hospitals
- 79,344 people attended the Emergency Care Centres at North Shore and Waitakere Hospitals and 24,862 of these people were admitted
- 48,520 vaccinations were given to children aged five years and under
- Our hospital laboratories carried out 2,663,503 blood and other specimen tests
- 8,204 people had free diabetes checks
- We carried out 142,160 CT and MRI scans in our hospitals
- 33,527 women underwent screening with BreastScreen Waitemata Northland
- 80,134 people had a first medical or surgical outpatient appointment and a further 8,204 people had a follow-up appointment
- 154,760 people visited outpatient clinics
- 432,130 school dental treatments were given to children
- We saw 22,574 mental health clients
- District nurses carried out 91,297 home visits while specialist nurses carried out 5,308 home visits
- 5,988 people had acute procedures
- 8,270 people had elective treatment
- 15,541 needs assessments were carried out by the Needs Assessment and Service Co-ordination service (NASC)
- There were 11,801 mental health home visits and 16,433 non-mental health home visits.

Year in review

Our people

Waitemata DHB employs around 5,500 people and over 80% of our staff are doctors, nurses and allied health employees working directly with patients. Clinician involvement in everything we do is very important to Waitemata DHB.

Recruitment of key medical staff, particularly junior doctors, has been a challenge for DHBs across the country this year and Waitemata DHB has been developing a workforce strategy to help make us an employer of choice.

The health board has had considerable success in some key areas. Nursing vacancies in departments like North Shore Hospital's Emergency Care Centre have reduced through good recruitment and retention strategies.

More health care assistants have been employed to help patients and free nurses to spend more time on complex patient care, while in other areas managers have introduced more innovative solutions to the medical workforce shortage.

Faced with a house officer shortage, our Home and Older Adults Service, which treats over 65s, trialled a number of new ways of working, including establishing a nurse practitioner intern role and trialling a clinical assistant role.

Nurse practitioners have advanced assessment and diagnostic skills and can prescribe medications. The role at Waitakere Hospital was successful in relieving the stress on the medical teams and was popular with patients.

The clinical assistant role trialled at both North Shore and Waitakere Hospitals provided much needed clerical and administrative support and the service is looking at using these positions in the future as required.

In April, seven new nurse specialists began work at Waitakere Hospital's Emergency Care Centre. In partnership with the emergency medicine doctors, the new nurses are able to assess, treat and discharge patients with minor ailments, including minor bone fractures, dislocations and infections. This means the hospital's emergency medicine doctors now have more time to spend on patients who arrive at the department in a more serious condition. Some patients who may previously have faced a long wait, are being seen more quickly.

Two urology clinical nurse specialist posts were also established to provide nurse-led clinics. Clinics for patients undergoing treatment for prostate cancer, and rapid response clinics for patients experiencing problems following catheterisation, have been introduced and are proving successful in providing timely access to specialist care. The nurse specialists have also been active in providing education support to hospital and community nursing staff.

In other areas, a campaign in the local community to recruit more radiology nurses, after having the posts vacant for a year, yielded two new recruits, and the DHB doubled its number of anaesthetic technician trainees following three new recruitments. This brought the total number of trainees to six and means the DHB can now provide wider support to the various hospital services. Anaesthetic technicians assist anaesthetists and prepare operating theatres and clinics for anaesthetic procedures.

To encourage young people to pursue a career in healthcare, the health board runs a scholarship programme. Scholarship recipients can receive up to $5,000 a year toward tuition fees, and also have the opportunity to access practical placements and work experience opportunities within the district health board. In the 2008 academic year there were 10 successful scholarship recipients who

"The team here works really well together. There's a great combination of personalities within my department, and the area I work in is fantastic too – there's lots of space and the equipment is all up-to-date."

Sarah Utting:
Physiotherapist,
Waitakere Hospital
Outpatients

Full time equivalent (FTE) staff	As at June 2009
Medical	650
Nursing	2,328
Allied Health	1,218
Support Services	116
Administration and management	810
TOTAL (FTE)	**5,122**

are now studying in areas ranging from physiotherapy and occupational therapy, through to nursing, oral health, midwifery and medicine.

Staff retention and recognition is also important and in November 2008 the Staff Long Service Recognition Programme award ceremony was attended by more than 250 employees totalling an outstanding 5,700 years of service between them.

Key priorities

Waitemata DHB has a number of key priorities that it focusses on during the year. This is how we fared over the last year in addressing these:

Reducing inequalities

This year, for the first time, the DHB produced Health Needs Assessment reports for three of its most vulnerable populations - Maori, Pacific and Asian. The reports highlight the areas of greatest health need over the next decade.

Asian people are the region's second-biggest ethnic group and make up 14% of the Waitemata population. Of Waitemata's Asian population the largest sub-group is Chinese (40%), followed by Indian (22%) and Korean (18%). Fifty-five per cent of Waitemata's Asian population live on the North Shore and 41% in Waitakere.

More than 80% of Waitemata's Asian population are immigrants, who have entered the country with good health. Asian people have a higher life expectancy than average, lower rates of avoidable hospitalisation and low infant mortality.

The report did identify room for improvement for Asian people, such as the need to increase physical activity and fruit and vegetable consumption, as well as the need for increased participation in screening programmes such as for cervical cancer. Waitemata DHB's Asian population also has low utilisation of most health services. While partly due to good health, it is also likely to be due in part to access barriers - in particular language difficulties.

This assessment has identified several action areas for the DHB, including developing our own Asian workforce, improving availability and access to preventative health services like screening and smokefree programmes, and improving enrolment with family doctors.

Numbering 43,000, Waitemata's Maori population makes up 7.6% of the country's Maori population. Fifty-three per cent of Waitemata Maori are younger than 24 years old. More than half of Waitemata Maori live in Waitakere City, with 29% and 18% living in North Shore City and the Rodney district respectively.

Maori in Waitemata have a better health status than the average for New Zealand Maori. However, there was a range of areas where Waitemata Maori fared worse in death and illness statistics than the general population. Maori have worse health outcomes than the average due to factors like smoking, obesity, inactivity, poor nutrition and low rates of immunisation and screening. Their hospital self discharge rate is twice the rate of other people in the DHB. We are working to make healthcare more accessible, provide services that are culturally appropriate and increase immunisation and screening rates.

Over the past year work has continued on the development of the Whanau Ora Navigation Cancer Care Service, a collaborative initiative between Waitemata District Health Board and Waitakere-based health provider Wai Health. The service is for Maori aged 16-years and over, and their whanau, and will initially be available to west Auckland residents. Every year 70 new diagnoses of cancer are made among people who live in west Auckland and who identify as being Maori.

The Whanau Ora Navigation Cancer Care Service is a tautoko/support service where patients are helped by 'navigators' who provide support, advocacy and education along the cancer care pathway.

Pacific people make up 6.3% of Waitemata's population and over half are aged below 25 years old. They have the highest birth rate in our district and are expected to grow to nearly 9% of our population in the next 20 years.

In many cases, the district's Pacific people have healthier lifestyles than Pacific people in other parts of New Zealand. Their life expectancy has increased over the last three years and is now exceeding the national average for Pacific people.

Pacific people in Waitemata smoke less, have lower rates of obesity, higher child immunisation rates and lower infant mortality than other Pacific people in the country.

However, in other areas they don't fare as well, with higher rates of diabetes and deaths from cancer and heart disease than the average in the district. Waitemata's Pacific mortality rate is almost twice that of the total Waitemata population and their avoidable hospitalisation rate is around 80% higher.

The assessment identified several areas of action for the DHB including making health services more accessible and culturally appropriate, and promoting free services like cervical and breast screening.

In October we launched a Pacific Support Service to offer support, advocacy and liaison for Pacific residents of our district who are admitted to Waitakere or North Shore Hospitals.

"My mother has been a patient in North Shore hospital, Ward 11 and I would like to pass on my thanks to your staff for the excellent care and attention during her time there. She is elderly but was treated with the utmost care and respect."

Enhancing and supporting healthy lifestyles

Waitemata DHB is committed to improving the health and wellbeing of its communities by encouraging healthy lifestyles. The Ministry of Health-funded Health Eating Healthy Action (HEHA) programme, which has been running since 2007, has pushed forward many initiatives this year.

The Pacific Community Action initiative Enua Ola, which was launched last year in the west of the district, was extended to the North Shore and Rodney. This brings the total number of churches and community groups participating in the weekly physical activity and nutrition sessions - including aerobic classes, swimming and gardening - to 21.

A Maori Community Action project has identified 14 organisations which will receive funding in the coming year to carry out projects that increase physical activity, improve nutrition and reduce obesity.

Vending machines are well known for being quick and convenient, but over the last year at Waitakere and North Shore Hospitals they have been healthier too. The DHB developed a set of *Better Vending for Health* guidelines which advocate limiting the amount of sugary, salty snacks stocked in vending machines in a bid to play a small part in tackling the nation's growing obesity problem. The guidelines were brought together in an easy-to-read information pack, and promoted to local councils and companies who have been urged to follow the DHB's lead in providing healthy snacks for staff.

The last year has also seen great progress in taking the puff out of cigarettes at the health board.

Regional forensic mental health facility the Mason Clinic became completely smokefree at the end of March – nine months ahead of schedule.

North Shore Hospital's Kingsley Mortimer Unit, the mental health inpatient ward for older adults, became the first such ward in Auckland to go smokefree on World Smokefree Day, May 31st.

The Taharoto mental health facility at North Shore Hospital and the Waiatarau mental health inpatient unit at Waitakere Hospital was set to go smokefree in September 2009. Achieving smokefree status is a major, positive step toward protecting the health of clients, staff and visitors.

A new Smokefree DHB co-ordinator also began work in March to put the DHB's Tobacco Control Plan into action. The plan aims to reduce the harm caused by tobacco, enhance the delivery of smokefree services in community and hospital settings, and support the training of health care professionals to help patients give up smoking. Waitemata DHB is committed to being completely smokefree by 2010.

Children and young people

North Shore Hospital Maternity Services celebrated their 50th anniversary in July 2008. There have been around 90,000 North Shore Hospital babies born since 1958.

Over the last year, 7,889 babies were born at both North Shore and Waitakere Hospitals, 15 per cent more than the year before.

A $400,000 refurbishment of Waitakere Hospital's Te Henga maternity unit, one of the country's busiest, in December, brought new floors, a redesigned post-natal room, two rebuilt birthing suites and a deep-water bath. Meanwhile, in February, the hospital got a new antenatal clinic. Called Aratika, it is the base for 24 community and hospital midwives.

Increasing the number of new mums who breastfeed their infants was one of our key health targets last year and the Healthy Eating Healthy Action team contracted for specific ethnic antenatal breastfeeding classes for Maori, Pacific and Asian mothers. We also developed a breastfeeding support directory for GPs and Lead Maternity Carers (LMCs).

In April the health board introduced a breastfeeding in the work place policy to offer more support and facilities for breastfeeding mothers working at the health board's sites.

The Nutrition Fund, set up to help local preschools and schools improve children's healthy eating and nutrition, has funded school vegetable gardens

like that at Royal Road School in Massey. Tended and harvested by children, it is used to educate them about where food really comes from, and get them excited about eating healthy kai.

Other schools have used the fund to hold breakfast clubs and develop cooking facilities which are being used to teach children and their parents the benefits and techniques of healthy, nutrition-rich cooking.

Kaukapakapa School was one such school and hosted Prime Minister John Key at its new facility's opening day in March.

Research shows that insulated homes can have a major, positive impact on the health of those living in them, especially children. The Warm 'n' Well programme, introduced on 29 August, offers eligible families free home insulation, including under floor and ceiling insulation, hot water cylinder covers and draught seals around doors. There's also a visit from a public health nurse to give families advice about health concerns.

In September Waitemata DHB introduced the free B4 School Check national programme, which offers health and development checks for four-year-olds. The B4 School Check - which can take place in a GP clinic, a preschool or a community centre - includes a check of the child's vision and hearing, teeth and gums, and height and weight. It gives parents a chance to discuss their child's health and development with a registered nurse.

Chronic diseases (cancer, cardiovascular disease and diabetes)

Cardiovascular disease is the leading cause of death in New Zealand and Waitemata DHB is helping to reduce heart disease with cost-effective interventions ranging from prevention and education through to treatment and rehabilitation.

In July, the 1,000th patient was treated at North Shore Hospital's Cardiovascular Unit. Established over a year ago, the unit has been a major success, investigating and treating significantly more patients than anticipated and cutting the waiting times for treatment. Prior to the advent of the unit, patients had to travel to Auckland Hospital.

From March 2009, new and advanced medical treatment for patients with hepatitis was introduced by the Gastroenterology Service at North Shore Hospital. This treatment prevents the progression of liver disease and its associated complications. The increasing number of patients being treated has been successfully managed by the medical and nurse specialist team within Gastroenterology.

DAFNE (Dose Adjustment for Normal Eating) is a self management programme for people with Type 1 diabetes. The programme has been running for just over a year and results demonstrate a 50% improvement in how diabetes is impacting on the participants' lives, with no weight gain despite a greater freedom to enjoy foods they choose and a trend towards improving blood sugars.

DAFNE's key aims are to provide strategies for learning to live with diabetes, and freedom of choice. Participants learn in a group setting that creates an opportunity for learning from each other.

There has been a total of 90 DAFNE graduates to date, with a further 180 people with Type 1 diabetes having expressed an interest in participating in future courses. We are currently working with other DHBs who are exploring the possibility of providing DAFNE in their areas, and with Diabetes NZ Auckland.

"Working here is like working in a very close family. A lot of the work we do is in partnership with parents and it's wonderful to be able to encourage them and give them confidence as part of my job."

Alice Chai: Nurse, Waitakere Hospital Special Care Baby Unit

Health of older people

The rapidly ageing population and changing social patterns mean we need strategies to deliver integrated care for older people in our district.

Our Residential Aged Care Integration Project provides gerontology nurse specialist outreach support to elderly people in residential care homes, develops guidelines for common geriatric issues and provides clinical coaching for residential aged care nurses and caregivers. The new Registered Nurse Care Guides support nurses working in residential aged care facilities. These Care Guides provide a quick reference for 18 common conditions encountered when caring for older people in residential aged care.

We now have six full time gerontology nurse specialists who work with older people living independently, and in aged care homes, plus one wound care specialist. We believe this has improved the care provided to residents and has fostered better working relationships across health care organisations. Early evidence shows it has reduced the number of elderly residents needing admission to hospital.

A new rural gerontology nurse pilot service started operating in the Wellsford area in December as the result of a collaboration between Waitemata DHB and Coast to Coast Primary Healthcare Organisation (PHO). Based at the Wellsford Medical Centre, the service's gerontology nurse performs advanced nursing assessments for older adults in their own homes - an important job given the transport issues in rural areas.

Over the last year we have been able to cut the amount of time patients with acute exacerbations of smoking-related lung disease spent in North Shore Hospital by 17% thanks to our Acute Intervention Respiratory Service (AIRS). Led by specialist respiratory nurses and physiotherapists, AIRS also provides an ongoing care management service to patients with this problem who have recently been hospitalised.

A new Assessment, Treatment and Rehabilitation (AT&R) ward, Muriwai, opened this year at Waitakere Hospital, having been designed and purpose-built for the rehabilitation of older adults.

The 19-bed ward includes a number of features to minimise risk and maximise patient independence, such as cushioned vinyl floors to soften falls, and a large lounge and dining space where patients can prepare some of their own meals.

Ceiling-mounted hoists (for lifting patients) have been installed in two of the patient bedrooms, enabling easier and safer patient handling.

Patients over the age of 75 make up 41% of our acute medical inpatient episodes and account for 52% of our bed days. Waitemata DHB has been working on an integrated specialised service for older adults with complex needs, to better care for these people in hospital and the community with a comprehensive service. We have been working to extend community and home based services, set up a dedicated inpatient unit for stroke patients and have dedicated inpatient services for dementia sufferers. This will mean older adults spend less time in the Emergency Care Centre and will be directed more promptly to a specialist ward.

Waitemata DHB has worked hard over the last year to improve care for people who have suffered a stroke in our district. Following a four day workshop with staff and patients to review our processes, we developed new ways of working.

We now have early notification of patients with suspected stroke coming into hospital so we can give a rapid response. We have cut the time it takes to get access to diagnostics like CT scans, and increased the number of patients being

admitted directly to the stroke rehabilitation ward at North Shore Hospital. We have enhanced our stroke rehabilitation services through staff training, making sure patients are mobilised early, and improving communication with families and visitors.

We have changed community stroke services to support a coordinated transition from hospital to home, and to then better support patients once they are home.

Mental health

Mental Health and Addictions Services remained a priority for Waitemata DHB this year. The Board is responsible for the largest DHB Mental Health and Addictions Service in the country. A total of 22,574 patients were treated by the service last year and Waitemata DHB also worked collaboratively with other DHBs in providing regional and national mental health and addictions services.

In 08/09 the Waitemata DHB Mental Health and Addictions Stakeholder Network developed a five year Strategic Plan 2009 - 2015 in partnership with the Waitemata DHB provider arm, non-government organisations (NGOs), primary health organisations (PHOs), consumers and their families.

This strategic framework informs planning and delivery of district mental health and addiction services in order to meet the needs of the Waitemata population.

The plan aims to support individuals who suffer from mental health and substance dependence disorders to gain recovery, actively contribute to their families and communities, and enable people to prevent, or live well with, long term conditions.

The plan focuses not just on reducing symptoms of illness, but also on factors that contribute to good mental health, such as housing, employment, education, family relationships and a person's wider social networks. A range of services will be coordinated to bring specialist expertise in each of these areas.

The District Mental Health Service has also further developed home-based treatment services. These build on the capacity of the service to provide acute community-based treatment, and keep people out of hospital. Resources were made available to increase clinical staffing, as well as to develop partnerships with NGO services, to provide additional support to community mental health teams when treating patients at home.

The DHB is taking part in a Key Performance Indicator Framework for Mental Health and Addictions Services to promote quality improvements in the sector. The regional framework will lead to benchmarking where services can learn from each other to achieve better outcomes for clients. Ten indicators designed to provide information about health inequalities and how to reduce them, support a recovery focus, and for use as tools for quality improvement, are being tested within the Mental Health and Addiction Services.

A city-wide information system for Auckland's mental health services went live in April. The Auckland Regional Mental Health Information Technology (ARMHIT) system is a single electronic clinical record for all of the Auckland region's mental health service users. It is a joint undertaking by the Auckland, Counties Manukau, and Waitemata DHBs' mental health services. It allows a mental health user's records to be accessed by the more than 2000 mental health clinicians across Auckland. It makes the planned and co-ordinated delivery of patient services much easier, as well as helping manage contacts, scheduling and medications, and providing the appropriate access to key clinical data when required.

"My experience of North Shore Hospital in nearly three weeks of involuntary residence in Ward 8 was one of unremitting competence and attention to detail."

A high percentage of people in the criminal justice system have alcohol and drug disorders. Waitemata DHB Community Alcohol and Drug Services (CADS), in partnership with the Community Probation and Psychological Services and the NZ Prison Service, began improving alcohol and drug services to people with probation orders and to prison inmates through the government's Effective Interventions programme. In the 2008/9 year 3,491 referrals were made through this initiative.

13,673 patients were seen by Waitemata DHB Community Alcohol and Drug Services, TUPU and Te Atea Marino in the Auckland region in 08/09. This was a 13% increase on 07/08. twenty-three per cent of patients were Maori, 15% Pacific and 62 % European, Asian and other ethnicities. Alcohol abuse and dependence remained the most common diagnosis in this patient group.

Waitemata DHB's Forensic Mental Health Services at the Mason Clinic continued to operate to capacity, while receiving increased levels of referral from the Courts and NZ Prison Service. A scheduled independent review by the Ombudsman's Office of the Tane Whakapiripiri Unit at the Mason Clinic indicated that the unit was managed particularly well; and that systems and processes in place ensure patients detained within the unit are treated with dignity. The findings confirmed that the Mason Clinic continues to provide high quality services to a group of very vulnerable patients.

Quality and patient safety

There has been a big focus on improving the experience of patients in all areas this year.

Annually around 75,000 people attend Waitemata DHB's Emergency Care Centres at North Shore and Waitakere Hospitals, making them among the busiest in the country. This year we introduced the Optimising the Patient Journey project with the aim of reducing overcrowding, freeing staff to spend more time on their patients, and allowing more patients to be seen quicker.

The project rationale is that staff know best what is working, what isn't, and where the most effective changes can be made in their areas. Staff brain-storming meetings resulted in dozens of ideas about what could be improved, and changes have already made a big difference to waiting times in the busy departments.

The scheme mirrors the Releasing Time to Care programme piloted in North Shore Hospital's Ward 11. This internationally acclaimed programme frees nurses up to spend more time on direct patient care. Staff play a direct role in streamlining the set-up and activities on their ward so that tasks take less time and nurses are better able to focus on direct patient care. This leads to greater reliability, safety and efficiency of patient care, and an improved, less stressful working environment for staff.

In February, Waitemata DHB's Quality Use of Medicines (QUM) team launched a new website for doctors, nurses and pharmacists working in primary care. Part of the SafeRx® initiative, the **www.saferx.co.nz** site aims to promote the safe use of medicines which are important treatments but are known to cause harm if not used correctly. The site features resource materials such as concise practice points and fully referenced and detailed information sheets.

The QUM team has also worked on the following initiatives this year:

Pacific asthma medication plan: A study at West Fono Health Trust and the Rangitira Unit (Waitakere Hospital) to evaluate an asthma medication plan for children designed especially for Pacific families. A website produces personalised

information in different Pacific languages; the plans promote the use of everyday asthma inhalers and the warning signs of an asthma attack.

Education to junior doctors project: A series of intranet-based quizzes, attached to educational resources, helps junior doctors to improve prescribing and patient safety. This project has been selected as part of the Waitemata DHB e-learning initiative and will be available on the internet for off-site access from 2010, with the potential to involve other DHBs.

Patient information booklets: Booklets provide medicines information to patients with heart failure, coronary artery disease, and those with Type 2 diabetes starting insulin. These booklets have been produced in English, Korean, Chinese and Samoan.

Heart failure medicines: Guidelines to encourage the use and appropriate dosing of ACE inhibitors and beta blockers to help with the management of congestive heart failure. The guidelines are available on the internet and intranet and education sessions have been provided to primary care.

Elective and acute hospital services

Demand for services at North Shore Hospital has risen sharply in recent years with the rapid growth and ageing of the Waitemata population. So we were delighted to get approval from the Ministries of Health and Finance for our $48 million expansion of North Shore Hospital this year.

The expansion, to take place at the Lake Pupuke end of the hospital, will comprise a seperate redesigned Emergency Department and a 50-bed Assessment and Diagnostic Unit (ADU). Work on the 'Lakeview Extension' started in April 2009 with construction due for completion in 2011.

Emergency patients and those arriving by ambulance will be seen in the Emergency Department while the ADU will accommodate patients requiring acute admission while they undergo observation, assessment and diagnostic tests. The ADU will help us to promptly assess, diagnose, treat and discharge people home with the support they need, rather than have them waiting for long periods in hospital if that's not necessary.

The new extension will alleviate emergency department overcrowding, increase bed numbers and improve patient flow through the hospital. It will also make more inpatient beds, and expanded High Dependency and Intensive Care units, possibilities for the future.

Over the summer, the elective orthopaedics ward at North Shore Hospital underwent an extensive refurbishment programme. This was the first phase of an ongoing programme of ward refurbishment. It's now a more pleasant and comfortable environment for patients and a much improved working space for staff.

The transfer of secondary care hand surgery services from Middlemore Hospital was also completed in the past year. The majority of day stay hand surgery for Waitemata residents is now provided at Waitakere Hospital, with the more complex procedures undertaken at North Shore Hospital.

Waitemata DHB's Bed Capacity Project drew to a successful close in early 2009 with the number of inpatient beds boosted by 13.5 per cent, or 62 beds. Around 25 services were affected by the redevelopment and relocation work needed to accommodate the beds, which took the total number across Adult Health Services to 521 - 400 beds at North Shore Hospital and 121 at Waitakere Hospital.

"Doctors from all different areas are quite approachable, and there's a great culture of junior and senior doctors working well together. Working here is great for me because it's such a lovely location on the lake."

Andy Baker: Neurologist, North Shore Hospital Home and Older Adults Services

The additional capacity included 20 beds in the new Wainamu medical ward at Waitakere Hospital, and eight beds in each of the High Dependency (HDU) and Post Anaesthetic Care (PACU) units at North Shore Hospital. Wards 5 and 6 at North Shore also received one extra bed each and the new Short Stay Ward on the ground floor added a further 24 beds.

A new Haematology Day Stay Unit opened on the first floor of North Shore Hospital in January. The facility relocated from the Outpatients Ambulatory Day Stay area on the ground floor of the hospital. The unit comprises two areas – one with two consulting rooms and the other with six beds and four reclining chairs for patients undergoing procedures such as blood and iron transfusions, and chemotherapy. The unit also features a seventh bed in a 'negative pressure' room for patients such as those with low immunity.

Without the bed expansion the workload pressures experienced in ECC and on the wards at North Shore Hospital over the winter period would have been more pressured. However further development work will still be required to cope with growing demand for health services.

Primary care

PHO	Enrolled population	Full time doctors
Coast to Coast	13,857	7
Harbour PHO Ltd	154,293	130
HealthWEST	118,842	79
ProCare Network North Ltd	104,064	82
Te Puna PHO Ltd	12,573	7
Waiora HealthCare Trust	44,906	26
	448,535	**331**

Waitemata DHB funds six Primary Health Organisations (PHOs) in the district and over 80% of our population is enrolled with them. Another 14% are enrolled with other PHOs. We are working with the Waitemata PHOs and other primary care providers to reduce avoidable hospital admissions.

It has been a busy year for our primary health care team who have been working to provide better, sooner, more convenient healthcare for our local population. Working closely with primary care providers, three major projects have been in the planning phase this year. The first is an action plan to provide after hours care in communities where there are few GPs. The DHB is supporting doctors to provide care in the community and is working closely with GPs to increase their opening hours and reduce co-payments. The second, devolution of primary care, is looking at moving some hospital services to primary care settings. This would not only mean a wider range of services available closer to a patient's home with faster access, but also that specialist services in hospitals would be freed up to focus on more complex cases. Waiting lists would also be reduced. The third, the Primary Health Care Plan, looks at the future direction of primary care in the community and how we can help to improve services.

This year the DHB started a two-year wound care pilot with Harbour Health and HealthWEST PHOs to improve care co-ordination between primary health care nurses and district nurses, and ensure care is consistent. The project uses handheld 3-D wound mapping devices to improve the treatment of traumatic and chronic wounds by standardising treatment and providing clear care guides. The initiative improves primary health care nurses' 'ability' to consult with a wound care specialist about difficult and hard-to-treat wounds, and to more accurately track healing.

"I was recently discharged from Waitakere Hospital after spending six days as a patient in the Titirangi Ward. I would like to thank and acknowledge the doctors and nursing staff for the care, dedication and commitment shown to me during my stay."

Health targets

In 2008/09 the government set 10 measures for the health system to show how it is contributing to maintaining and improving the health of New Zealanders. The targets reflect important priorities and focus accountability and effort on achieving progress. A target is a level of performance that we aim to achieve in a specific health area, for example, immunisation. It is important that as many children as possible are fully immunised, so the target is to ensure that 85% of two-year-olds have had all their injections. The other priority areas in 2008/09 were oral health, increasing the number of planned operations, reducing avoidable hospital admissions, reducing cancer waiting times, improving diabetes and mental health services, healthy eating and activity, reducing harm from tobacco, and reducing the cost of the Ministry of Health. The last of these was not a DHB target.

Health targets achieved

85% of two-year-olds fully immunised

Increasing number of tests for cardiovasular disease (CVD)
The required number of people received tests to manage their heart problems, ensuring a good percentage of 'at risk' people got the appropriate CVD blood tests

Elective discharges/waiting times
Waitemata District Health Board met its targets both for the number of elective procedures performed over the past year, and for waiting times for elective surgical patients and first outpatient appointments

Plans to ensure mental health clients stay well in the community
The number of long term mental health patients with relapse prevention plans hit the 90% target

56% of children use DHB-funded dental services
Children from the Year Nine age group to 17-years-old used oral health care services

Health targets partially achieved

Reducing avoidable hospital admissions
Most population groups improved however Pacific rates did not hit targets

Reducing cancer waiting times so all patients receive radiation oncology treatment within six weeks of their first specialist assessment
Some patients' treatment was delayed because they were waiting for surgery. Patients are tracked each week to ensure a treatment start date is scheduled as soon as possible

Health targets not achieved

Increasing number of people getting checked for diabetes
Target rates were not achieved

Improving the number of people who manage their diabetes well
Fewer people than planned had their diabetes managed appropriately

Statutory information

Waitemata DHB board members	
Lester Levy	Board chair (from June 2009)
Max Abbott	Deputy board chair (Acting board chair March-May 2009)
Brian Neeson	Chair, Audit and Finance Committee
Wyn Hoadley	Chair, Hospital Advisory Committee (HAC)
Warren Flaunty	Chair, Community and Public Health Advisory Committee (CPHAC) and chair, Three Harbours Health Foundation
Lynne Coleman	Chair, Quality and Risk Management Committee
Gwen Tepania-Palmer	Chair, Maori Health Gain Advisory Committee (MaGAC)
Mary Lythe	Chair, Disability Support Advisory Committee (DiSAC)
Pat Booth	
Robert Khan	
Mary-Anne Benson-Cooper	
Kay McKelvie	Board chair (resigned February 2009)

Waitemata DHB attendance at board and committee meetings July 2008 to June 2009

Board Member	Board 11 Mtgs	CPHAC 11 Mtgs	HAC 11 Mtgs	DiSAC 4 Mtgs	Audit & Finance 9 Mtgs	MaGAC 7 Mtgs	Quality & Risk 9 Mtgs	Wilson Home 11 Mtgs	Three Harbours 3 Mtgs
Dr Lester Levy From 01 June 09	1	-	-	-	-	-	-	x	x
Max Abbott	9	10	11	4	x	x	x	x	x
Brian Neeson	10	11	11	x	9	x	x	x	x
Wyn Hoadley	9	10	10	x	8	x	x	x	x
Warren Flaunty	10	10	10	x	7	x	x	x	3
Lynne Coleman	9	9	8	x	x	x	7	10	x
Gwen Tepania-Palmer	10	8	8	x	x	6	5	x	x
Mary Lythe	11	11	11	4	x	7	9	11	x
Pat Booth	10	10	10	4	x	x	x	x	x
Robert Khan	6	9	10	x	7	x	x	x	3
Mary-Anne Benson-Cooper	9	9	6	4	x	x	8	x	x
Kay McKelvie 1 July 08 – 28 Feb 09	7	6	6	1	6	X	1	x	x

x = not a member of committee

Note: Attendance at committee meetings is only shown for members of the committees. Additionally, some Board members attend some meetings of committees of which they are not members.

Board and committee member remuneration

Fees paid for the services of board members and co-opted committee members during the year to 30 June 2009 were:

Board members

Lester Levy (chair – part year only) $4,167; Max Abbott $43,750;

Brian Neeson $32,812; Wyn Hoadley $32,562; Warren Flaunty $32,562;

Lynne Coleman $29,500; Gwen Tepania Palmer $28,500; Mary Lythe $31,250;

Pat Booth $31,000; Robert Khan $31,750; Mary-Anne Benson Cooper $31,000;

Kay McKelvie (chair – part year only) $38,146 .

Co-opted committee members

Community & Public Health Advisory Committee: Tereki Stewart $2,250; Lyvia Marsden $2,000; Waitakere Health Link, North Shore Community Health Voice and Rodney Health Link, a total of $2,750 for the services of their representatives: Tracy McIntyre, Lorelle George/Sue Gibb and Margaret Willoughby.

Disability Support Advisory Committee: Jill Calveley $250; Anne Frankland $1,000; Jan Moss $750; Sonia Thursby $750; Michele Cavanagh $1,000; Tina French $250; Karl Gatoloia $250; Russell Vickery $250.

Maori Health Gain Advisory Committee: Gary Brown $1,062; Kate Haswell $500; Michele Cavanagh $500; Tyrone Raumati $1,000.

Dr Lester Levy (chair)

A graduate of Medicine and holder of an MBA, Dr Levy is the chief executive of the University of Auckland's New Zealand Leadership Institute and adjunct professor of Leadership at the university's Business School. He has an extensive background in public health, having been chief executive of South Auckland Health and the Mercy Ascot Hospital Group. He is a Fellow of the New Zealand Institute of Management.

Professor Max Abbott (deputy chair)

Professor Abbott is AUT University's pro vice chancellor (North Shore) and Dean of the Faculty of Health and Environmental Sciences. Max also co-directs the National Institute for Public Health and Mental Health Research. He was previously a clinical and community psychologist, national director of the Mental Health Foundation and president of the World Federation for Mental Health.

Brian Neeson

Brian was a National member of parliament for 12 years, and assistant speaker of the House of Representatives and chair of the Health Select Committee. He is a second term elected health board member and chair of the Audit and Finance committee. Brian is also an elected community board member for Waitakere City Council and managing director of two private investment companies.

Wyn Hoadley

Wyn is a barrister and member of the Earthquake Commission. A former city and regional councillor, she served as mayor of Takapuna City and chancellor of Auckland University of Technology. She is currently patron and trustee of various performing arts, sports and community organisations, including the North Shore Hospital Foundation. She is a Companion of The Queen's Service Order (QSO).

Warren Flaunty

Warren is a pharmacist and has owned his own pharmacy in Massey, and now Westgate, for over 40 years. He is also a Waitakere City councillor, president of the Waitakere Licensing Trust and the NZ Licensing Trust Association. He is a Justice of the Peace and was awarded a Queen's Service Medal in 2004 for services to the community.

Dr Lynne Coleman

Educated on the North Shore and at Auckland Medical School, Dr Lynne Coleman is a mother-of-five and works as a general practitioner at the Apollo Health and Wellness Centre in Albany. Dr Coleman is an appointee to the Wilson Home Trust and chairs the Quality and Risk Committee for the DHB. She also sits on the Sports Tribunal of New Zealand and is a trustee on the Harbour Sport Trust. She has a special interest in sports medicine and women's health.

Gwen Tepania-Palmer (Ngati Kahu/Ngati Paoa)

Gwen is a graduate of Pyschopaedic Nursing (Manawatu) and of Comprehensive Nursing (A.T.I. North Shore). She holds an MBA (Massey) and a Certificate in Company Direction (Institute of Directors New Zealand). Gwen has an extensive background in the New Zealand health sector. She has held several ministerial appointments including the National Health Committee and is chair of the Ngatihine Health Trust, Northland.

Mary Lythe

A psychology and education graduate of Auckland University, Mary is a registered nurse with a background in public, private and community based nursing. She is the clinical services manager for Alzheimer's Auckland Inc, responsible for the team of advisors who provide free support, education and assessment to those affected by dementia.

Pat Booth

Pat Booth (OBE) is consulting editor and contributing columnist to Fairfax Suburban Newspapers in the Auckland region and the group's editor emeritus. He is the author of 16 books including prize-winning investigative works and novels. An elected member of the Waitemata DHB Board since 2004, he was previously a member of Northland DHB, the Far North District Council and Waitakere City Council.

Robert Khan

Robert grew up on the North Shore before working in various marketing and management roles in Holland and the UK. He has also run various successful business ventures and started New Zealand's first commercial Indian radio station, Radio Tarana, the first ethnic station to rate 4.7% of the Auckland radio market. He has received numerous awards for his contribution to the Asian, Indian and Pacific communities in New Zealand.

Mary-Anne Benson-Cooper

Mary-Anne is a human resources health safety consultant for the marine industry and a director of her own company, Health Safety Services. She previously worked as an occupational health nurse and for the Department of Labour as a health safety inspector and enforcement officer. She is a Justice of the Peace and is involved in the North Shore community.

Board members' interests

Board members had involvements with the organisations shown in the table below for all or part of the financial year ended 30 June 2009. The organisations marked with an asterisk, or subsidiaries of those organisations, received funding or sought funding from Waitemata DHB. The DHB's transactions with those organisations are conducted on an 'arm's length' basis. Board members do not take part in decisions to award contracts to organisations in which they are involved or to subsidiaries of those organisations.

Board member	Involvements with other organisations during all or part of 2008/09
Lester Levy – chair (June 2009)	• Shareholder – Proteus Group Holdings Limited • Shareholder – Medical Consulting Limited • Shareholder – Healthcare Holdings Limited (through Onco Holdings Ltd) • Shareholder and Director – Onco Holdings Limited • Shareholder and Director – The Three-on-top Company Limited • Shareholder and Director – Healthcapital Management Limited *Note: Dr Lester Levy took up his position of Board chair on 3 June 2009. Before being appointed as Board Chair he had resigned all his directorships in private health sector operating businesses and had issued transfer notices for all shareholdings in health related companies. During June 2009 he included all of his involvements on the interests register, while his shares were still in the process of being sold.*
Max Abbott	• Pro vice-chancellor (North Shore) and dean – Faculty of Health and Environmental Sciences, AUT University* • Patron – Raeburn House*
Brian Neeson	• Board Member – Waitakere Health Link*
Wyn Hoadley	• Member – Earthquake Commission • Member – North Shore Hospital Foundation Advisory Committee • Board member – North Shore Community Health Voice*
Warren Flaunty	• City councillor – Waitakere City Council • Trustee – West Auckland Hospice* • Chair - Waitakere Licensing Trust • Shareholder – Metlifecare* • Shareholder – EBOS Group* • Shareholder – Life Pharmacy Ltd* • Shareholder – Westgate Pharmacy Ltd* • Chair – Three Harbours Health Foundation

Lynne Coleman	• General practitioner and shareholder, CHS Ltd, Harbour PHO Ltd* • Chairperson – Shorecare Medical Services Ltd* • Director – Shorecare Health Ltd • Director – Apollo Health Ltd* • Trustee – Harbour Sport* • Member – Wilson Home Trust Management Committee*
Gwen Tepania-Palmer	• Chairperson – Ngatihine Health Trust, Bay of Islands • Committee Member – ACC's EMRG Committee • Life Member – National Council Maori Nurses • Alumni – Massey University MBA • Review Member – Funding Research Applications, Liggins Institute
Mary Lythe	• Member – Gambling Commission (Ministry of Health) • Member – Wilson Home Trust Management Committee* • Clinical Services manager – Alzheimers Auckland Inc* • Board Member – Rodney Health Link*
Pat Booth	• Consulting editor – Fairfax Suburban Papers in Auckland and Northland*
Robert Khan	• Shareholder (100%) – Radio Tarana (NZ) Limited: mainstream Media • Trustee – Friends of Fiji Heart Foundation • Weekend Jury Column – NZ Weekend Herald Comments • Spokesperson – South East Asian, Indian and Pacific Island – comments for various media organisations (print, television and radio): New Zealand and overseas • Trustee – Three Harbours Health Foundation
Mary-Anne Benson-Cooper	• General manager/Health Safety manager – Focus 2000* • Director – Health Safety Services – Immunisation • Committee member – Occupational Health Nurses
Kay McKelvie – Chair (July 2008 – February 2009)	• Chair – Quotable Value NZ Ltd and its subsidiaries, Quotable Value Australia Pty Ltd and Egan Australasia Pty Ltd • Chair, Housing New Zealand Appeal Authority • Director – Tourism NZ Ltd • Director – Crown Health Financing Agency • Member – National Capital Committee, Ministry of Health • Director – Word Pictures Ltd • Director – New Zealand Lotteries Commission

Employee remuneration

During the year the following numbers of employees received remuneration over $100,000:

Remuneration range ($)	Number of employees
100,000 – 109,999	99
110,000 – 119,999	73
120,000 – 129,999	45
130,000 – 139,999	35
140,000 – 149,999	20
150,000 – 159,999	26
160,000 – 169,999	20
170,000 – 179,999	21
180,000 – 189,999	14
190,000 – 199,999	17
200,000 – 209,999	25
210,000 – 219,999	26
220,000 – 229,999	18
230,000 – 239,999	15
240,000 – 249,999	13
250,000 – 259,999	15
260,000 – 269,999	15
270,000 – 279,999	7
280,000 – 289,999	10
290,000 – 299,999	9
300,000 – 309,999	4
310,000 – 319,999	4
320,000 – 329,999	8
330,000 – 339,999	3
340,000 – 349,999	4
350,000 – 359,999	6
360,000 – 369,999	4
370,000 – 379,999	0
380,000 – 389,999	0
390,000 – 399,999	1
400,000 – 409,999	0
410,000 – 419,999	5
420,000 – 429,999	0
430,000 – 439,999	1
440,000 – 449,999	0
450,000 – 459,999	0
460,000 – 469,999	1
470,000 – 479,999	0
480,000 – 489,999	0
490,000 – 499,999	0
500,000 – 509,999	0
510,000 – 519,999	1

Of the 565 employees who received more than $100,000, 384 were medical or dental officers. If the remuneration of part-time employees was grossed up to full-time equivalent basis, the total number of employees who received more than $100,000 would be 664 compared with the actual total of 565. Eighty-two of the 99 additional employees were medical or dental officers.

The remuneration of the chief executive was in the $460,000 – 469,999 band.

Termination payments

During the year 12 people received redundancy, severance or other termination payments additional to any retirement gratuities, annual leave payments or payments in lieu of notice to which they were entitled. The total amount paid was $123,210.

Trusts

Waitemata DHB is associated with the following trusts:

Wilson Home Trust. Waitemata DHB is trustee for the Wilson Home Trust for children with physical disabilities. Waitemata DHB provides services for children with physical disabilities from facilities at the Wilson Home, which it leases from the trust.

Three Harbours Health Foundation. Waitemata DHB is the appointer of trustees to this charitable trust. Funds from the trust are made available mainly for clinical research, provision of patients' comforts and amenities, staff training and education, and clinical equipment. Associated trusts, North Shore Hospital Foundation and West Auckland Health Services Foundation, operate under the umbrella of the Three Harbours Health Foundation.

Good employer obligations

Waitemata DHB consciously strives to achieve its legal and ethical obligations to be a good employer. The Waitemata DHB Human Resources Strategic Plan uses the Good Employer Framework to define its core objectives and strategic direction. The DHB is committed to the provisions of Equal Employment Opportunities and works toward eliminating all forms of unfair discrimination in employment.

Waitemata DHB's Good Employer Policy makes clear that the DHB will provide:

- Good and safe working conditions
- An equal employment opportunities programme
- Recognition of the employment requirements of women
- Recognition of the employment requirements of men
- Recognition of the employment requirements of persons with disabilities
- The impartial selection of suitably qualified persons for employment
- Recognition of the aims, aspirations and employment requirements of Maori people
- Recognition of the aims, aspirations, cultural differences and employment requirements of Pacific Island peoples and peoples from other ethnic or minority groups
- Opportunities for the enhancement of the abilities of individual employees.

Waitemata DHB's Good Employer Policy upholds the requirements of the Employment Relations Act 2000, the Race Relations Act 1971, the Human Rights Act 1993, the Health and Safety in Employment Act 1998, the State Sector Act 1998 and the Crown Entities Act 2004.

As part of being a good employer Waitemata DHB has implemented the following measures:

Occupational Health and Safety Service (OH&SS)

- Occupational Health and Safety is concerned with the health and well-being of individuals and the organisation. 'Health & safety is everyone's business'.
- Through fostering a safe and healthy working environment and risk management, OH&SS assesses the impact of work on health and health on work.
- A dedicated multi-disciplinary in house team undertakes the development and implementation of systems and processes, through a holistic approach called 'Safe Way of Working'.
- Occupational Health and Safety Service advises and provides clinical support, which is underpinned by evidence based best practice. A good example of this is the implementation and monitoring of the Waitemata DHB Moving and Handling Programme which is now being nationally recognised by ACC.
- Occupational Health and Safety Service manages the ACC Partnership Programme with Wellnz in relation to management of work related ACC claims. Attaining tertiary level for the last six years, Waitemata DHB is committed to excellence.
- An independent and confidential Employee Assistance Programme (EAP) to which employees may self refer and have ready access, is coordinated through OH&SS.

Organisational learning and development

- Access to a comprehensive range of education and learning opportunities designed to meet professional, clinical and career aspirations and needs.
- Provides education and learning opportunities according to a cultural framework; a number of programmes focus specifically on diversity and inclusion to enhance good working relationships.
- Provide clinical skill development opportunities to enhance patient safety, with an emphasis on emergency management and 'moving and handling'.

Workforce/employment relations

- Participation in national Multi Employer Collective Agreements (MECA) which provide national consistency in pay and conditions of employment.
- Job-sizing processes which are designed to provide fair and consistent salaries that comply with collective employment agreement requirements and which take account of pay rates for comparable jobs in the private sector.
- Positive engagement with unions through regular service and DHB-level consultative committees and CEO forums.
- Undertaking a Pay and Equity in Employment review to identify any pay or equity anomalies.
- Commitment to providing flexible working practices where appropriate.

"The training's very good at Waitemata as we get to work with a variety of patients and experience a huge variety of ailments every day. There's a great team atmosphere, and the support from superiors and colleagues is fantastic."

Hardeep Hundal: Junior doctor, North Shore Hospital Emergency Care Centre

- Recruitment and selection policies and procedures designed to ensure impartial selection of suitable, qualified staff for positions. A commitment is made to the provision of training for hiring managers in all aspects of recruitment and selection processes to ensure compliance with policy.
- Workforce development strategies are designed to build a workforce which reflects the diverse nature of the Waitemata DHB population.
- The DHB's Schools Engagement Programme links with schools that are low decile and have high proportions of Maori and Pacific students.
- Professional placements and other scholarship and career development opportunities are provided by the DHB to recognise the aims, aspirations, cultural differences and employment requirements of our diverse population.
- Waitemata DHB has a disability strategy coordinator who advises the DHB on ways of removing barriers to employing people with disabilities.

General

- A staff satisfaction survey to identify and implement ways to improve morale and job satisfaction.
- Provision of crèches at North Shore and Waitakere Hospital campuses at discounted rates.
- Introduction of the Breastfeeding in the Workplace policy.

Insurance

Waitemata DHB arranged Professional Indemnity, Directors and Officers Liability and Statutory Liability insurance through a collective insurance scheme organised by District Health Boards New Zealand (DHBNZ). The purpose of taking out this insurance was to ensure that no board member or employee incurred monetary loss as a result of his or her acts or omissions, provided they acted in good faith and in performance of the DHB's functions.

Statement of service performance

Introduction

Waitemata District Health Board ("Waitemata DHB") is one of 21 DHBs established on 1 January 2001 by section 19 of the New Zealand Public Health and Disability Act 2000. Waitemata DHB is categorised as a Crown Agent under section 7 of the Crown Entities Act 2004.

As a Crown Agency, Waitemata DHB is required to report annually on its service performance. The level of performance to be achieved was detailed in Waitemata DHB's Statement of Intent (SoI) for the twelve months 1 July 2008 to 30 June 2009.

The Statement of Output Performance in the SoI included a range of key performance measures, covering the range of DHB responsibilities. Waitemata DHB's achievements against these measures are reported in more detail in the following sections.

Provider selection

District Health Boards (DHBs) and any DHB-shared support agencies are expected to use the protocols agreed by Cabinet for provider selection. This is to reflect the government's priority to address inequalities and the need for cost-effective use of scarce health resources. The three Auckland DHBs have jointly developed and agreed a policy/process that is followed by each of the DHBs and the Northern DHB Support Agency. (NDSA)

The process is based on previous Health Funding Authority (HFA) practice, which has been developed further to reflect fully the Cabinet protocols referred to above and to include the decision-making process where proposed service agreements cross district boundaries.

Providers may be selected in one of three ways:

- **Preferred providers** are chosen on a limited basis, usually for specialist services, where there is a known provider of proven capability and it is known that there is no other organisation readily available to provide the services. In these circumstances a tender process may not be necessary or appropriate. Some Maori providers may have preferred provider status for specific types of service delivery as part of a strategic plan to develop particular providers, even though they may not be the only Maori organisation able to provide those services.
- **Registration of interest** is a competitive process that gauges, through advertisement, the level of interest in the provision of a specific service, often when it is unclear if there are any providers/organisations either able to, or interested in, the delivery of the service required.
- **Request for proposal** is a public tendering process most often used where there is no preferred provider and there are a number of organisations available to provide the service required. Proposals are called for and evaluated through a formal process.

Most of the funding devolved to DHBs in their funder capacity is tied to reasonably long term service agreements/contracts. As a result, there have been relatively few occasions where it has been necessary to select new providers. However, vigorous reviews of contracts will be more frequent over the next year.

Waitemata DHB will continue to foster and facilitate the development of PHOs and primary care providers, working with interested providers and other stakeholders, including local communities.

Section 88 Notices

DHBs may give notice of the terms and conditions on which they will make payment for the provision of health and disability services and if such payment is accepted, the notice effectively becomes a contract. These arrangements are currently used for the funding of some general practitioner, specialist medical, radiology, maternity and anaesthetic services.

The funder division was budgeted to break even in 2008/09. However a surplus of $12.203 million was realised. This was mainly due to an extensive initiative undertaken to review all service contracts, favourable Mental Health Service inter-district flow (IDF) changes and timing differences between receipt of revenue and incurring of expenditure. The governance arm also achieved a $1.219 million favourable result to that planned, mainly due to less outsourced costs than planned. Together, the funder and governance surpluses partially offset the provider deficit, which was driven by volume growth, opening of new beds and cost pressures in personnel and other operating costs. Overall, the consolidated result was favourable to that planned by $7.613 million.

Cost of service statement – for year ending 30 June 2009

	Funder $000	Governance & funding admin $000	Provider $000	Elimination $000	Total $000
Actual					
Revenue	1,134,368	9,527	608,295	-542,281	1,209,909
Less Expenses	1,122,165	8,089	626,962	-542,281	1,214,935
Net Surplus	**12,203**	**1,438**	**-18,667**	**0**	**-5,026**
Closing Equity					179,550
Budget					
Revenue	1,112,984	9,444	582,930	-529,919	1,175,439
Less Expenses	1,112,984	9,225	595,788	-529,919	1,188,078
Net Surplus	**0**	**219**	**-12,858**	**0**	**-12,639**
Closing Equity					166,040
Variance					
Net Surplus	12,203	1,219	-5,809	0	7,613
Closing Equity					13,510

Achievement against statement of output performance

The remainder of this section describes Waitemata DHB's achievement against the performance measures that were set out in the SoI for 2008/09.

Note on measures used in Statement of Output Performance.

The performance measures adopted by Waitemata DHB for the SoI are a sub-set of measures from the Waitemata DHB District Annual Plan. The structure of the Statement of Forecast Performance in the SoI derives from Waitemata DHB's Strategic Planning/Outcomes Framework described in section 2.3.3 of the SoI.

The measures comprise a combination of narrative activity-type measures and quantitative, numerical indicators and targets. They include measures from the following sets:

1. **The set of Health Targets developed by the Ministry of Health, to measure important aspects of DHB performance:** This is a set of nine indicators covering critical aspects of DHB performance.
2. **The set of Indicators of DHB Performance (IDPs) developed by the Ministry of Health, in consultation with DHBs:** This is a standard set of indicators covering other DHB functions and responsibilities.
3. **Hospital Benchmark Information (HBIs) which is used to monitor and benchmark DHBs' provider functions:** The HBI is administered by the Ministry of Health.

Performance measures and targets: Health gain and service improvement

Reducing inequalities in health status

Description	Achievements
Reducing inequalities is a priority of the New Zealand Health Strategy and a key thread of He Korowai Oranga – The Maori Health Strategy. District Health Boards have a statutory responsibility for reducing health inequalities under the NZ Public Health and Disability Act 2000. Several population groups within Waitemata district suffer from a disproportionate burden of health inequalities. These groups include: Maori, Pacific people, Asian people, refugees and recent immigrants, and those that suffer from mental illness. **Deliverable** To ensure that existing major strategic initiatives for healthy lifestyles, cardiovascular disease, diabetes, child health and cancer control continue to enhance planning and action to reduce inequalities in all their sub-projects.	**Substantially achieved** **Healthy Lifestyles:** Healthy Eating Healthy Action community action programmes for Maori and Pacific have been implemented and the Pacific Smoking Cessation programme is now being promoted to referrers. **Cardiovascular disease/Diabetes Risk Assessment:** Priority has been given to screening of Maori, Pacific and Quintile 5 people, and ethnic specific targets are being met. The Heart Guide Aotearoa cardiac rehabilitation programme at Wai Health continues. **Child Health:** Child health and housing programme Warm 'N' Well is now providing health and social assessments and insulation to eligible families, with a specific focus on Maori and Pacific families. Home Interaction for Positive Parenting for Youngsters (HIPPY) funding to expand this home-based programme to support young children's learning (4 – 5 year olds) has been approved and rollout to three new areas, Henderson South, Royal Heights and Wellsford, within the district has begun through an open tender process. **Cancer Control:** • Both the Patient Co-design in Breast Service and the Breast Cancer Service Improvement projects have resulted in significant service improvements for patients with breast cancer (see page 41) • The Whanau Ora Navigation pilot is behind schedule. Resources have not yet been used or evaluated. The pilot will be extended into 2009/10.

Indicators	2007/08 Actual	2008/09 Target	2008/09 Actual	Comments
The percentage of Maori and Pacific populations screened through the Cardiovascular Disease/Diabetes Assessment and Management programme will at least equal that of other ethnicities. Accuracy of ethnicity data recording in national collections is measured through IDP QUA-03, Waitemata DHB DSP. This aims to reduce % coded "Other" and "Not Stated". *Note: in order to be able to quantify inequalities and assess the impact of different strategies it is very important to be able to analyse variations in utilisation of services etc between different ethnic groups. This requires accurate coding of data to identify ethnicity.]*	Unavailable NHI 2% NMDS 6.4% PRIMHD 6.5%	14% for all ethnic groups NHI < 5% NMDS < 5% PRIMHD < 5%	Maori: 25.79% Pacific: 34.60% Indian subcont: 26.19% Other: 21.96% Total: 22.83% NHI 1.58% NMDS 5.01% PRIMHD data not available~	Significant improvement An upgrade to the Waitemata DHB patient management system in May 2009 should significantly impact on the quality of ethnicity data in NMDS. A 'data cleanse' of PiMs data was also undertaken, as well as running weekly reports on NMDS data to identify data entry errors.

* see QUA-03 MoH report ~ A full 2008/09 data set is not yet available from the PRIMHD system

Definitions:

NHI – National Health Index (unique health identifier for every individual)

NMDS – National Minimum Data Set (national collection of hospital discharge data)

PRIMHD – The Project for the Integration of Mental Health Data. PRIMHD integrates the existing Mental Health Information National Collection (MHINC) with the Mental Health Standard Measures of Assessment and Recovery initiative (MH-SMART) to form a single national data collection for mental health and addiction.

Healthy Lifestyles: obesity, nutrition, physical activity, smoking

Description	Achievements
Prevention is essential to delay and/or stop the development of chronic disease. As the risk factors for the development of heart disease, diabetes, respiratory diseases and a number of cancers are the same (poor nutrition, obesity, lack of physical exercise and smoking) Waitemata DHB is developing district wide initiatives to enhance and support healthy lifestyles.	Achieved
Deliverables	
Deliver on the HEHA objectives as detailed in the Ministry Approved Plan (MAP II)	All deliverables related to the implementation of the Ministry's HEHA strategy have been achieved. Quarterly reports on the implementation have been completed and submitted to the Ministry's online database as required. Waitemata DHB completed round three of the allocation of the Nutrition Fund during Q4 2008/09 - to support local schools/early childcare centres to improve their nutrition environments.
Develop the 2008-11 Tobacco Control Plan for Waitemata DHB in collaboration with the Ministry of Health	The Tobacco Control Plan is complete and was delivered to the Ministry of Health in Q2.

Indicators	2007/08 Actual	2008/09 Target	2008/09 Actual*	Comments
Proportion (%) of infants exclusively and fully breastfed;				From 2009/10 the Ministry of Health will combine both WellChild provider and Plunket data to arrive at a more accurate reflection of breastfeeding rates in the district.
At six weeks;	Unavailable	74%	68.5%	
At three months		57%	57.1%	
At six months		27%	26.6%	

* 2008 calendar year Waitemata Plunket figures (provided by Ministry of Health)

Healthy Lifestyles: obesity, nutrition, physical activity, smoking *(continued)*

Indicators	2008/09 Actual	Comments
District Health Board activity supports achievement of health sector targets: • Proportion (%) of adults (15+ years) consuming at least three servings of vegetables per day and proportion (%) of adults (15+ years) consuming at least two servings of fruit per day: 70% for vegetable consumption; 62% for fruit consumption. • Increase the proportion of 'never smokers' among Year 10 students by at least 3 % (absolute increase) over 2007/08 (baseline 57.9%). • An increase for both Maori Year 10 'never smokers' and Pacific Year 10 'never smokers' that is greater than that for European Year 10 'never smokers'. • To reduce the prevalence of exposure of non-smokers to second hand smoke inside the home to less than 5% (baseline 2006 12.5%, 2007 7.5%). • A reduction in the prevalence of exposure of non-smokers to second hand smoke inside the home for Maori (baseline 2007 16.1%) and for Pacific (baseline 2007 16.4%) to a level that is greater than that for European (baseline 2007 6.5%).	There are multiple projects and initiatives that have progressed over the course of 2008/09 in support of these health sector targets. These include: • Smoking cessation initiatives both in hospitals and in primary care settings. • Physical activity and nutrition programmes, particularly aimed at Maori and Pacific people. • Programmes aimed at increasing fruit and vegetable consumption. • Workplace health promotion programmes.	

Indicators	2007/08 Actual	2008/09 Target	2008/09 Actual	Comments
Number of Waitemata DHB schools supported to implement 'Food and Nutrition for Healthy Confident Kids' Guidelines, incl. 'Food and Beverage Classification System'.	New programme	25	55 Schools Supported 57 Early Childhood Education Services (ECES) supported	
Active Families Programme participation	New programme	Pacific pilot = 25 families Maori pilot = 25 families Mainstream Waitakere = 25 families Mainstream North Shore = 75 families Mainstream Rodney District = 25 families	Pacific pilot = 19 families Maori pilot = 24 families Mainstream Waitakere = 0 families Mainstream North Shore = 55 families Mainstream Rodney District = six families	Mainstream Waitakere – a service review is currently underway for this and all other contracts. Mainstream Rodney District– funding is now ceasing for this programme.

Cardiovascular disease

Description	Achievements
A key priority in the NZ Health Strategy, cardiovascular disease is the major cause of mortality and morbidity and accounts for approximately one third of all deaths for the Waitemata district population. The condition is amenable to preventive and ameliorating measures (in public and primary health care) and there is also potential for improvements in treatment. There is significant opportunity for health gain for Maori and Pacific peoples.	Achieved
Deliverables	
Implement the Cardiovascular/ Diabetes Risk Assessment and Management Programme with Primary Health Organisations (PHOs) in the Waitemata District (with 5% of target population having assessments completed in Year One).	All PHOs in the district have implemented the Cardiovascular/Diabetes Risk Assessment and Management Programme and volume reports to the end of April 2009 show good progress overall (between 9 - 29% - see over page).
Review and evaluate the Heart Guide Aotearoa and make recommendations regarding the continuation and roll-out of this service	Evaluation is complete and continuation and roll out has occurred.
Continue to encourage uptake of the outpatient cardiac rehabilitation programme.	A proportion of patients are now participating in the Heart Guide Aotearoa programme which operates from Wai Health (see above), rather than the outpatient programme. Additionally more resources are available in the community to support people following an acute coronary event, for example: Phase 3 cardiac rehab with exercise component and Waitemata DHB's Cardiovascular and Diabetes Risk Assessment and Management Programme. PHOs are increasingly offering programmes which support cardiac rehab in the community, such as green prescription, health psychology and dietitian services.

Cardiovascular Disease *(continued)*

Indicators	2007/08 Actual	2008/09 Target	2008/09 Actual	Comments
Cardiovascular disease (CVD) risk recognition: Percentage of people in target population who have had their five-year absolute CVD risk recorded in the last five years.	Unavailable	14%	**PHO** Coast to Coast: 19% Harbour: 21% HealthWEST: 29% ProCare: 26% Te Puna: 9% Waiora: 16%	
POP-02 Cardiac Rehabilitation Programme. The number of people (by ethnic group) who have suffered a CVD event who attend a cardiac rehabilitation outpatient programme as a percentage of the number of people (by ethnic group) who have suffered a CVD event who were admitted and discharged from hospital.	33%	35%	31%	Cardiac rehabilitation is now increasingly being offered from community based settings.

Diabetes

Description	Achievements
A key priority in the NZ Health Strategy, diabetes is also a key strategic priority for Waitemata DHB. Diabetes is a major cause of morbidity and premature death. The condition is amenable to preventive and ameliorating measures (in public and primary health care) through improving primary and secondary service provision and coordination for people with diabetes, with a view to reducing and delaying long-term complications from the disease. There needs to be a targeted approach to addressing the areas of highest need.	Partly achieved
Deliverables	
Establish promotion campaign for 'Get Checked' directly targeting patients through the Retinal Screening Service, diabetes clinics and Diabetes Self Management Education (DSME).	Promotion material and verbal information for 'Get Checked' is directly available to patients through the Retinal Screening Service, diabetes clinics and DSME.
Continued roll out of the CVD/Diabetes Risk Assessment and Management project	All PHOs in the district have implemented the Cardiovascular/Diabetes Risk Assessment and Management Programme and volume reports to the end of April 2009 show good progress (between 14 - 29%).
Development of a plan to increase the Case Detection Rate.	Plan to increase the Case Detection Rate has been developed and approved. Funding has been agreed and implementation is underway.

Indicators	2007/08 Actual	2008/09 Target	2008/09 Actual	Comments
Annual Check: Estimated to have diabetes and accessing free annual checks	Maori: 29% Pacific: 62% Other: 49% Total: 47%	Maori: 43% Pacific: 42% Other: 40% Total: 41%	Maori: 43% Pacific: 39% Other: 37% Total: 38%	Note: 2007/08 results are not comparable to 2008/09 results, as 2007/08 results are based on the old Ministry prevalence model
Diabetes Case Management: This is a clinical test of the effectiveness of management/control – the indicator measures the % of people on the diabetes register whose HbA1c *level is <8 [this is determined by a blood test] (MoH Health Target).	Maori: 68% Pacific: 59% Other: 84% Total: 79%	Maori: 80% Pacific: 71% Other: 61% Total: 84%	Maori: 66% Pacific: 59% Other: 81% Total: 77%	The Maori and, in particular, Pacific results continue to be a concern. Waitemata DHB expects to see an improvement in this measure over time with the roll-out of the Cardiovascular and Diabetes Risk Assessment and Management programme.

* HbA1c is a test that measures the amount of glycosylated haemoglobin in your blood. Glycosylated haemoglobin is a molecule in red blood cells that attaches to glucose (blood sugar). You have more glycosylated haemoglobin if you have more glucose in your blood.

Cancer

Description	Achievements
Cancer control is a key priority in the New Zealand Health Strategy. Cancer is second only to cardiovascular disease as the leading cause of death in Waitemata. At least one third of cancer can be prevented and early detection and effective treatment of a further third is also achievable. The MoH requires the DHB to continue to develop and implement the Waitemata DHB Cancer Control Strategy and Plan that aligns with the Actions and Goals of the NZCC Strategy and Action Plan (2005 -10) (NZCCSAP).	**Substantially achieved**
Deliverables	
Continue Cancer Patient Journey Work Programme	
• Implement improvements for patients with breast cancer, including improved patient navigation through the development and dissemination of referral guidance, agreed follow-up protocols across primary, surgical and oncology services, and improved waitlist management by measuring and balancing capacity and demand.	The Breast Cancer Service Improvement Project has resulted in significant improvements for patients with breast cancer. Through the streamlining of referral, grading, and scheduling processes, and the introduction and dissemination of referral and follow-up guidance for primary care (including an electronic referral template), a reduction in waiting times has been achieved for FSA appointments for priority one patients - from a median of 21 days to 14 days. Capacity and demand analysis has resulted in better understanding of the service and reduced variation.
• Further develop methods for patient involvement in patient journey programmes through the use of patient co-design, with a focus on addressing inequalities, particularly for Maori patients. Methodology developed and available for dissemination.	The Patient Co-design in Breast Service project has taken and adapted the concept of 'experience based design' and piloted it within the Waitemata DHB breast service. Elements of the service that patients identified for re-design included the mammography gown (new designs being trialled), improved patient centred information (including the development of an educational DVD), improvements to clinic signage and information; improved patient communications; and the ability for patients to share their stories through the use of photo journals and storyboards. An inequalities focus has remained prominent through partnership with Mo Wai Te Ora and inclusion of Maori patients at all stages. Both the Breast Cancer Service Improvement Project and Patient Co-Design in Breast Service project were winners in the Waitemata Health Excellence Awards 2009.
Implement the Maori specific Cancer Care Coordination and Advocacy service – Whanau Ora Navigator (WON) operational pilot model developed in establishment phase in 07/08.	Community health navigator resources for the Whanau Ora Navigator pilot have not been used or evaluated, due to delays with development and distribution by the graphic design company. This has also delayed the evaluation plan development of the pilot.
Monitoring of radiation and chemotherapy treatment waiting times for the Waitemata DHB population – through the Regional Operational Oncology Group.	Waitemata DHB continues to work closely with Auckland DHB – the regional provider of cancer services to this population. Q4 results show only 9.7% of Waitemata DHB patients waited outside of the required timeframes for radiation treatment and 6.5% waited outside of the required timeframes for chemotherapy treatment.

Cancer (*continued*)

Indicators	2007/08 Actual	2008/09 Target	2008/09 Actual	Comments
Reducing cancer waiting times – all patients wait less than six weeks between first specialist assessment and the start of radiation oncology treatment (excluding category D)	98% waited less than 8 weeks in Q4 (note criteria was 8 weeks in 2007/08).	100%	90%	Some patients are unable to be treated within the required timeframe. For Q4 2008/09, 11 patients waited too long as: • Some were waiting for surgery. • Other treatments were underway e.g. physiotherapy. • One patient was unavailable and had travelled overseas.

Child health

Description	Achievements
The importance of child and youth health is reflected not only in the immediate benefits for children in experiencing a healthy and nurturing childhood, but in prevention of adult disease, the roots of which often lie in the early years, even from conception. Childhood health status is a predictor of health in later life with impacts on social and educational development. There are significant disparities in health status between Maori and Pacific and other children in the Waitemata district and between geographic areas, most notably between west and north. Investment in early childhood, including upstream intervention, helps to ensure that all children have the opportunity to maximise their potential.	Achieved
Deliverables	
Immunisation	
• Implement a plan to address gaps within immunisation services, with high level recommendations made to ameliorate issues. • Prepare a business case for budget allocation.	A plan for addressing gaps has been developed and is currently being actioned.
Implement Healthy Housing Project	This has been renamed Warm 'n' Well and commenced April 2008.
Maintain Baby Friendly Hospital Initiative (BFHI) Accreditation – complete self assessment surveillance audit.	Waitemata DHB hospitals remain BFHI accredited. Self assessment surveillance audit has been completed and submitted.

Indicators	2007/08 Actual	2008/09 Target	2008/09 Actual	Comments
Improving immunisation coverage: 95% of two year olds are fully immunised – with at least a 4 to 6 percent point increase on 2005 national immunisation coverage survey baselines.	73%	85%	85%	
Reducing Ambulatory Sensitive Hospitalisations Under 5's: There will be a decline in admissions to hospital that are avoidable or preventable by primary health care across all population groups.	Maori: 89.2 Pacific: 100.5 Other: 67.6 (Q4 2007/08)	Maori: <= 101 Pacific: <= 111 Other: < 95	Maori: 96.5 Pacific: 101 Other: 73.4	
Child Health and Housing Programme: No. of houses insulated No. of assessments completed	 New New	 250 250	 430 586	
Breast Feeding Rates: Percentage of mothers' breast feeding on discharge from hospital (Waitemata DHB DSP).	~ 81%	80%	81% overall	

Health of young people

Description	Achievements
Youth health is a Waitemata DHB strategic priority. While the 12 - 24 year old age group are generally associated with peak physical health, this phase of life can be associated with increased independence and risk- taking behaviour, the health consequences of which can be life long and are linked to social and educational development. There is a prime opportunity to imbed healthy lifestyle practices and prevent poor health and development outcomes for young people later in life. Ensuring young people get a good start in life and are given every opportunity to realise their potential is a good investment for all health and social services. A focus on addressing inequalities in health status for young people of different ethnicities, levels of social deprivation, rurality, and gender is required to create a comprehensive approach to youth health.	Substantially achieved
Deliverable Develop a Youth Health Strategy and prioritise recommendations of the Youth Health Strategy.	The draft Youth Health Strategy has been completed and was consulted on during August 2009. Recommendations have now been prioritised.

Oral health

Description	Achievements
Improving oral health is one of the key Health Targets for the MoH and in turn, Waitemata DHB. Whilst service enrolment and use has been high among Primary and Intermediate school children, use among adolescents (13+ years) has been much lower; improving coverage of these services should contribute to improving oral health status among adolescents. It should also contribute to reducing inequalities between population groups. **Deliverables** Annual reporting of enrolment/utilisation information. Start implementation of the Oral Health Business Case as required by the MoH.	Achieved See POP-04 and POP-05 results below. Implementation has begun.

Indicators	2007/08 Actual	2008/09 Target	2008/09 Actual	Comments
Improving oral health – progress is made towards 85% adolescent oral health utilisation	53%	56%	56%	
POP-04 Oral health Mean Decayed, Missing and Filled Teeth (DMFT) score at Year 8.	Maori: 1.55 Pacific: 1.40 Other: 0.90 Total: 0.97	Maori: 1.55 Pacific: 1.40 Other: 0.90 Total: 0.97	Maori: 1.35 Pacific: 1.47 Other: 0.86 Total: 0.96	
POP-05 Oral health percentage of children caries free at age five years	Maori: 45.61% Pacific: 30.92% Other: 66.77% Total: 60.53%	Maori: 46% Pacific: 31% Other: 67% Total: 61%	Maori: 46.48% Pacific: 34.78% Other: 68.75% Total: 62.66%	

Health of older people

Description	Achievements
The health of older people is a national health priority, and the DHB is required to implement the Health of Older People Strategy by 2010. The vision of the strategy provides direction regarding the way services need to be delivered. The growth in the older population is impacting on demand for health and disability support services and is expected to continue to do so over the next 20 years. It is important for Waitemata DHB to develop and implement strategies to ensure that sufficient, appropriately targeted, integrated services are in place to meet the needs of its older population now and into the future.	**Partly achieved**
Deliverables	
Implement the Residential AgedCare Integration service.	This service has been implemented. A number of gerontology nurse specialists have been employed under the Health of Older Adults Service, and visit and provide education to residential care facilities.
Develop a plan for home based support services that addresses long term sustainability, integration in the continuum of care and capability to maximise people's independence in their own homes.	Staffing constraints have delayed the development of this plan. However, the plan development will be a major focus of work through Waitemata DHB's Specialist Services for Older Adults programme following release of the Ministry's guidance documentation. A full time project manager has been assigned to get this work progressed urgently. It is also a key focus of the Clinical Services Planning work, including Facilities Master Planning for Specialist Services for Older Adults. The plan should be completed within 2009/10.

Primary health care

Description	Achievements
Primary care is the "entry point" for the health system, with opportunities for earlier, more effective intervention, and better integration with other services, including hospital services. This is a major government priority area, with the development of the new broad based primary health organisations (PHOs) being central to implementation of the national New Zealand Primary Care Strategy.	**Partly achieved**
Deliverables	
Jointly develop with PHOs, a primary health care strategy implementation plan for the district.	This has not been completed. However a first draft is now ready for consultation and some progress towards development of an implementation plan has begun.
Complete Primary Care After Hours Access Implementation Plan for the district, including fiscal analysis.	Implementation plan was completed, including budget.
Start implementation.	Implementation did not start within 2008/09. However, one initiative did start July 2009: children under the age of six will not pay a co-payment at the Lincoln Road Accident and Medical Centre between the hours of 6pm and 8am, seven days a week.

Primary health care (*continued*)

Indicators	2007/08 Actual				2008/09 Target				2008/09 Actual				Comments
Reducing Ambulatory Sensitive Hospitalisations: – There will be a decline in admissions to hospital that are avoidable or preventable by primary health care for those aged 0-74 and 45-64 years across all population groups.	**Age**	**Maori**	**Pacific**	**Other**	**Age**	**Maori**	**Pacific**	**Other**	**Age**	**Maori**	**Pacific**	**Other**	A number of initiatives are in progress to address unnecessary hospitalisations.
	45–64	132.8	123.4	119.5	45–64	<= 118	<= 101	<= 120	45–64	117.6	107.8	115.2	
	0-74	110.2	112.1	103.1	0 - 74	<= 110	<= 107	<= 108	0 - 74	112.9	109.9	101.7	
Percentage of population enrolled with a PHO.	92% Waitemata population is enrolled with **any** PHO.				95%				94% of the Waitemata district population is enrolled with **any** PHO.				80% of the Waitemata district population is enrolled with a Waitemata PHO.
Percentage of Maori and Pacific population enrolled in PHOs.	64%				75%				83.23% Waitemata Maori and Pacific populations enrolled with **any** PHO.				67.47% Waitemata Maori and Pacific populations enrolled with a Waitemata PHO.
SER-02 Care Plus Enrolled Population. The number of each PHO's Care Plus enrolled population (by ethnic group) as a percentage of each PHO's expected Care Plus enrolled population.	64.5%				70% overall				92% overall				Achieved

Mental health

Description	Achievements
This is a long-standing government priority area with further funding and development of services needed in order to reach the target of providing access to services for the 3% of the population with serious mental health disorders, and the wider population with mild to moderate mental health problems.	Achieved
Deliverables	
Complete allocation of additional Blueprint funding ($2.4M for 2008/09) with services purchased (service agreements with providers in place) and being delivered.	Achieved.
Development of a detailed workforce development plan for the district in order to support the implementation of the District Mental Health Plan.	This has been developed.

Indicators	2007/08 Actual	2008/09 Target	2008/09 Actual	Comments
% of long-term clients with an up-to-date relapse prevention plan (Health Target)	51.5%	90%	90.1%	Achieved

Elective specialist services

Description	Achievements
Ensuring access to elective surgery is a high priority for the government and the New Zealand public. Providing elective specialist services at the right time, at the right volume, to the right people improves individual health status and reduces reversible disability. This also reduces the impact of ill health and disability for families and the community. Additional Cost Weighted Discharge (CWD) discharges funded by the Ministry of Health will increase access to specialist services and enable a reduction in inequalities of access. **Deliverables** Deliver volumes as agreed in the schedules, the agreed base and additional volumes in all specialties. Maintain compliance with Elective Services Patient Flow Indicators (ESPI) (monitored via Ministry of Health Booking Systems website).	Achieved Overall achievement for year: Outstanding Overall achievement for year: Achieved

Indicators	2007/08 Actual	2008/09 Target	2008/09 Actual	Comments
Improving Elective Services – Each DHB will maintain compliance in all Elective Services Patient Flow Indicators.	ESPI 1 100% ESPI 2 < 1.4% ESPI 3 < 0.5 % ESPI 4 0% ESPI 5 < 3% ESPI 6 0% ESPI 7 < 2.2% ESPI 8 100%	ESPI 1 > 92% ESPI 2 < 1.6% ESPI 3 < 4 % ESPI 4 0% ESPI 5 < 4% ESPI 6 < 12% ESPI 7 < 4% ESPI 8 > 92%	ESPI 1 100% ESPI 2 1.0-2.0% ESPI 3 0.5-1.5% ESPI 4 N/A ESPI 5 2.3-3.3% ESPI 6 0.0-12.7% ESPI 7 1.6-2.8% ESPI 8 100%	Achieved.
Improving Elective Services – Each DHB will agree an increase in the number of elective service discharges, and will provide the level of service agreed.	**Total = 13,832**	Base = 11,538 Additional = 1,055 **Total = 12,593**	13,664	Outstanding performance.

Performance indicators/targets (numerical)

Key Waitemata DHB provider service outputs (2008/09)

Over Target Under Target

Contracted output	Measure/Unit	Waitemata DHB 2008/09 Target	Waitemata DHB 2008/09 Actual
Personal Health			
Medical Inpatient	caseweights (wies)	26,585	26,428
Medical Procedures	procedures	5,643	5,342
Medical Outpatient (FSA)	attendances	11,226	12,030
Medical Outpatient (FU)	attendances	32,826	33,367
Emergency Department (ED) Attendances	attendances	45,367	48,077
Surgical Inpatient - Acute	caseweights (wies)	10,838	11,369
Surgical Inpatient – Elective	caseweights (wies)	8,772	8,514
Surgical Outpatient (FSA)	attendances	11,793	11,641
Surgical Outpatient (FU)	attendances	27,416	25,128
Community Radiology	relative value unit	35,000	32,834
Mental Health, Community Alcohol and Drug Services and Forensic Services			
District acute, sub-acute – beds	utilised bed days	24,619	25,924
Older persons – beds	utilised bed days	5,585	5,907
Detoxification (CADS) – beds	utilised bed days	3,103	3,534
Forensic services inpatient- beds	utilised bed days	34,055	37,391
Clients	clients seen per year	16,862	22,669
Methadone clients on programme	places	1,099	1,128
Child, Woman and Family Services			
Paediatric Inpatient	caseweights (wies)	743	698
Paediatric Outpatient	attendances	5,100	5,469
Maternity Neonates	caseweights (wies)	2,314	1,760
Well Baby*	births	12,500	13,626
School Dental	treatments	337,000	432,130
Gynaecology			
Gynaecology Inpatient - Acute	caseweights (wies)	1,057	981
Gynaecology Inpatient - Elective	caseweights (wies)	1,095	1,066
Gynaecology Outpatient (FSA)	attendances	2,493	3,473
Gynaecology Outpatient (FU)	attendances	4,066	4,122
Home and Older Adults' Services			
Needs Assessments	assessments	11,700	15,518
A T & R Inpatient	admissions	2,350	1,825
CSOA Rehab clinics and domiciliary visits	attendances	23,275	27,379

*Was previously split into two categories: Maternity Facility Fee Labour and Maternity Facility Fee Postnatal
This target was set based on incorrect 2007/08 numbers – 2007/08 actual figure was 20,497 clients.

Over Target Under Target

Definitions	
AT&R	Assessment, Treatment and Rehabilitation
CADS	Community Alcohol and Drug Service
Caseweights	These are used as the unit of measure for inpatient services. They provide a weighting to each patient discharge based on the relative costs of providing treatment for the particular illness or procedure for which the patient was admitted. This enables the different treatments that are provided to each patient to be compared and aggregated using a common unit of measure.
CSOA	Community Services for Older Adults
FSA	First Specialist Assessment (outpatient appointment)
FU	Follow Up (outpatient appointment)
Relative Value Unit (RVU)	Another system for applying a weighting to particular activities/ procedures.
WIES	Weighted Inlier Equivalent Separations: the weighting figure used to define a caseweight.
Notes on Significant Variances (+/- 10%)	
Under Target	
Maternity neonates	High occupancy rates in neonate units.
A T & R Inpatient	Admissions were affected by the shortage of RMOs, outliers and infection control restrictions which led to the closure of 352 bed days.
Over Target	
School Dental Treatments	The increase in treatments relates to increased productivity following a lower productivity year when the electronic clinical records system, Titanium, was implemented.
Gynaecology Outpatient (FSA)	The increase is due to the transfer of additional SMO resources to outpatient gynaecology clinics.
Well Child	Higher than expected birth rates .
Needs Assessments	The increase was driven by the change in delivery model and increased efficiency.
CSOA rehabilitation clinics and domiciliary visits	The service is nearly fully staffed through active recruitment and/or the use of casual staff to reduce waitlists. Service improvement is another contributory factor.
Clients	The increase is due to increased demand for mental health and addiction services as well as an increase in referrals from the criminal justice sector.
Forensic services inpatient - beds	Forensic Inpatient target occupancy rates were revised in 2008-09 to bring them closer to levels consistent with current advice on safe practice. Target occupancy for acute units is set at 85%, and 90% in the minimum secure units. Actual occupancy averaged closer to 109% during the year.
Detoxification (CADS) - beds	The target was set based on an 85% occupancy rate. However, CADS achieved an occupancy rate of 97% for the 2008-09 year through improved admission and capacity management procedures.

Quality improvement

Patient safety: Quality and safety

Description	Achievements
There is a strong commitment to improvement and performance excellence in order to provide clinical safety and the best service to our community. There is a need for health professionals in primary and secondary services to address issues that impact on the consumer's experience across the continuum of care. Clinical safety is a strong focus and the key objectives reflect commitment to the 100,000 Lives Campaign and the Quality Improvement Committee priorities. **Deliverable** Success in audits undertaken by external agencies of Waitemata DHB services.	Achieved All external audits undertaken in the past 12 months have been successfully achieved.

Indicators	2007/08 Actual	2008/09 Target	2008/09 Actual*	Comments
Overall patient satisfaction (HBI)	Outpatient = 90% Inpatient = 86%	88%	Outpatient = 90% Inpatient = 87%	
SER-03a The proportion of pharmaceutical transactions with a valid NHI.	95.9%	95%	96.4%	Achieved
SER-03b The proportion of laboratory test transactions with a valid NHI.	98.9%	95%	99.4%	Achieved

* Q4 2008/09

Note: Waitemata DHB's primary objective is to reduce the incidence of adverse events. In order to achieve this it is necessary to establish a culture and expectations to ensure full reporting of such events. Waitemata DHB introduced a new reporting system (RiskPro) in 2006 to help facilitate this and, in the medium to short term, reductions in the occurrence of adverse events will be masked by improved reporting, making it difficult to set targets.

Patient safety: Management of healthcare incidents

Description	Achievements
National studies have identified that 10-15 % of hospital admissions are associated with adverse events. The Ministry of Health requires a consistent approach to incident management in 2008/09.	Partly achieved
Deliverables	
85% service achievement of timelines for serious/sentinel event triage, investigation and reporting.	While each service has improved in meeting the timelines for serious/sentinel event triage, investigation and reporting; overall this has not achieved the planned 85% target.
Achieve 5% per service targeted staff attendance at comprehensive quality training programmes.	Education of staff in comprehensive quality training programmes has been partially achieved: a large team of people attended the national Incident Management Programme and a self learning package has been prepared which will be supported by a learning programme. The front line manager for the quality learning programme started in August.

Patient safety: Infection prevention and control

Description	Achievements
Infections contracted in the health care system are a significant problem for patient outcome and system efficiency. Reducing these infections has been identified as a priority.	Achieved
Deliverable	
Hand hygiene compliance audit annually shows 10% improvement in compliance.	The DHB implemented the national Hand Hygiene Programme in advance of the second wave. Two audits have been completed and a third is planned for August 2009. Improvement was noted from 50.3% to 76%.

Indicators	2007/08 Actual	2008/09 Target	2008/09 Actual*	Comments
Hospital Acquired Staphylococcus aureus Blood Stream Infection Rate (HBI)	0.11	0.11	0	There were no Staph aureus infections recorded during Q4 2008/09.

* Q4 2008/09

Patient safety: Emergency planning

Description	Achievements
Waitemata DHB has a legal and contractual responsibility for the health needs of the population (Civil Defence and Emergency Management Act 2002). This requirement is reinforced in the Ministry of Health Operational Policy Framework 2007-2008.	Partly achieved
Deliverables	
Health Emergency Plan on the Internet	Appears on the Waitemata DHB external website: http://www.waitematadhb.govt.nz/LinkClick.aspx?fileticket=Yuve0HBU3IQ%3d&tabid=68&mid=466.
Completion of annual test/exercise	The planned district-wide exercise was cancelled due to the extensive regional and DHB involvement with H1N1. A communications test with the lead PHO and Residential Aged Care was completed successfully.

Optimising the patient's journey

Description	Achievements
A key mechanism for improving the quality of patient care is to look at the patient's journey through the system as a whole, both from the patient's perspective and from a whole system perspective.	Achieved
Deliverable	
Continue development of models of care and improvements in patient flow for the proposed new 'Lakeview' building. Identification of key opportunities for improved design.	Models of care have been agreed for the planned new Assessment and Diagnostic Unit and the Emergency Department. Concept design has been agreed and detailed design will be completed by May 2009.

National mortality review systems

Description	Achievements
A systematic and consistent review process and analyses of the relevant data on selected deaths provides valuable information that contributes to the reduction and prevention of mortality.	Achieved
Deliverable	
Appointment and training of review Child and Youth Mortality Review Groups (CYMRG) committee.	A local CYMRG committee has been established comprising 20 members assigned as 'Waitemata's CYMRG Agents' from local government and non government agencies. The CYMRG co-ordinator attended and contributed to the National CYMRC co-ordinators one day workshop on 13 May and also participates in national CYMRG teleconferences fortnightly.

Safe medication management

Description	Achievements
Medicines are one of the commonest therapeutic interventions used in the health care system. Medication errors occur in all healthcare systems. Approximately 1.6% of people admitted to hospital may experience an adverse medication event. Of these events, the majority are preventable and occur inside hospitals. Preventable adverse events have a significant impact on consumers. About 3.1% result in death and 8.3% in permanent disability. Improvements in the safe and quality use of medicines will have an impact on reducing medicines-related morbidity and mortality. The strategies developed by Quality Improvement Committee (QIC) within the National Quality Improvement Programmes for Safe Medication Management will provide a framework for systems improvement that will reduce the rate of errors in medication management. Quality Use of Medicines (QUM) also improves disease (especially chronic disease) management by informing the best choice and dose of appropriate medication, and improving patients understanding and adherence. The QUM projects aim to reduce avoidable/ambulatory admissions relating to the use of medicines.	**Partly achieved**
Deliverable Development of organisational policy for medicine reconciliation including primary and secondary care.	A draft Medicine Reconciliation Policy has been completed. However, slippage has occurred due to non-availability of national definitions and guidelines from the Safe Medication Management Programme (SMMP). These are being waited upon before a consultation process is initiated. A regional policy is being developed with Auckland DHB and Counties Manukau DHB.

Clinical services planning

Description	Achievements
Waitemata DHB continues to experience demographic growth of 2.4% per annum. This ever increasing and aging population needs a well planned public health service. Waitemata is proactively planning for future service development over the next 10 years and beyond. The Clinical Services Plan will inform Waitemata DHB's site plans for the district, the ten year facility plan and support the development of business cases for future capital investment in clinical facilities across the Waitemata district.	Achieved
Deliverable	
Complete a 20 year clinical services plan to underpin and support facilities planning.	A draft plan proposing the best ways to develop North Shore and Waitakere Hospital services over the next two decades was approved by the Waitemata DHB board in March 2009.

Workforce development, learning and knowledge

Description	Achievements
Staff are Waitemata DHB's most important and valuable asset. Building/maintaining workforce capacity and developing the organisation's collective capability is fundamental to achieving success in all of the key areas highlighted in Waitemata DHB's Strategic and Annual Plans. We continue to grow a culture of learning (both individual and organisational) where appropriate use of knowledge is valued, and implement strategies that invest in our current and future workforce. 'Growing our own' from within our communities is critical so our workforce more accurately reflects the diversity of those communities.	**Substantially achieved**
Deliverables	
Develop and implement schools-based career promotion programme.	A schools-based career promotion programme has been developed and is being implemented.
Implement an Employee Wellness Programme in the DHB.	• Employee Wellness programme implemented: Challenge Me – team based lifestyle, exercise nutrition challenge. At Waitakere Hospital 170 people participated in October 2008. • Official 10,000 Steps Programme – team based walking challenge. Across the DHB 2103 people took part in the four week challenge during February 2009. • Onelife online health and wellness portal – throughout the financial year 911 employees registered at the Onelife online health and wellness centre.

Workforce development, learning and knowledge (*continued*)

Indicators	2007/08 Actual	2008/09 Target	2008/09 Actual	Comments
Staff Turnover (voluntary) (HBI).	3.27%	2.5%	**Waitemata DHB** 2.02% (Q4) 2.66% (annual average) **National** 2.12% (Q4) 2.59% (annual average)	Staff Turnover is the percentage of employees who voluntarily resign, calculated on a quarterly basis. (Note the target of 2.5% equates to an annual turnover of 10%).
Sick Leave Rate (HBI) [These are quarterly figures used for benchmarking with other DHBs. Multiplying by 4 would give an approximate annual rate].	3.04%	2.9%	3.68%	Sick Leave Rate is the number of hours of paid or unpaid sick leave expressed as a percentage of the total number of contracted hours. The target has not been met due to a significant number of staff being off work due to H1N1 or influenza like symptoms.
Work Place Injuries (HBI) [The rate of workplace injuries per 1,000,000 hrs worked calculated quarterly.]	9.19	5.0	11.14	Workplace Injuries is the ratio of the total occurrences of work-related injury or disease to the total number of hours worked by all employees during the quarter x 1,000,000. Measuring only the numbers of injuries does not give an overall picture of severity or numbers of days lost through injury, which is a more accurate indicator of rehabilitation practices. Waitemata DHB consistently has an above average performance in keeping the number of days lost from work related injuries to a minimum and is striving to reduce the numbers of injuries with our robust hazard management systems.

Financial performance

Description	Achievements
Government has made it clear that financial management is a fundamental performance accountability of DHBs. There is an expectation that deficits will be eliminated and that DHBs will operate within the funding levels provided by the government **Deliverable** Actual financial performance as reported in Annual Report is within DAP budgets for Funder, Provider and Governance functions of the DHB.	**Partly achieved** Within the overall result, the funder arm result was $12.203 million favourable to a budgeted breakeven result. This variance represents 1.1% of budgeted revenue. The Governance and Funding Administration Arm result was $1.219 million favourable to a budgeted surplus of $0.219 million. This variance represents 13% of budgeted revenue. The Provider Arm result was $5.809 million unfavourable to a budgeted deficit of $12.858 million. This variance represents 1% of budgeted revenue.

Board's Financial Summary

Results and distributions

	$000
Group operating surplus / (deficit) for the year	(4,791)
Share of associated company results	0
Net surplus / (deficit) attributable to the crown	(4,791)

No distribution is proposed.

Financial performance

The Crown equity of Waitemata District Health Board Group was represented by:

	$000
Current Assets	77,179
Less Current Liabilities	(134,108)
Net Current Liabilities	(56,929)
Plus Non-Current Assets	421,705
Long Term Investments	1,751
	423,456
Less Non Current Liabilities	(182,481)
CROWN EQUITY	184,046

Parent and Group

In the financial statements of this annual report 'Parent' means Waitemata District Health Board. 'Group' means Waitemata District Health Board and its subsidiaries (see note 20 to the financial statements).

Auditor

The Auditor-General is appointed under section 41 of the Public Finance Act 1989. Simon Brotherton of Ernst & Young has been contracted to provide these services.

For and on behalf of the Board, which authorised the issue of the financial report on 28 October 2009.

Chair

.....

Lester Levy

Board Member

.....

Brian Neeson

Income statement

For the year ended 30 June 2009 (in thousands of New Zealand Dollars)

		Group		Parent		
		2009 Actual	2008 Actual	2009 Actual	2009 Budget	2008 Actual
	Note	$000	$000	$000	$000	$000
Revenue	1	1,185,493	1,094,763	1,186,799	1,160,552	1,095,566
Other income	2	17,683	15,444	15,641	11,300	13,543
Finance income	5a	7,782	9,804	7,469	3,589	9,472
Total income		**1,210,958**	**1,120,011**	**1,209,909**	**1,175,441**	**1,118,581**
Employee benefit costs	4	415,737	369,849	414,623	397,951	369,104
Depreciation and amortisation expense	7,8	22,001	20,404	22,001	20,584	20,404
Outsourced Personnel		14,712	14,140	14,712	7,486	14,140
Outsourced services		37,045	32,623	37,045	40,691	32,623
Clinical supplies		64,771	54,660	64,771	59,991	54,660
Infrastructure and non-clinical expenses		54,201	49,251	54,201	50,837	49,251
Payments to health providers		579,885	543,277	579,885	583,065	543,277
Other expenses	3	1,526	2,016	2,072	2,115	1,893
Finance costs	5b	12,430	15,030	12,184	11,125	14,777
Capital charge	6	13,441	14,122	13,441	14,235	14,122
Total expenses		**1,215,749**	**1,115,372**	**1,214,935**	**1,188,080**	**1,114,251**
(Deficit) Surplus for the year		**(4,791)**	**4,639**	**(5,026)**	**(12,639)**	**4,330**

Statement of changes in equity

For the year ended 30 June 2009

		Parent				
		Public Equity	Asset Revaluation Reserve	Retained Earnings/ (Losses)	Trust/ Special Funds	Total
	Note	$000	$000	$000	$000	$000
Equity at 1st July 2007		81,126	146,907	(62,665)	0	165,368
Total surplus for the year		0	0	4,330	0	4,330
Total income and expense for the year		**0**	**0**	**4,330**	**0**	**4,330**
Equity at 30th June 2008		**81,126**	**146,907**	**(58,335)**	**0**	**169,698**
Total deficit for the year		0	0	(5,026)	0	(5,026)
Asset revaluation reserve		0	6,178	0	0	6,178
Total income and expense for the year		**0**	**6,178**	**(5,026)**	**0**	**1,152**
Equity Injections						
Equity contribution from the Crown		8,700	0	0	0	8,700
Total equity transactions		**8,700**	**0**	**0**	**0**	**8,700**
Equity at 30th June 2009		**89,826**	**153,085**	**(63,361)**	**0**	**179,550**

		Group				
		Contributed Equity	Asset Revaluation Reserve	Retained Earnings	Trust/ Special Funds	Total
	Note	$000	$000	$000	$000	$000
Equity at 1st July 2007		**81,126**	**146,907**	**(62,665)**	**3,952**	**169,320**
Total surplus for the year		0	0	4,330	309	4,639
Total income and expense for the year		**0**	**0**	**4,330**	**309**	**4,639**
Equity at 30th June 2008		**81,126**	**146,907**	**(58,335)**	**4,261**	**173,959**
Total deficit for the year		0	0	(5,026)	235	(4,791)
Asset revaluation reserve		0	6,178	0	0	6,178
Total income and expense for the year		**0**	**6,178**	**(5,026)**	**235**	**1,387**
Equity Injections						
Equity contribution from the Crown		8,700	0	0	0	8,700
Total equity transactions		**8,700**	**0**	**0**	**0**	**8,700**
Equity at 30th June 2009		**89,826**	**153,085**	**(63,361)**	**4,496**	**184,046**

Statement of financial position

As at 30th June 2009 (In thousands of New Zealand Dollars)

		Group		Parent		
	Note	2009 Actual	2008 Actual	2009 Actual	2009 Budget	2008 Actual
Assets		**$000**	**$000**	**$000**	**$000**	**$000**
Property, plant and equipment	7	416,401	409,754	416,401	390,184	409,754
Intangible assets	8	5,304	4,334	5,304	3,915	4,334
Other investments	11	1,751	1,917	0	0	0
Total non-current assets		**423,456**	**416,005**	**421,705**	**394,099**	**414,088**
Inventories held for distribution	9	5,745	4,907	5,745	4,400	4,907
Other investments	11	2,051	2,180	0	0	0
Trade and other receivables	12	42,025	29,840	41,289	27,809	29,656
Cash and cash equivalents	13	27,358	45,813	27,321	48,183	45,754
Total current assets		**77,179**	**82,740**	**74,355**	**80,392**	**80,317**
Total assets		**500,635**	**498,745**	**496,060**	**474,491**	**494,405**
Liabilities						
Interest-bearing loans and borrowings	15	165,796	165,796	165,796	165,796	165,796
Employee benefits	16	16,685	15,151	16,685	11,980	15,151
Total non-current liabilities		**182,481**	**180,947**	**182,481**	**177,776**	**180,947**
Bank overdraft	13	0	0	0	500	0
Trade and other payables	17	86,916	104,430	86,837	80,775	104,351
Employee benefits	16	47,192	39,409	47,192	49,400	39,409
Total current liabilities		**134,108**	**143,839**	**134,029**	**130,675**	**143,760**
Total liabilities		**316,589**	**324,786**	**316,510**	**308,451**	**324,707**
Equity						
Crown equity		89,826	81,126	89,826	89,826	81,126
Asset revaluation reserve		153,085	146,907	153,085	146,907	146,907
Retained earnings/(losses)		(63,361)	(58,335)	(63,361)	(70,693)	(58,335)
Trust / Special funds	14	4,496	4,261	0	0	0
Total equity		**184,046**	**173,959**	**179,550**	**166,040**	**169,698**
Total equity and liabilities		**500,635**	**498,745**	**496,060**	**474,491**	**494,405**

Statement of cash flows

For the year ended 30 June 2009 (in thousands of New Zealand Dollars)

		Group		Parent		
	Note	2009 Actual	2008 Actual	2009 Actual	2009 Budget	2008 Actual
Cash flows from operating activities		**$000**	**$000**	**$000**	**$000**	**$000**
Cash receipts from Ministry of Health and patients		1,289,405	1,206,980	1,287,605	1,173,166	1,204,865
Cash paid to suppliers		(872,220)	(782,951)	(870,212)	(744,396)	(780,942)
Cash paid to employees		(402,881)	(352,113)	(402,881)	(394,801)	(352,113)
Cash generated from operations		14,304	71,916	14,512	33,969	71,810
Interest received		9,728	9,809	9,674	3,589	9,470
Interest paid		(13,115)	(11,530)	(13,115)	(12,077)	(11,530)
Goods and services tax paid		(3,661)	(150)	(3,661)	0	(150)
Capital charge paid		(12,386)	(14,117)	(12,386)	(13,282)	(14,117)
Net cash flows from operating activities	**13**	**(5,130)**	**55,928**	**(4,976)**	**12,199**	**55,483**
Cash flows from investing activities						
Proceeds from sale of property plant and equipment		17	0	17	0	0
Proceeds from sale of investments		132	336	0	0	0
Acquisition of property, plant and equipment	7	(19,308)	(26,173)	(19,308)	(14,000)	(26,173)
Acquisition of other investments		0	(760)	0	0	0
Acquisition of intangible assets	8	(2,866)	(2,170)	(2,866)	0	(2,107)
Net cash flows from investing activities		**(22,025)**	**(28,767)**	**(22,157)**	**(14,000)**	**(28,343)**
Cash flows from financing activities						
Proceeds from equity injection		8,700	0	8,700	8,700	0
Proceeds from borrowings		0	1,542	0	0	1,542
Repayment of borrowings		0	(22)	0	(716)	(22)
Net cash flows from financing activities		**8,700**	**1,520**	**8,700**	**7,984**	**1,520**
Net (decrease) increase in cash and cash equivalents		(18,455)	28,681	(18,433)	6,183	28,660
Cash and cash equivalents at beginning of year		45,813	17,132	45,754	41,500	17,094
Cash and cash equivalents at end of year	**13**	**27,358**	**45,813**	**27,321**	**47,683**	**45,754**

Notes to the financial statements

Significant accounting policies for the year ended 30th June 2009

Reporting entity

Waitemata District Health Board ("Waitemata DHB") is a Health Board established by the New Zealand Public Health and Disability Act 2000. Waitemata DHB is a crown entity in terms of the Crown Entities Act 2004, owned by the Crown and domiciled in New Zealand. Waitemata DHB is a reporting entity for the purposes of the New Zealand Public Health and Disability Act 2000, the Financial Reporting Act 1993, the Public Finance Act 1989 and the Crown Entities Act 2004.

Waitemata DHB is a public benefit entity, as defined under NZIAS 1.

The consolidated financial statements of Waitemata DHB for the year ended 30 June 2009 comprise Waitemata DHB and its subsidiaries (together referred to as "Group") and Waitemata DHB's interest in associates and jointly controlled entities.

Waitemata DHB's activities involve delivering health and disability services and mental health services in a variety of ways to the community.

Waitemata DHB's corporate address:

15 Shea Terrace

Takapuna

North Shore City

0622

The financial statements were authorised for issue by the Board on 28 October 2009.

Statement of compliance

The financial statements (NZGAAP) comply with New Zealand equivalents to International Financial Reporting Standards (NZIFRS), and other applicable Financial Reporting Standards, as appropriate for public benefit entities.

These are Waitemata DHB's second financial statements prepared in accordance with NZIFRS. The accounting policies set out in the notes to the financial statements have been applied in preparing financial statements for both the year ended 30 June 2009 and the comparative information presented for the year ended 30 June 2008.

Basis of preparation

The financial statements are presented in New Zealand Dollars (NZD), rounded to the nearest thousand. The financial statements are prepared on an historical cost basis except that the following assets and liabilities which are stated at their fair value: derivative financial instruments (foreign exchange and interest rate swap contracts), financial instruments classified at fair value through profit and loss and land and buildings.

The going concern concept is assumed when preparing these financial statements. Current and expected performance obligations and funding from bodies such as the government are expected to ensure the continued operation of the entity.

Non-current assets held for sale and disposal groups held for sale are stated at the lower of carrying amount and fair value less costs to sell.

Basis of consolidation

Subsidiaries

Subsidiaries are entities in which Waitemata DHB has the capacity to determine the financing and operating policies and from which it is has entitlement to significant ownership benefits. The financial statements include Waitemata DHB and its subsidiaries, the acquisition of which are accounted for using the purchase method. The effects of all significant intercompany transactions between entities are eliminated on consolidation. In Waitemata DHB's financial statements, investments in subsidiaries are recognised at cost less any impairment losses.

Associates

Waitemata DHB holds share holdings in associate companies. The interests in these associates are not accounted for as they are not material to Waitemata District Health Board.

Transactions eliminated on consolidation

Intragroup balances and any unrealised gains and losses or income and expenses arising from intragroup transactions, are eliminated in preparing the consolidated financial statements. Unrealised gains arising from transactions with associates are eliminated to the extent of Waitemata DHB's interest in the entity. Unrealised losses are eliminated in the same way as unrealised gains, but only to the extent that there is no evidence of impairment.

Foreign currency transactions

Transactions in foreign currencies are translated at the foreign exchange rate ruling at the date of the transaction. Monetary assets and liabilities denominated in foreign currencies at the balance sheet date are translated to NZD at the foreign exchange rate ruling at that date. Foreign exchange differences arising on translation are recognised in the income statement. Non-monetary assets and liabilities that are measured in terms of historical cost in a foreign currency are translated using the exchange rate at the date of the transaction. Non-monetary assets and liabilities denominated in foreign currencies that are stated at fair value are translated to NZD at foreign exchange rates ruling at the dates the fair value was determined.

Budget figures

The budget figures are those approved by the health board in its District Annual Plan and included in the Statement of Intent tabled in parliament. The budget figures have been prepared on a basis consistent with the accounting policies adopted by Waitemata DHB for the preparation of these financial statements.

"At Waitemata DHB we're working towards a common good, we're doing something that makes a difference in people's lives. And I like that. Having clarity around common goals within the team is what gets me here every day."

Craig Chappell: Consultant, Organisational Learning and Development

Financial instruments

Non-derivative financial instruments

Non-derivative financial instruments comprise investments in equity securities, trade and other receivables, cash and cash equivalents, interest bearing loans and borrowings, and trade and other payables.

Non-derivative financial instruments are recognised initially at fair value plus, for instruments not at fair value through profit or loss, any directly attributable transaction costs. Subsequent to initial recognition non-derivative financial instruments are measured as described below.

A financial instrument is recognised if the DHB becomes a party to the contractual provisions of the instrument. Financial assets are derecognised if the DHB's contractual rights to the cash flows from the financial assets expire or if the DHB transfers the financial asset to another party without retaining control or substantially all risks and rewards of the asset. Regular way purchases and sales of financial assets are accounted for at trade date, i.e., the date that the DHB commits itself to purchase or sell the asset. Financial liabilities are derecognised if the DHB's obligations specified in the contract expire or are discharged or cancelled.

Cash and cash equivalents comprise cash balances and call deposits with maturity of no more than three months from the date of acquisition. Bank overdrafts that are repayable on demand and form an integral part of the DHB's cash management are included as a component of cash and cash equivalents for the purpose of the statement of cash flows.

Accounting for finance income and expense is explained in a separate note.

Instruments at fair value through profit or loss

The Group's investments in debt and equity securities are classified as at fair value through profit and loss. An instrument is classified as at fair value through profit or loss if it is held for trading or is designated as such upon initial recognition. Financial instruments are designated at fair value through profit or loss if the Group manages such investments and makes purchase and sale decisions based on their fair value and they are managed in accordance with a documented investment strategy. Upon initial recognition, attributable transaction costs are recognised in profit or loss when incurred. Subsequent to initial recognition, financial instruments at fair value through profit or loss are measured at fair value, and changes therein are recognised in profit or loss.

Other

Subsequent to initial recognition, other non-derivative financial instruments are measured at amortised cost using the effective interest method, less any impairment losses.

Investments in equity securities

Investments in equity securities held by Waitemata DHB are classified as designated at fair value through profit and loss, except for investments in equity securities of subsidiaries, associates and joint ventures which are measured at cost.

Trade and other receivables

Trade and other receivables are initially recognised at fair value and subsequently stated at their amortised cost less impairment losses. Bad debts are written off during the period in which they are identified.

Interest-bearing loans and borrowings

Interest-bearing loans and borrowings are classified as other non-derivative financial instruments and are recorded at amortised cost using the effective interest rate method.

Trade and other payables

Trade and other payables are stated at amortised cost.

Derivative financial instruments

Waitemata DHB uses interest rate swap contracts to economically hedge its exposure to interest rate risks arising from operational, financing and investment activities.

Derivatives that do not qualify for hedge accounting are accounted for as held for trading financial instruments.

Derivative financial instruments are recognised initially at fair value. Subsequent to initial recognition, derivative financial instruments are stated at fair value. The gain or loss on re-measurement to fair value is recognised immediately in the income statement.

The fair value of interest rate swaps is the estimated amount that Waitemata DHB would receive or pay to terminate the swap at the balance sheet date, taking into account current interest rates and the current creditworthiness of the swap counterparties.

Property, plant and equipment

Classes of property, plant and equipment
Owned assets

Except for land and buildings, items of property, plant and equipment are stated at cost, less accumulated depreciation and impairment losses. The cost of self-constructed assets includes the cost of materials, direct labour, the initial estimate, where relevant, the costs of dismantling and removing the items and restoring the site on which they are located, and an appropriate proportion of direct overheads.

Land and buildings are revalued to fair value as determined by an independent registered valuer, with sufficient regularity to ensure the carrying amount is not materially different to fair value, and at least every five years. Any increase in value of a class of land and buildings is recognised directly to equity unless it offsets a previous decrease in value for the same asset recognised in profit and loss. Any decreases in value relating to a class of land and buildings are debited directly to the asset revaluation reserve, to the extent that they reverse previous surpluses and are otherwise recognised as an expense in the income statement .

Additions to property, plant and equipment between valuations are recorded at cost.

Where material parts of an item of property, plant and equipment have different useful lives, they are accounted for as separate components of property, plant and equipment.

Disposal of Property, Plant and Equipment

Where an item of plant and equipment is disposed of, the gain or loss recognised in the income statement is calculated as the difference between the net sales price and the carrying amount of the asset.

"I would like to express my thanks and that of my family for the compassion and excellent care taken of my husband thanks to Ward 6 at North Shore Hospital. I could not have asked for better."

Leased assets

Leases where Waitemata DHB assumes substantially all the risks and rewards of ownership are classified as leasehold assets. The assets acquired are stated at an amount equal to the lower of their fair value and the present value of the minimum lease payments at inception of the lease, less accumulated depreciation and impairment losses.

Subsequent costs

Subsequent costs are added to the carrying amount of an item of property, plant and equipment when that cost is incurred if it is probable that the service potential or future economic benefits embodied within the new item will flow to Waitemata DHB. All other costs are recognised in the income statement as an expense as incurred.

Depreciation

Depreciation is charged to the income statement using the straight line method. Land is not depreciated.

Depreciation is set at rates that will write off the cost or fair value of the assets, less their estimated residual values, over their useful lives. These rates are reviewed annually. The estimated useful lives of major classes of assets and resulting rates are as follows:

Class of asset	Estimated life	Depreciation rate
Buildings	6-60 years	1.67% – 15%
Leasehold Improvements	3-12 years	8.33% – 33.33%
Plant, equipment and vehicles	5 to 15 years	10-20%
IT Equipment	3 to 5 years	4-33%

The residual value of assets is reassessed annually. Work in progress is not depreciated. The total cost of a project is transferred to the appropriate class of asset on its completion and then depreciated.

Intangible assets

Software

Software that is acquired by Waitemata DHB is stated at cost less accumulated amortisation and impairment losses.

Amortisation

Amortisation is charged to the income statement on a straight-line basis over the estimated useful lives of intangible assets unless such lives are indefinite. The estimated useful lives are as follows:

Type of asset	Estimated life	Amortisation rate
Software	3 to 5 years	20-33%

Inventories held for distribution

Inventories held for distribution are stated at the lower of cost and current replacement cost. Valuation is determined on a first in first out basis.

Impairment

The carrying amounts of Waitemata DHB's assets other than inventories are reviewed at each balance sheet date to determine whether there is any indication of impairment. If any such indication exists, the assets' recoverable amounts are estimated.

If the estimated recoverable amount of an asset is less than its carrying amount, the asset is written down to its estimated recoverable amount and an impairment loss is recognised in the income statement.

All overdue receivables are assessed for impairment on an ongoing basis and appropriate provisions applied to individual invoices; taking into account age of the debt and payment histories of the debtor. Individual debts that are known to be uncollectible are written off when identified. An impairment provision equal to the receivable carrying amount is recognised when there is evidence that Waitemata DHB has exhausted all reasonable prospects of collecting the receivable.

An impairment loss on property, plant and equipment revalued on a class of asset basis is recognised directly against any asset revaluation reserve in respect of the same class of asset to the extent that the impairment loss does not exceed the amount in the asset revaluation reserve for the same class of asset.

Calculation of recoverable amount

The estimated recoverable amount of receivables carried at amortised cost is calculated as the present value of estimated future cash flows, discounted at their original effective interest rate. Receivables with a short duration are not discounted.

Estimated recoverable amount of other assets is the greater of their fair value less costs to sell and value in use. Value in use is calculated differently depending on whether an asset generates cash or not. For an asset that does not generate largely independent cash inflows, the recoverable amount is determined for the cash-generating unit to which the asset belongs.

"It's really rewarding working with young people and being able to make a difference for the next generation. We have a strong focus on people here, and the people I work with are just so approachable and down to earth."

Cera Langford: Youth worker, Whitiki Maurea Maori Mental Health and Addictions Service, Waimarino

Impairment gains and losses, for items of property, plant and equipment that are revalued on a class of assets basis, are also recognised on a class basis.

Reversals of impairment

Impairment losses are reversed when there is a change in the estimates used to determine the recoverable amount.

An impairment loss on an equity instrument investment classified as available-for-sale or on items of property, plant and equipment carried at fair value is reversed through the relevant reserve. All other impairment losses are reversed through profit or loss.

An impairment loss is reversed only to the extent that the asset's carrying amount does not exceed the carrying amount that would have been determined, net of depreciation or amortisation, if no impairment loss had been recognised.

Interest-bearing borrowings

Interest-bearing borrowings are recognised initially at fair value, less attributable transaction costs. Subsequent to initial recognition, interest-bearing borrowings are stated at amortised cost with any difference between amortised cost and redemption value being recognised in the income statement over the period of the borrowings on an effective interest basis.

Employee benefits

Defined contribution plans

Obligations for contributions to defined contribution plans are recognised as an expense in the income statement as incurred.

Long service leave, sabbatical leave and retirement gratuities

Waitemata DHB's net obligation in respect of long service leave, sabbatical leave and retirement gratuities is the amount of future benefit that employees have earned in return for their service in the current and prior periods. The obligation is calculated using the projected unit credit method and is discounted to its present value. The discount rate is the market yield on relevant New Zealand government bonds at the balance sheet date.

Annual leave, conference leave, sick leave and medical education leave

Annual leave, conference leave, accumulating sick leave and medical education leave are short-term obligations and are calculated on an actual basis at the amount Waitemata DHB expects to pay. The obligation recognised is in respect of employees' services up to the balance sheet date.

Provisions

A provision is recognised when Waitemata DHB has a present legal or constructive obligation as a result of a past event, and it is probable that an outflow of economic benefits will be required to settle the obligation. If the effect is material, provisions are determined by discounting the expected future cash flows at a pre-tax rate that reflects current market rates and, where appropriate, the risks specific to the liability.

Restructuring

A provision for restructuring is recognised when Waitemata DHB has approved a detailed and formal restructuring plan, and the restructuring has either commenced or has been announced publicly. Future operating costs are not provided for.

Revenue relating to service contracts

Waitemata DHB is required to expend all monies appropriated within certain contracts during the year in which it is appropriated. Should this not be done, the contract may require repayment of the money or Waitemata DHB, with the agreement of the Ministry of Health, may be required to expend it on specific services in subsequent years. The amount unexpended is recognised as a liability.

Income tax

Waitemata DHB is a crown entity under the New Zealand Public Health and Disability Act 2000 and is exempt from income tax under section CB3 of the Income Tax Act 1994.

Goods and services tax

All amounts are shown exclusive of Goods and Services Tax (GST), except for receivables and payables that are stated inclusive of GST. Where GST is irrecoverable as an input tax, it is recognised as part of the related asset or expense.

Dividends

Dividend income is recognised in the income statement when the shareholder's right to receive payment is established.

Revenue

Crown funding

The majority of revenue is provided through an appropriation in association with a Crown Funding Agreement. Revenue is recognised monthly in accordance with the Crown Funding Agreement payment schedule, which allocates the appropriation equally throughout the year.

Goods sold and services rendered

Revenue from goods sold is recognised when Waitemata DHB has transferred to the buyer the significant risks and rewards of ownership of the goods and Waitemata DHB does not retain either continuing managerial involvement to the degree usually associated with ownership nor effective control over the goods sold.

Revenue from services is recognised when it is probable that the payment associated with the transaction will flow to Waitemata DHB and that payment can be measured or estimated reliably, and to the extent that any obligations and all conditions have been satisfied by Waitemata DHB.

"I wish to make known my profound appreciation for the care and attention I received on Wainamu Ward in Waitakere Hospital. Every staff member from the orderlies to the consultant related to me with kindness and respect."

Interest

Interest received and receivable on funds invested is recognised as interest accrues using the effective interest method, allocating the interest income over the relevant period.

Expenses

Operating lease payments

Payments made under operating leases are recognised in the income statement on a straight-line basis over the term of the lease. Lease incentives received are recognised in the income statement over the lease term as an integral part of the total lease expense.

Financing costs

Net financing costs comprising of interest paid and payable on borrowings are calculated using the effective interest rate method accrued on a daily basis and allocated to the relevant period.

New accounting standards and interpretations not yet adopted

Certain new standards, amendments and interpretations to existing standards have been published that are not yet effective and have not been adopted by the Group for the year ended 30 June 2009.

- NZIAS 1 (revised), Presentation of Financial Statements - (effective from annual periods beginning on or after 1 January 2009)
- NZIAS 23 (revised), Borrowing costs - (effective date delayed indefinitely for Public Benefit Entities)
- NZIAS 27, Consolidated and Separate financial statements (amended 2008) – (effective from annual periods beginning on or after 1 July 2009)
- NZIFRS 3 (revised), Business Combinations – (effective for annual periods beginning on or after 1 July 2009)

Statement of Service Performance

Cost of Service

The cost of service statements, as reported in the statement of service performance, report the net cost of services for the outputs of Waitemata DHB and are represented by the cost of providing the output less all the revenue that can be allocated to these activities.

Cost Allocation

Waitemata DHB has arrived at the net cost of service for each significant activity using the cost allocation system outlined below.

Cost Allocation Policy

Direct costs are charged directly to output classes. Indirect costs are charged to output classes based on cost drivers and related activity and usage information.

Criteria for Direct and Indirect Costs

Direct costs are those costs directly attributable to an output class.

Indirect costs are those costs that cannot be identified in an economically feasible manner with a specific output class.

Cost Drivers for Allocation of Indirect Costs

The cost of internal services not directly charged to outputs is allocated as overheads using appropriate cost drivers such as actual usage, staff numbers and floor area.

"Today I was discharged from Ward 4 at North Shore Hospital. The staff were very professional, caring and ever kind. Would you kindly thank the staff of Ward 4 for the excellent treatment I received while there."

Notes to the financial statements for the year ended 30th June 2009

in thousands of New Zealand Dollars

1	Revenue	Note	Group		Parent	
			2009 Actual	2008 Actual	2009 Actual	2008 Actual
			$000	$000	$000	$000
	Health and disability services (MOH contracted revenue)		1,095,094	1,012,225	1,095,094	1,012,225
	Clinical Training Agency		10,131	8,233	10,131	8,233
	ACC contract		8,174	6,686	8,174	6,686
	Inter District Patient Inflows		71,344	67,272	71,344	67,272
	Other revenue		750	347	2,056	1,150
			1,185,493	**1,094,763**	**1,186,799**	**1,095,566**
	Revenue for health services includes all revenue received from the Crown (via the Ministry of Health), Accident Rehabilitation and Compensation Insurance Corporation (ACC), and other sources.					

2	Other income	Note	Group		Parent	
			2009 Actual	2008 Actual	2009 Actual	2008 Actual
			$000	$000	$000	$000
	Gain on sale of property, plant and equipment		17	99	17	99
	Patient related		3,976	3,732	3,976	3,732
	Donations and bequests received		334	625	51	197
	Professional fees, training and research grants		4,409	3,602	2,650	2,129
	Other		8,947	7,386	8,947	7,386
			17,683	**15,444**	**15,641**	**13,543**

3	Other expenses	Note	Group		Parent	
			2009 Actual	2008 Actual	2009 Actual	2008 Actual
			$000	$000	$000	$000
	Impairment of trade receivables (bad and doubtful debts)		550	488	550	488
	Audit fees (for the audit of the financial statements)		199	190	191	183
	Fees paid to auditor for other services (NZIFRS Transition)		0	30	0	30
	Fees for Board Members and co-opted committee members	20	382	379	382	379
	Operating lease expenses		920	816	920	816
	Koha		2	29	2	29
	Other		(527)	84	27	(32)
			1,526	**2,016**	**2,072**	**1,893**

4	Employee benefit costs	Note	Group		Parent	
			2009 Actual	2008 Actual	2009 Actual	2008 Actual
			$000	$000	$000	$000
	Wages and salaries		418,581	362,484	417,467	361,739
	Contributions to defined contribution plans		6,473	4,143	6,473	4,143
	Decrease/(Increase) in employee benefit provisions		(9,317)	3,222	(9,317)	3,222
			415,737	**369,849**	**414,623**	**369,104**

5a	Finance income	Note	Group		Parent	
			2009 Actual	2008 Actual	2009 Actual	2008 Actual
			$000	$000	$000	$000
	Dividends received		1	2	1	2
	Interest income		7,781	9,631	7,468	9,299
	Net gain on re-measurement of financial assets at fair value through profit or loss		0	171	0	171
			7,782	**9,804**	**7,469**	**9,472**

5b	Finance costs	Note	Group		Parent	
			2009 Actual	2008 Actual	2009 Actual	2008 Actual
			$000	$000	$000	$000
	Interest expense		12,184	15,030	12,184	14,777
	Net loss on re-measurement of financial assets at fair value through profit and loss		246	0	0	0
			12,430	**15,030**	**12,184**	**14,777**

6 Capital charge

Waitemata DHB pays a monthly capital charge to the Crown based on the greater of its actual or budgeted closing equity balance for the month. The capital charge rate for the year ended 30 June 2009 was 8% per cent (2008: 8% per cent).

The total capital charge for the Group for the year ended 30 June 2009 was $13.441m (2008: $14.122m) of which $1.126m (2008: $1.186m) is unpaid at the balance sheet date (note 17).

7	**Property, plant and equipment Group and parent**	Freehold Land at Valuation	Freehold Buildings at Valuation	Leasehold Improve-ments	Plant, Equipment and Vehicles	IT Equipment	Work in progress	Total
		$000	$000	$000	$000	$000	$000	$000
	Cost							
	Balance at 1 July 2007	126,897	224,198	8,722	75,676	25,116	19,618	480,227
	Additions	840	26,280	239	11,808	2,695	0	41,862
	Disposals	0	0	0	(782)	0	0	(782)
	Transfer to additions	0	0	0	0	0	(17,109)	(17,109)
	Balance at 30 June 2008	127,737	250,478	8,961	86,702	27,811	2,509	504,198
	Balance at 1 July 2008	127,737	250,478	8,961	86,702	27,811	2,509	504,198
	Additions	0	6,150	83	8,368	2,791	3,181	20,573
	Disposals	0	0	0	0	0	0	0
	Revaluations	(6,118)	(15,412)	0	0	0	0	(21,530)
	Transfer to additions	0	0	0	0	0	0	0
	Balance at 30 June 2009	121,619	241,216	9,044	95,070	30,602	5,690	503,241
	Depreciation and impairment losses							
	Balance at 1 July 2007	0	8,470	1,367	48,305	17,907	0	76,049
	Depreciation charge for the year	0	9,248	587	6,369	2,933	0	19,137
	Disposals	0	0	0	(742)	0	0	(742)
	Balance at 30 June 2008	0	17,718	1,954	53,932	20,840	0	94,444
	Balance at 1 July 2008	0	17,718	1,954	53,932	20,840	0	94,444
	Depreciation charge for the year	0	9,990	574	6,608	2,932	0	20,104
	Revaluations	0	(27,708)	0	0	0	0	(27,708)
	Balance at 30 June 2009	0	0	2,528	60,540	23,772	0	86,840
	Carrying amounts							
	At 1 July 2007	126,897	215,728	7,355	27,371	7,209	19,618	404,178
	At 30 June 2008	127,737	232,760	7,007	32,770	6,971	2,509	409,754
	At 30 June 2009	121,619	241,216	6,516	34,530	6,830	5,690	416,401

Revaluation

Current Crown accounting policies require all crown entities to revalue land and buildings in accordance with NZIAS 16, Property, Plant and Equipment. Current valuation standards and guidance notes have been developed in association with the Treasury for the valuation of hospitals and tertiary institutions.

The revaluation of land and buildings was carried out as at 30 June 2009 by M E Gamby, an independent registered valuer with Telfer Young and a member of the New Zealand Institute of Valuers. The valuation conforms to International Valuation Standards and was based on an optimised depreciation replacement cost methodology. The valuer was contracted as an independent valuer. Revaluations are conducted on a cycle not exceeding five years.

The total fair value of land and buildings valued by the valuer amounted to $362,835,262 at 30th June 2009. The revaluation surplus is disclosed in the statement of changes in equity.

7 Property, plant and equipment
Group and parent (*continued*)

Restrictions

Waitemata DHB does not have full title to Crown land it occupies but transfer is arranged if and when land is sold. Some of the land may be subject to Waitangi Tribunal claims. The disposal of certain properties may be subject to the provision of section 40 of the Public Works Act 1981.

Titles to land transferred from the Crown to Waitemata DHB may be subject to a memorial in terms of the Treaty of Waitangi Act 1975 (as amended by the Treaty of Waitangi (State Enterprises) Act 1988). The likelihood of claims under the Treaty of Waitangi Act 1975 is inherently uncertain, but such potential claims have been taken into account in the valuation of land and buildings referred to above.

8 Intangible assets
Group and parent

	Total Software
Cost	**$000**
Balance at 1 July 2007	24,146
Additions	2,170
Balance at 30 June 2008	26,316
Balance at 1 July 2008	26,316
Additions	2,867
Balance at 30 June 2009	29,182
Amortisation and impairment losses	
Balance at 1 July 2007	20,715
Amortisation charge for the year	1,267
Balance at 30 June 2008	21,982
Balance at 1 July 2008	21,982
Amortisation charge for the year	1,897
Balance at 30 June 2009	23,879
Carrying amounts	
At 1 July 2007	3,431
At 30 June 2008	4,334
At 30 June 2009	5,304

9 Inventories held for distribution
Group and parent

	2009 Actual	2008 Actual
	$000	**$000**
Pharmaceuticals	550	509
Surgical and medical supplies	4,585	4,207
Other supplies	610	191
	5,745	**4,907**

No inventories are pledged as security for liabilities.

10 Investments in associates

Waitemata DHB has the following investments in associates:

a) General information

Name of entity	Principal activities	Interest held at 30 June 2009	Balance date
healthAlliance NZ Limited	Professional services	50%	30 June
Northern DHB Support Agency	Professional advice and consultancy services	33.3%	30 June
Auckland Regional RMO Service Limited	Allocation of Resident Medical Officers (RMOs) and other functions related to RMO training	34%	30 June

b) Summary of financial information on associate entities (100 per cent)

2009 Actual	Assets	Liabilities	Equity	Revenues	Profit
	$000	$000	$000	$000	$000
healthAlliance NZ Limited	7,771	7,771	0	33,646	0
Northern DHB Support Agency	6,551	6,018	533	8,909	251
Auckland Regional RMO Service Limited	2,130	2,129	1	2,878	0
	15,994	15,463	531	42,680	249

2008 Actual	Assets	Liabilities	Equity	Revenues	Profit
	$000	$000	$000	$000	$000
healthAlliance NZ Limited	7,772	7,772	0	32,112	0
Northern DHB Support Agency	5,455	5,173	282	6,156	60
Auckland Regional RMO Service Limited	2,490	2,489	1	2,005	0
	15,717	15,434	283	40,273	60

c) Share of profit of associate entities

	2009 Actual	2008 Actual
	$000	**$000**
Share of profit/(loss) before tax	83	20
Less: tax expense	0	0
Share of profit/(loss) after tax	83	20

The Group's share of profit and losses shown above has not been accounted for on the grounds of materiality.

11	Other investments	Notes	Group		Parent	
			Actual 2009	Actual 2008	Actual 2009	Actual 2008
	Non-current		$000	$000	$000	$000
	Debt and equity securities classified at fair value through profit and loss		1,751	1,917	0	0
			1,751	1,917	0	0
	Current					
	Debt and equity securities classified at fair value through profit and loss		2,051	2,180	0	0
			2,051	2,180	0	0

12	Trade and other receivables	Notes	Group		Parent	
			Actual 2009	Actual 2008	Actual 2009	Actual 2008
			$000	$000	$000	$000
	Trade receivables due from associates	20	308	203	384	331
	Trade receivables from non-related parties		3,818	2,637	3,006	2,325
	Ministry of Health receivables		7,868	7,870	7,868	7,870
	Accrued income		29,647	16,548	29,647	16,548
	Prepayments		384	376	384	376
	Fair value of interest rate swaps		0	2,206	0	2,206
			42,025	29,840	41,289	29,656
	Trade receivables are shown net of provision for doubtful debts amounting to $903,000 (2007: $879,000) recognised in the current year and arising from analysis of past payment performance.					

13	Cash and cash equivalents	Notes	Group		Parent	
			Actual 2009	Actual 2008	Actual 2009	Actual 2008
			$000	$000	$000	$000
	Bank balances		358	1,813	321	1,754
	Call deposits		27,000	44,000	27,000	44,000
	Cash and cash equivalents in the statement of cash flows		27,358	45,813	27,321	45,754

Waitemata DHB administers certain funds on behalf of patients. These funds are held in separate bank accounts and interest earned is allocated to the individual patients.

Working capital facility

Waitemata DHB has a working capital facility supplied by Westpac New Zealand Limited, which was established in November 2004. The facility consists of a bank overdraft and revolving multi-option credit facility. The facility was unused at 30 June 2009.

The Westpac working capital facility is secured by a negative pledge. Without Westpac's prior written consent, Waitemata DHB cannot perform the following actions:

- create any security over its assets except in certain circumstances,
- lend money to another person or entity (except in the ordinary course of business and then only on commercial terms) or give a guarantee,
- make a substantial change in the nature or scope of its business as presently conducted.

At all times since the facility was established the covenant has been met. The Westpac facility has a limit of $39m.

13	Cash and cash equivalents (*continued*) **Reconciliation of (deficit)/surplus for the year with net cash flows from operating activities:**	Group		Parent	
		Actual 2009	Actual 2008	Actual 2009	Actual 2008
		$000	**$000**	**$000**	**$000**
	(Deficit) / surplus for the year	(4,791)	4,639	(5,026)	4,330
	Add back non-cash items:				
	Depreciation and assets written off	22,001	20,404	22,001	20,404
	Unrealised investment loss	155	0	0	0
	Add back items classified as investing activity:				
	(Gain)/loss on disposal of property, plant and equipment	(17)	0	(17)	0
	Add back items classified as financing activity:				
	Interest Rate Swaps	2,206	171	2,206	171
	Movements in working capital:				
	(Increase)/decrease in trade and other receivables	(12,185)	4,791	(11,633)	4,716
	(Increase)/decrease in inventories	(838)	(524)	(838)	(524)
	(Decrease) / increase in trade and other payables	(19,444)	23,225	(19,452)	23,164
	Increase/(decrease) in provisions	7,783	3,222	7,783	3,222
	Net movement in working capital	(24,684)	30,715	(24,140)	30,578
	Net cash (outflow) / inflow from operating activities	**(5,130)**	**55,928**	**(4,976)**	**55,483**

14 Capital and reserves (Group and parent)

Revaluation reserve
The revaluation reserve relates to land and buildings.

Trust/ Special funds
Special funds are funds donated or bequeathed for a specific purpose. The use of these assets must comply with the specific terms of the sources from which the funds were derived. The revenue and expenditure in respect of these funds is included in the income statement. An amount equal to the expenditure is transferred from the Trust fund component of equity to retained earnings. An amount equal to the revenue is transferred from retained earnings to trust funds.
All trust funds are held in bank accounts that are separate from Waitemata DHB's normal banking facilities.

Trust/ Special funds Group	2009 Actual	2008 Actual
	$000	**$000**
Balance at beginning of year	**4,261**	**3,952**
Transfer from retained earnings in respect of:		
• Interest received	313	332
• Donations and funds received	2,094	2,111
Transfer to retained earnings in respect of:		
• Funds spent	(2,172)	(2,134)
Balance at end of year	**4,496**	**4,261**

15 Interest-bearing loans and borrowings (Group and parent)

	2009 Actual	2008 Actual
Non-current	**$000**	**$000**
Secured loans	165,796	165,796
	165,796	165,796

Secured bank loans Waitemata DHB has a secured loan with the Crown Health Financing Agency. The details of terms and conditions are as follows:

Interest rate summary	2009 Actual	2008 Actual
Crown Health Financing Agency	2.81-7.04%	6.31-7.89%

Repayable as follows:	2009 Actual	2008 Actual
	$000	**$000**
More than 12 months	165,796	165,796

Waitemata DHB has the right and expects to re-finance or roll-over its loans with the Crown Health Financing Agency upon maturity, provided that any such roll over does not extend beyond the facility expiry date (31 December 2018), and the Terms and Conditions are complied with in all other respects.

Term loan facility limits	2009 Actual	2008 Actual
	$000	**$000**
Crown Health Financing Agency	165,796	165,796
Westpac	39,000	39,000

Security and terms

The term loan is secured. Continued use of the Crown Health Financing Agency facility is subject to an annual loan review process. Continued use of the Westpac working capital facility is subject to normal commercial loan covenants such as interest cover.

Waitemata DHB uses interest rate swaps periodically, in order to manage interest rate risk. The notional principal or contract amount of interest rate swaps outstanding at 30 June 2009 was $0 (2008: $57m (pay floating), $52m (pay fixed) and $10m collar (receive fixed)).

The term loan facility is provided by the Crown Health Financing Agency.

The Crown Health Financing Agency term liabilities are governed by loan facility documentation. Without the Crown Health Financing Agency's prior written consent Waitemata DHB cannot perform the following actions:

- create any security over its assets except in certain circumstances
- lend money to another person or entity (except in the ordinary course of business and then only on commercial terms) or give a guarantee
- make a substantial change in the nature or scope of its business as presently conducted or undertake any business or activity unrelated to health; and
- dispose of any of its assets except disposals at full value in the ordinary course of business.

16 Employee benefits
Group and parent

	2009 Actual	2008 Actual
Non-current liabilities	**$000**	**$000**
Long-service leave	3,556	3,116
Retirement gratuities	7,920	6,251
Continuing medical education	3,913	3,047
Other employee entitlements	1,296	2,737
	16,685	**15,151**

	2009 Actual	2008 Actual
Current liabilities	**$000**	**$000**
Long-service leave	71	91
Sabbatical leave	300	300
Retirement gratuities	1,057	860
Annual leave	34,820	29,622
Sick leave	1,022	1,068
Continuing medical education leave	4,778	3,395
Salary and wages accrual	5,144	4,073
	47,192	**39,409**

17 Trade and other payables

	Note	Group		Parent	
		Actual 2009	Actual 2008	Actual 2009	Actual 2008
		$000	**$000**	**$000**	**$000**
Trade payables due to associates	20	364	148	364	161
Trade payables to non-related parties		54,796	70,848	54,717	70,756
ACC levy payable		3,151	2,350	3,151	2,350
GST and PAYE payable		9,816	10,156	9,816	10,156
Income in advance relating to contracts with specific performance obligations		1,546	524	1,546	524
Capital charge due to the Crown	6	1,136	1,186	1,136	1,186
Other non-trade payables and accrued expenses		16,107	19,218	16,107	19,218
		86,916	**104,430**	**86,837**	**104,351**

18 Commitments
Group and parent

	Group		Parent	
	Actual 2009	Actual 2008	Actual 2009	Actual 2008
Non- lease commitments	**$000**	**$000**	**$000**	**$000**
Capital commitments	**5,044**	**3,225**	**5,044**	**3,225**
Non-cancellable – operating lease commitments				
Not more than one year	21,234	8,366	21,234	8,366
One to two years	11,674	4,283	11,674	4,283
Two to five years	3,919	11,546	3,919	11,546
Over five years	11,546	23,812	11,546	23,812
	48,373	**48,007**	**48,373**	**48,007**

Waitemata DHB leases a number of buildings, vehicles and office equipment (mainly photocopiers and computers) under operating leases. The leases typically run for a period of up to 25 years (for buildings) and 3 years (for vehicles and office equipment), with an option to renew the lease after that date.

19 Financial instruments

Exposure to credit and interest rate risks arise in the normal course of Waitemata DHB's operations. Derivative financial instruments are used to economically hedge exposure to fluctuations in interest rates.

Credit risk

Financial instruments, which potentially subject Waitemata DHB to concentrations of risk, consist principally of cash, short-term deposits, accounts receivable and other investments.

It is management's view that Waitemata DHB places its cash and short-term deposits with high-quality financial institutions and has a policy that limits the amount of credit exposure to any one financial institution.

Concentrations of credit risk from accounts receivable are limited, due to the number and variety of customers and deemed by management to be a low credit risk. The Ministry of Health is the largest single debtor (approximately 66 per cent). It is assessed to be a low risk and high-quality entity due to its nature as the government funded purchaser of health and disability support services.

The status of trade receivables at the reporting date is as follows:

Trade receivables	Parent		Parent	
	Gross Receivable 2009	Impairment 2009	Gross Receivable 2008	Impairment 2008
	$000	$000	$000	$000
Not past due	6,306	0	8,934	0
Past due 0-30 days	2,707	0	700	0
Past due 31-90 days	1,240	0	834	0
Past due more than 91 days	1,790	(903)	885	(879)
Total	**12,043**	**(903)**	**11,353**	**(879)**

In summary, trade receivables are determined to be impaired as follows:

Trade receivables	Parent	
	Actual 2009	Actual 2008
	$000	$000
Gross trade receivables	12,043	11,353
Individual impairment	(903)	(879)
Net total trade receivables	**11,140**	**10,474**

Group figures have not been presented, as parent receivables comprise the vast majority of group receivables. Group receivables held by subsidiaries are immaterial.

At the balance sheet date there were no significant other concentrations of credit risk. The maximum exposure to credit risk is represented by the carrying amount of each financial asset, including derivative financial instruments, in the balance sheet.

Liquidity risk

Liquidity risk represents Waitemata DHB's ability to meet its contractual obligations. Waitemata DHB evaluates its liquidity requirements on an ongoing basis. In general, the Waitemata DHB generates sufficient cash flows from its operating activities to meet its obligations arising from its financial liabilities and has credit lines in place to cover potential shortfalls.

19 **Financial instruments (*continued*)**

Liquidity risk

The following table sets out the contractual cash flows for the principal portion of all financial liabilities and for derivatives which have a negative fair value or that are settled on a gross cash flow basis.

	Contractual cash flow				Future Interest Payments			
	Balance sheet	Total	6 mths or less	More than 5 years	Total	6 mths or less	1 to 5 Years	More than 5 years
2009 Group	**$000**	**$000**	**$000**	**$000**	**$000**	**$000**	**$000**	**$000**
CHFA loans	165,796	(165,796)	0	(165,796)	(99,855)	(5,021)	(46,777)	(48,057)
Trade and other payables	86,916	(86,916)	(86,916)	0	0	0	0	0
Total	**252,712**	**(252,712)**	**(86,916)**	**(165,796)**	**(99,855)**	**(5,021)**	**(46,777)**	**(48,057)**
2009 Parent	**$000**	**$000**	**$000**	**$000**	**$000**	**$000**	**$000**	**$000**
CHFA loans	165,796	(165,796)	0	(165,796)	(99,855)	(5,021)	(46,777)	(48,057)
Trade and other payables	86,837	(86,837)	(86,837)	0	0	0	0	0
Total	**252,633**	**(252,633**	**(86,837)**	**(165,796)**	**(99,855)**	**(5,021)**	**(46,777)**	**(48,057)**
2008 Group	**$000**	**$000**	**$000**	**$000**	**$000**	**$000**	**$000**	**$000**
CHFA loans	165,796	(165,796)	0	(165,796)	(110,331)	(5,579)	(51,107)	(53,645)
Trade and other payables	104,430	(104,430)	(104,430)	0	0	0	0	0
Total	**270,226**	**(270,226)**	**(104,430)**	**(165,796)**	**(110,331)**	**(5,579)**	**(51,107)**	**(53,645)**
2008 Parent	**$000**	**$000**	**$000**	**$000**	**$000**	**$000**	**$000**	**$000**
CHFA loans	165,796	(165,796)	0	(165,796)	(110,331)	(5,579)	(51,107)	(53,645)
Trade and other payables	104,351	(104,351)	(104,351)	0	0	0	0	0
Total	**270,147**	**(270,147)**	**(104,351)**	**(165,796)**	**(110,331)**	**(5,579)**	**(51,107)**	**(53,645)**

Future interest payments are estimated on the basis of current and average interest rates for the period of the loan term to 30 June 2019.

Market risk

Waitemata DHB enters into derivative arrangements in the ordinary course of business to manage interest rate risks. The Finance and Audit Committee composed of board members, with input from senior management and internal auditors, provides oversight for risk management. This committee determines Waitemata DHB's financial risk policies and objectives, and provides guidelines for derivative instrument utilisation. This committee also establishes procedures for control and valuation, risk analysis, counterparty credit approval, and ongoing monitoring and reporting.

19 **Financial instruments (*continued*)**

Interest rate risk

Interest rate risk is the risk that the fair value of a financial instrument will fluctuate or, the cash flows from a financial instrument will fluctuate, due to changes in market interest rates. Waitemata DHB's manages interest rate risk in line with its Treasury Policy, which also allows the use of derivative instruments, entered into with the intention of:

- Maintaining interest rate risk exposure within Policy limits and/or secure interest costs within budgeted levels.
- Pre-hedge the interest rate risk on any forecast new debt drawdown in advance of the physical drawdown date to determine the interest rate rather than accepting the market rate on the day.
- Pre-hedge the interest rate risk on a re-financing of an existing fixed rate loan in the same manner as above.
- Re-profile the interest rate risk where there is a large loan maturity concentrated on one day or period.

Interest rate swaps, denominated in NZD, are periodically entered into to achieve an appropriate mix of debt maturities, fixed and floating rate loans within Waitemata DHB's policy. At 30 June 2008, Waitemata DHB had interest rate swaps with notional contract amounts of $57m (pay floating), $52m (pay fixed) and $10m collar (pay fixed). A review of the Treasury Policy and strategy to managing interest rate exposure was considered by the Audit Finance Committee during the year, resulting in all instruments in place at 30 June 2008 being closed during this financial year. As a result the net fair value of swaps at 30 June 2009 was $0 (2008: $2,206,000). These amounts were recognised as fair value derivatives in the statement of financial position.

A revised policy will be implemented during the 2009/10 financial year.

Effective interest rates and repricing analysis

In respect of interest-earning financial assets and interest-bearing financial liabilities, the following table indicates their effective interest rates at the balance sheet date and the periods in which they reprice.

		Group and Parent 2009 Actual						
		Effective interest rate	Total	6 mths or less	6-12 mths	1-2 yrs	2-5 yrs	More than 5 yrs
	Note	**%**	**$000**	**$000**	**$000**	**$000**	**$000**	**$000**
Cash and cash equivalents	13	1.50-5.25%	27,358	27,358	0	0	0	0
NZD loans	15	2.81-7.04%	(165,796)	(37,000)	0	0	(23,100)	(105,696)
Effect of interest rate swaps (net)		0%	0	0	0	0	0	0
			(138,438)	(9,642)	0	0	(23,100)	(105,696)

		Group and Parent 2008 Actual						
		Effective interest rate	Total	6 mths or less	6-12 mths	1-2 yrs	2-5 yrs	More than 5 yrs
	Note	%	$000	$000	$000	$000	$000	$000
Cash and cash equivalents	13	7.25-11.25%	45,813	45,813	0	0	0	0
NZD loans	15	6.31-7.89%	(165,796)	(22,000)	(8,100)	(15,000)	0	(120,696)
Effect of interest rate swaps (net)		6.29-7.77%	0	5,000	(20,000)	0	(42,000)	57,000
			(119,983)	28,813	(28,100)	(15,000)	(42,000)	(63,696)

19	**Financial instruments (*continued*)**
	Foreign currency risk Waitemata DHB had no outstanding foreign exchange contracts at year end.
	Capital management policy The Waitemata DHB's capital is its equity, which comprises Crown equity, asset revaluation reserves, trust / special funds and retained earnings. Equity is represented by net assets. It is management's view that Waitemata DHB manages its revenues, expenses, assets, liabilities and general financial dealings prudently in compliance with the budgetary processes. The Waitemata DHB's policy and objectives of managing the equity is to ensure the Waitemata DHB effectively achieves its goals and objectives, whilst maintaining a strong capital base. The Waitemata DHB policies in respect of capital management are reviewed regularly by the governing Board. There have been no material changes in the Waitemata DHB's management of capital during the year.
	Sensitivity analysis In managing interest rate and currency risks Waitemata DHB aims to reduce the impact of short-term fluctuations on Waitemata DHB's earnings. Over the longer-term, however, permanent changes in interest rates would have an impact on consolidated earnings. At 30 June 2009, it is estimated that a general increase of one percentage point in interest rates would decrease Waitemata DHB's deficit by approximately $140k (2008: $237k). At 30 June 2009, it is estimated that a general decrease of one percentage point in interest rates would increase Waitemata DHB's deficit by approximately $140k (2008: $237k). Any likely change in foreign currency exchange rates is considered to cause only an insignificant impact on the DHB's profit and loss.

19 Financial instruments (*continued*)

Classification and fair values

The classification and fair values together with the carrying amounts shown in the statement of financial position are as follows:

		Designated at fair value through profit & loss	Loans and receivables	Financial liabilities at amortised cost	Carrying amount	Fair value
2009 Actual Group	**Note**	**$000**	**$000**	**$000**	**$000**	**$000**
Trade and other receivables	12	0	41,641	0	41,641	41,641
Cash and cash equivalents	13	0	27,358	0	27,358	27,358
Other investments	11	3,802	0	0	3,802	3,802
CHFA loans	15	0	0	(165,796)	(165,796)	(174,224)
Trade and other payables	17	0	0	(86,916)	(86,916)	(86,916)
		3,802	68,999	(252,712)	(179,911)	(188,339)

2009 Actual Parent	**Note**	**$000**	**$000**	**$000**	**$000**	**$000**
Trade and other receivables	12	0	40,905	0	40,905	40,905
Cash and cash equivalents	13	0	27,321	0	27,321	27,321
Other investments	11	0	0	0	0	0
CHFA loans	15	0	0	(165,796)	(165,796)	(174,224)
Trade and other payables	17	0	0	(86,837)	(86,837)	(86,837)
		0	68,226	(252,633)	(184,407)	(192,835)

19 Financial instruments (*continued*)

Classification and fair values

The classification and fair values together with the carrying amounts shown in the statement of financial position are as follows:

		Held for trading	Designated at fair value through profit & loss	Loans and receivables	Financial liabilities at amortised cost	Carrying amount	Fair value
2008 Actual Group	**Note**	**$000**	**$000**	**$000**	**$000**	**$000**	**$000**
Trade and other receivables	12	0	0	27,258	0	27,258	27,258
Cash and cash equivalents	13	0	0	45,813	0	45,813	45,813
Other investments	11	0	4,097	0	0	4,097	4,097
Interest rate swaps:							
• Assets	12	2,206	0	0	0	2,206	2,206
CHFA loans	15	0	0	0	(165,796)	(165,796)	(168,687)
Trade and other payables	17	0	0	0	(104,430)	(104,430)	(104,430)
		2,206	4,097	73,071	(270,226)	(190,852)	(193,743)

2008 Actual Parent	**Note**	**$000**	**$000**	**$000**	**$000**	**$000**	**$000**
Trade and other receivables	12	0	0	27,074	0	27,074	27,074
Cash and cash equivalents	13	0	0	45,754	0	45,754	45,754
Other investments	12	0	0	0	0	0	0
Interest rate swaps:							
• Assets	13	2,206	0	0	0	2,206	2,206
CHFA loans	15	0	0	0	(165,796)	(165,796)	(168,687)
Trade and other payables	17	0	0	0	(104,351)	(104,351)	(104,351)
		2,206	0	72,828	(270,147)	(195,113)	(198,004)

19 Financial instruments (*continued*)

Estimation of fair values analysis

The following summarises the major methods and assumptions used in estimating the fair values of financial instruments reflected in the table.

Securities

Fair value is based on quoted market prices at the balance sheet date without any deduction for transaction costs.

Derivatives

Interest rate swaps are either marked to market using listed market prices or broker quotes are used, those quotes are back tested using pricing models or discounted cash flow techniques.

Where discounted cash flow techniques are used, estimated future cash flows are based on management's best estimates and the discount rate is a market related rate for a similar instrument at the balance sheet date. Where other pricing models are used, inputs are based on market related data at the balance sheet date.

Interest-bearing loans and borrowings

Fair value is calculated based on discounted expected future principal and interest cash flows.

Trade and other receivables / payables

For receivables / payables with a remaining life of less than one year, the notional amount is deemed to reflect the fair value.

Interest rates used for determining fair value

The entity uses the government yield curve as of 30 June 2009 plus an adequate constant credit spread to discount financial instruments. The interest rates used are as follows:

	2009 Actual	2008 Actual
	$000	**$000**
Derivatives	0%	6.29-7.77%
Loans and borrowings	2.81-7.04%	6.31-7.89%

20 Related parties

Identity of related parties

Waitemata DHB has a related party relationship with its subsidiaries, associates and with its board members and executive leadership team, as well as with other entities controlled by the Crown.

Board members

As detailed earlier in this Annual Report, annual fees totalling $382k were paid to Board members and co-opted Committee Members of Waitemata DHB (2008: $379k).

	2009 Actual	2008 Actual
Executive leadership team	**$000**	**$000**
Short-term employee benefits	2,733	2,419
Post-employment benefits	0	0
Other long-term benefits	0	0
Termination benefits	0	0
	2,733	2,419

The Executive Leadership team of 13 members (2008: 13 members) excludes board members.

	2009 Actual	2008 Actual
Sales to related parties	**$000**	**$000**
Three Harbours Health Foundation	1,358	1,012
	1,358	1,012

	2009 Actual	2008 Actual
Outstanding balances from related parties	**$000**	**$000**
Northern DHB Support Agency Ltd	308	203
Three Harbours Health Foundation	76	128
	384	331

	2009 Actual	2008 Actual
Outstanding balances to related parties	**$000**	**$000**
Northern DHB Support Agency Ltd	405	0
Three Harbours Health Foundation	0	13
HealthAlliance NZ Limited	150	148
	555	161

Transactions with subsidiaries and associates are priced on an arm's length basis.

20 Related parties (*continued*)

During the financial year Waitemata DHB funded or made payments to entities in which Board members had governance, shareholder or other interests. Board members do not participate in decisions directly related to funding of their related entities. See also the schedule of Board Members' Interests included earlier in this annual report.

Board member	Relationship	Organisation	Total payments by Waitemata DHB to the organisation in 2008/09 $000	Outstanding at year end $000	Nature of Service
Max Abbott	Pro Vice-Chancellor and Dean, Faculty of Health and Environmental Sciences	Auckland University of Technology	215	77	Workforce development in nursing, podiatry and other healthcare professions. Evaluation of public health programme.
	Patron	Raeburn House	28	0	Mental health promotion, networking and information.
Pat Booth	Consulting Editor	Fairfax Suburban Papers, Auckland and Northland	8	0	Advertising
Lynne Coleman	General Practitioner. Shareholder of CHS Ltd, an IPA affiliated to Harbour PHO.	CHS Ltd and Harbour PHO	24,132	198	Total of payments to Harbour PHO, for General Practitioner and related services.
	Chair	Shorecare Medical Services Ltd	22	1	Payments were mainly for after hours GP services
	Director	Apollo Health Ltd	129	13	General Practitioner and related services.
	Trustee	Harbour Sport	170	15	Physical activity plans and programmes.
	Member	Wilson Home Trust Committee of Management	405	0	Rental payments for facilities at Wilson Centre.

20 Related parties (*continued*)

During the financial year Waitemata DHB funded or made payments to entities in which Board members had governance, shareholder or other interests. Board members do not participate in decisions directly related to funding of their related entities. See also the schedule of Board Members' Interests included earlier in this annual report.

Board member	Relationship	Organisation	Total payments by Waitemata DHB to the organisation in 2008/09 $000	Outstanding at year end $000	Nature of Service
Warren Flaunty	Trustee	West Auckland Hospice	551	41	For provision of hospice care.
	Shareholder	Metlifecare Crestwood Metlifecare Pinesong	27,356	4	Funding of aged care services at Metlifecare facilities
	Shareholder	EBOS Group	4,685	388	For healthcare consumables from EBOS and from its subsidiary, Health Support Ltd.
	Shareholder	Life Pharmacy Ltd Life Pharmacy Birkenhead Life Pharmacy Glenfield	2,073	183	Total of payments to five pharmacies under the Life Pharmacy umbrella.
	Shareholder	Westgate Pharmacy Ltd	405	0	For provision of community pharmacy services.
Mary Lythe	Member	Wilson Home Trust Committee of Management	153	14	Rental payments for facilities at Wilson Centre.
	Clinical Services Manager	Alzheimers Auckland Inc	41	0	Education, care and support for people with Alzheimer's disease and their families.
	Board Member	Rodney Health Link Health Voice	41	0	Community engagement and advocacy.
Brian Neeson	Board Member	Waitakere Health Link Health Voice	1,315	113	Community engagement and advocacy.
Mary-Anne Benson-Cooper	General Manager/ Health Safety Manager	Focus 2000 and Focus NorWest	41	0	Residential care and support for people with disabilities.
Wyn Hoadley	Board Member	North Shore Community Health Voice	41	0	Community engagement and advocacy.

20 Related parties (continued)

Ownership

Waitemata DHB is a crown entity in terms of the Crown Entities Act 2004, and is owned by the Crown.

Subsidiaries

Three Harbours Health Foundation (THHF) is a registered charitable trust controlled by Waitemata DHB, by virtue of Waitemata DHB's ability to appoint all trustees. The principal activities of THHF are to receive and disburse funds for clinical research and staff training; as well as to conduct and co-ordinate fund-raising activities in the community for specific projects relating to the provision of healthcare in the Waitemata DHB region. THHF has a balance sheet date of 30 June and is domiciled in New Zealand.

Milford Secure Properties Limited (MSPL) is controlled by Waitemata DHB by virtue of Waitemata DHB's ability to appoint all the directors of the company. The principal activity of MSPL is to be the vehicle for the purchase of land and buildings to house certain Waitemata DHB activities. MSPL has a balance sheet date of 30 June and was incorporated in New Zealand.

Associates

Waitemata DHB has a 50 per cent interest in healthAlliance NZ Limited, whose principal activity is providing shared procurement services, information technology, finance and human resource services.

Waitemata DHB has a 33.3 per cent interest in Northern DHB Support Agency Limited, whose principal activity is providing contracting advice and consultancy services.

Waitemata DHB has a 34% interest in Auckland Regional RMO Services Limited, whose principal activity is arranging the allocation of Resident Medical Officers (RMOs) to the Auckland Region DHBs and performs a range of other functions related to RMO training.

Transactions with other entities controlled by the Crown

There have been transactions with other entities controlled by the Crown that have not been separately disclosed because the transactions have been carried out on the same terms as if the transactions had been carried out at arms length.

21 Contingent liabilities

Waitemata DHB acknowledges the receipt of a claim made by PSA (Public Service Association) in relation to the interpretations of a minimum break clause in a multi employer collective agreement and related potential back pay, the probability and quantum of this claim is uncertain.

Waitemata DHB's associates have not been notified of any potential claims as at 30 June 2009 (2008: $0).

22 Subsequent events

There are no significant events subsequent to balance date.

23 Accounting estimates and judgements

Management discussed with the Finance and Audit Committee the development, selection and disclosure of Waitemata DHB's critical accounting policies and estimates and the application of these policies and estimates.

Critical accounting judgements in applying Waitemata DHB's accounting policies

Certain critical accounting judgments in applying Waitemata DHB's accounting policies are described below.

Operating leases

Waitemata DHB entered into several leases many years ago. They are combined leases of land and buildings. It is not possible to obtain a reliable estimate of the split of the fair values of the lease interest between land and buildings at inception. Therefore, in determining lease classification Waitemata DHB evaluated whether both parts are clearly operating leases or finance leases. Firstly, land title does not pass. Secondly, because the rent paid to the landlord for the building is increased to market rent at regular intervals, and Waitemata DHB does not participate in the residual value of the building it is judged that substantially all the risks and rewards of the building are with the landlord. Based on these qualitative factors it is concluded that the leases are operating leases.

24 **Explanation of financial variances from budget**

The budget figures are those of the parent, approved by the Board at the beginning of the year in the initial statement of intent. The budget figures were prepared in accordance with measurement principles of generally accepted accounting practice and NZIFRS and are consistent with the accounting policies adopted by the Board for the preparation of the financial statements.

The major variances in the Income Statement are due to:

- Revenue for the year $34.5m greater than budget; reflecting additional volumes and services purchased by the Crown during the year, as well as specific programmes and interest income.
- Expenditure for the year was $26.8m greater than budget; reflecting costs of opening additional beds, higher personnel and staff benefit costs, due to settlement of collective employee agreements and cost of cover for vacancies with outsourced locum and bureau costs.

The major variances in the Statement of Financial Position are due to:

- Cash and cash equivalents - unfavourable for the year $20.8m due to timing payments; mostly IDF which are now paid in current month rather than arrears.
- Trade and other receivables – higher than budget due to timing of payments and accrued revenue
- Trade and other payables - increased due to timing of payments
- Property, plant and equipment – greater than planned due to timing of projects
- Employee Benefits – due to greater than budgeted payroll settlements.

25 **2009-12 Statement of Intent**

Waitemata DHB's 2009-12 Statement of Intent did not fully comply with the requirements of the Crown Entities Act 2004. Sections 142 (2) (b) and (c) of the Crown Entities Act 2004 require for each output class adopted, that the Statement of Intent:

- Identifies the expected revenue to be earned and proposed expenses to be incurred, for each class of outputs and
- Comply with generally accepted accounting practice.

At the time the 2009-12 Statement of Intent was adopted, Waitemata DHB were unable to reliably identify the expected revenues and proposed expenses for each class of Outputs. As a result Waitemata DHB breached Sections 142 (2) (b) and (c) of the Crown Entities Act 2004.

The breaches occurred because Waitemata DHB decided to adopt more relevant output classes, but they were not able to allocate the underlying budget information to the new output classes. The allocation process requires a substantial amount of work and there was insufficient time for it to be carried out between the time the new output classes were adopted and the time the Statement of Intent was adopted.

The new output classes will enable Waitemata DHB to report service performance more meaningfully for the year ending 30 June 2010. Waitemata DHB are yet to identify the expected revenue to be earned and proposed expenses to be incurred for each output class and Waitemata DHB plans to include expected revenue to be earned and proposed expenses to be incurred for each output class in the next Statement of Intent.

Statement of Responsibility for the year ended 30 June 2009

1. The Board and management of Waitemata DHB accept responsibility for the preparation of the annual financial statements, the statement of service performance and the judgements used in them;
2. The Board and management of Waitemata DHB accept responsibility for establishing and maintaining a system of internal control designed to provide reasonable assurance as to the integrity and reliability of financial and non-financial reporting; and
3. In the opinion of the Board and Management of Waitemata DHB, the annual financial statements for the year ended 30 June 2009 fairly reflect the financial position and operations of Waitemata DHB; and the statement of service performance fairly reflects the service performance of Waitemata DHB.

Chair ..... ***Board Member*** .....

Lester Levy ***Brian Neeson***

October 2009

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AUDIT REPORT

TO THE READERS OF WAITEMATA DISTRICT HEALTH BOARD AND GROUP'S FINANCIAL STATEMENTS AND STATEMENT OF SERVICE PERFORMANCE FOR THE YEAR ENDED 30 JUNE 2009

The Auditor-General is the auditor of Waitemata District Health Board (the Health Board) and group. The Auditor-General has appointed me, Simon Brotherton, using the staff and resources of Ernst & Young, to carry out the audit of the financial statements and statement of service performance of the Health Board and group for the year ended 30 June 2009.

Unqualified Opinion

In our opinion:

- The financial statements of the Health Board and group on pages 61 to 95:
  - comply with generally accepted accounting practice in New Zealand; and
  - fairly reflect:
    - the Health Board and group's financial position as at 30 June 2009; and
    - the results of operations and cash flows for the year ended on that date.
- The statement of service performance of the Health Board on pages 32 to 59:
  - complies with generally accepted accounting practice in New Zealand; and
  - fairly reflects for each class of outputs:
    - its standards of delivery performance achieved, as compared with the forecast standards included in the statement of forecast service performance at the start of the financial year; and
    - its actual revenue earned and output expenses incurred, as compared with the expected revenues and proposed output expenses included in the statement of forecast service performance at the start of the financial year.

The audit was completed on 28 October 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 Board 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 and statement of service performance 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 and statement of service performance. 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 and statement of service performance. 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;

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- reviewing significant estimates and judgements made by the Board;
- confirming year-end balances;
- determining whether accounting policies are appropriate and consistently applied; and
- determining whether all financial statement and statement of service performance disclosures are adequate.

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

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

Responsibilities of the Board and the Auditor

The Board is responsible for preparing the financial statements and statement of service performance in accordance with generally accepted accounting practice in New Zealand. The financial statements must fairly reflect the financial position of the Health Board and group as at 30 June 2009 and the results of operations and cash flows for the year ended on that date. The statement of service performance must fairly reflect, for each class of outputs, the Health Board standards of delivery performance achieved and revenue earned and expenses incurred, as compared with the forecast standards, revenue and expenses at the start of the financial year. The Board's responsibilities arise from the New Zealand Public Health and Disability Act 2000 and the Crown Entities Act 2004.

We are responsible for expressing an independent opinion on the financial statements and statement of service performance and reporting that opinion to you. This responsibility arises from section 15 of the Public Audit Act 2001 and the Crown Entities Act 2004.

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 Health Board or any of its subsidiaries.

Matters relating to the Electronic Presentation of the Audited Financial Statements

This audit report relates to the financial statements and statement of service performance for the Health Board for the year ended 30 June 2009 included on the Health Board's website. The Health Board's Board is responsible for the maintenance and integrity of the Health Board's website. We have not been engaged to report on the integrity of the Health Board's website. We accept no responsibility for any changes that may have occurred to the financial statements and statement of service performance since they were initially presented on the website.

The audit report refers only to the financial statements and statement of service performance named above. It does not provide an opinion on any other information which may have been hyperlinked to or from the financial statements and statement of service performance. If readers of this report are concerned with the inherent risks arising from electronic data communication they should refer to the published hard copy of the audited financial statements and statement of service performance and related audit report dated 28 October 2009 to confirm the information included in the audited financial statements and statement of service performance presented on this website.

Legislation in New Zealand governing the preparation and dissemination of financial information may differ from legislation in other jurisdictions.

Simon Brotherton
Ernst & Young
On behalf of the Auditor-General
Auckland, New Zealand

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Waitemata
District Health Board
Te Wai Awhina