Waitemata DHB Annual Report 2009/2010

Waitemata District Health Board
Te Wai Awhina

ISSN: 1178-2307

Contents

Waitemata District Health Board Annual Report 2009/10

From the chair	page 1
From the chief executive	page 3
District snapshot	page 5
Mission	page 5
Values	page 5
The Waitemata DHB district	page 6
How we allocate our funding	page 7
Key facts and figures	page 8
Year in review	page 9
Key priorities	page 12
Other activities and highlights	page 24
Waitemata DHB Board members	page 28
Board members' interests	page 32
Attendance at Board and Committee meetings	page 34
Trusts	page 35
Good employer obligations	page 35
Insurance	page 36

Statement of service performance

Introduction	page 37
Output Classes	page 37
Cost of service statement	page 38
Health Targets	page 39
Public Health Services	page 41
Primary and Community Services	page 44
Hospital Services	page 48
Support Services	page 52

Financial Statements

Financial statements and notes	page 55
Statement of Responsibility	page 91
Audit Report	page 92

From the chair

Dr Lester Levy

Having completed my first year as Chair of Waitemata District Health Board, my original impression that this district health board has immense promise and potential has been reinforced. At the outset of my appointment I emphasised the need for a number of critical issues to be resolved in order to unlock the potential of Waitemata DHB.

The critical issues requiring resolution included funding, enhanced clinical leadership, emergency care services (particularly at North Shore Hospital), elective surgical services, inter-district patient flows, improved staff recruitment, retention and organisational culture.

In 2009/10 Waitemata District Health Board received an additional population based funding increase which ranked us 16th out of the 21 district health boards across New Zealand. For the 2010/11 year we are ranked second, a quantum leap which is very positive for our population.

Hospital emergency care services at Waitemata DHB (particularly at North Shore Hospital) have a history of under performance and this was expressed in quarter one of 2009/10, with a ranking of 21 out of the 21 district health boards. This equated to 61 per cent of patients being admitted, discharged or transferred from the emergency department within six hours. By quarter four the performance had lifted dramatically to 74 per cent but our ranking is still poor - 20 out of the 21 district health boards. The performance lift, however, is very encouraging as a number of our new initiatives have only recently commenced or are currently under construction. We need to redouble our efforts until we reach the target of 95 per cent of patients being admitted, discharged or transferred from the emergency department within six hours.

In January Waitakere Hospital's Emergency Care Centre hours of operation were extended to 10pm, and preparations were advanced for the start of 24/7 paediatric emergency services in July 2010. It is anticipated that adult medical emergency care services will go 24/7 in 2011. At North Shore Hospital, where the current emergency care facility has significant capacity constraints, a new facility (Lakeview) is halfway through its construction period. When it opens in October 2011, its Assessment and Diagnostic Unit will comprise 50 beds (plus four consulting, treadmill and procedure rooms) and its Emergency Department will house 34 beds (plus four resuscitation bays and a fast-track consultation area). When this is in place alongside process change, the chronic emergency care under performance at North Shore Hospital should be consigned to history.

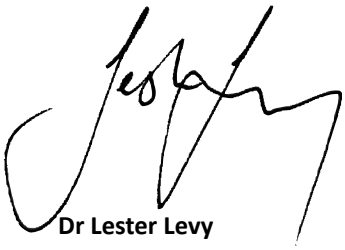
Waitemata District Health Board has also had a history of under delivery with respect to elective surgical services. In the 2009/10 year, Waitemata has performed outstandingly in this area, exceeding the national health target and being ranked sixth of all 21 district health boards and second amongst the large DHBs. Our plans to build a specialist elective surgery unit at North Shore Hospital are advanced and the final business case will be considered by Government in the last quarter of 2010.

Waitemata District Health Board has a net outflow of patients (for services not provided locally) that is greater than any other DHB and exceeds $200m each year. Improved management of these flows, complemented by service repatriation, will allow Waitemata DHB to improve local services and its financial performance. A significant

effort is being made currently to resolve issues around inter-district flows and service repatriation and, as part of this process, we are currently constructing new facilities for renal services which will be provided locally for the first time once construction is complete.

We are making very good progress in staff recruitment and our staff retention levels are higher than at any time in the last four years. Complement this with a process of enhanced clinical engagement and clinical leadership and we will be able to more easily address the most significant and difficult of these critical issues, in turn altering the organisation's culture to be more productive, responsive and caring. This latter issue presents management with its greatest leadership challenge and our population with its greatest opportunity for the service and care that they aspire to.

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), Gwen Tepania-Palmer (Chair – Maori Health Gain Advisory Committee) and Mary-Anne Benson-Cooper (Chair – Disability Support Advisory Committee).



Dr Lester Levy
Chair
Waitemata District Health Board

From the chief executive

Dave Davies

In the 2009/10 year, Waitemata DHB commenced important strategic developments to raise our performance stage by stage, over the coming years.

These critically important developments are part of our efforts to meet growing demand for healthcare in our district. Annually, on average, Waitemata DHB's population grows by 12,000 people. In addition, our population profile contains a larger than average number of elderly people. This situation, plus historic underfunding for our population size, has contributed to a health service with a need for much higher investment in new facilities and services.

So, in 2009, with greater funding provided to help correct the imbalance, we began a considerable programme of investment, building and opening new facilities, and developing a range of exciting and innovative new services.

This major infrastructure programme will continue in the next few years.

The following points illustrate the many exciting projects that are taking place at North Shore Hospital:

- Construction of the $48 million Lakeview Development began. The finished extension in 2011 will comprise a new 50-bed assessment and diagnostic unit and a purpose-built emergency department.
- A three-phase plan for a new renal service at Waitemata DHB was given the go ahead, including construction of a new $9.2 million renal unit which is underway.
- In June, a new ward (Ward 2) opened with 10 acute stroke beds.
- A second CT scanner will be installed by the middle of 2011.
- We are planning to open 40 surgical beds as part of a new elective surgery unit subject to our business case being accepted by the Ministry of Health.
- Phase one of a health campus facility was approved in June, which aims to strengthen our role as one of New Zealand's leading teaching DHBs.

We are also delivering a variety of milestone developments at Waitakere Hospital that are aimed at providing improved services for the western areas of the district, alleviating the need for patients to travel to North Shore Hospital:

- An admission and planning unit was opened in the Karekare ward.
- In October 2010, the hospital expanded its elective surgery beds with a further 10 beds.
- The Emergency Care Centre was refurbished in April and the opening hours for adults were extended to 10pm in January.
- In July, we saw the much anticipated launch of a 24/7 emergency paediatric service.

The DHB's performance was also boosted by focusing our attention on improving

recruitment. Staff numbers grew, particularly in clinical areas, which had suffered from shortages in previous years.

Retention also improved amongst clinical staff:

- We attracted 33 resident medical officer applications for general medicine (at a time when DHBs nationally suffered a junior doctor shortage).
- 80 new resident medical officers were welcomed in January, and eight new clinical nurse specialists began work at North Shore's Emergency Care Centre.
- 21 new doctors came from the UK in July.

Step by step, the gaps in Waitemata DHB's healthcare coverage are being addressed, with new initiatives rolling out regularly.

The challenges for the future will be our ability to maintain the momentum, ensure we deliver improvements in our infrastructure on time and meet increasing public and clinical expectations.

I strongly believe we took many positive steps in 2009/10 towards improving Waitemata DHB's performance, but also acknowledge there is still some way to go.

Let us not forget that one of our key aspirations over the next few years is to become one of the best performing DHBs in the country. We are actively laying solid foundations to achieve this goal and are beginning to see early signs that we are making real progress.

I am delighted to see that some of our government targets are improving. We are already exceeding four of the targets, tracking the remaining ones closely, and are expecting more positive results within the next six months. We are particularly focused on improving the emergency care centre, to ensure patients are seen in a more timely manner and that we meet the six hour target.

The organisation has recently announced a number of senior appointments. In particular, I would like to welcome Alan Wilson as our new chief operating officer, and Dr Andrew Brant, our new chief medical officer. We are also giving our clinicians a stronger voice in the management and direction of the organisation. Over the past year, we have taken on board clinicians' views and expertise, and appointed senior key management with a clinical background.

An organisation is only as good as its staff. We are indebted to an amazing team effort without which our many achievements this year would not have been possible.

Dave Davies
CEO
Waitemata District Health Board

District snapshot

Waitemata District Health Board serves the largest DHB population in the country – more than 540,000 people. It is also the second fastest growing of New Zealand's 20 DHBs.

We employ around 6300 people in more than 30 different locations and manage a budget of more than $1.2 billion a year, serving residents of the Rodney District, North Shore City and Waitakere City.

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

We provide emergency, 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, oral health services for children and young people, and Community Alcohol and Drug Services.

Our district is a diverse one, made up of 65% European (57% European and 8% New Zealander), 14% Asian (mostly Chinese, Indian and Korean), 9% Maori, 6% Pacific peoples, and 6% 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

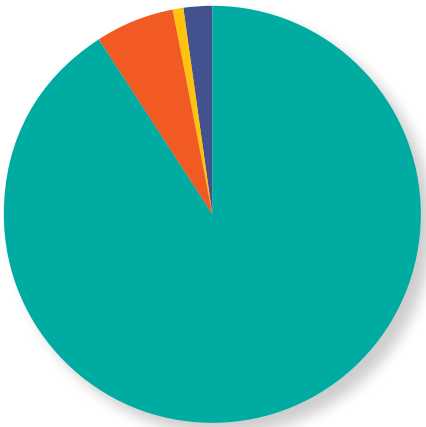
Respect

Acknowledging a person's dignity

The Waitemata DHB district

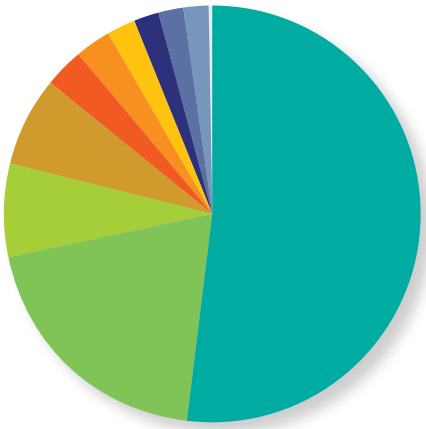
How we allocate our funding

Where did the money come from?



	$m	
Ministry of Health	1,148	91%
Other DHBs for care of their residents by WDHB	74	6%
Clinical Training Agency, ACC and other health funders	17	1%
Other income	23	2%
	1,262	**100%**

What was it spent on?



	$m	
Waitemata DHB's own hospital and community health services	656	52%
Other DHBs mainly for care of Waitemata DHB residents	250	20%
Community pharmaceuticals	92	7%
Primary care	88	7%
Private hospitals	42	3%
Personal health contracts	36	3%
Mental health (NGOs, private providers)	28	2%
Community laboratory tests	28	2%
Home support services	26	2%
Rest homes	23	2%
Other	1	0%
	1,270	**100%**

Key facts and figures During the past year

6842 babies were born in our hospitals.

81,388 people attended the Emergency Care Centres (ECCs) at North Shore and Waitakere Hospitals, and 26,387 of those were admitted as inpatients.

80,094 vaccinations were given to children aged five and under.

Our hospital laboratories carried out 2,726,513 blood and other specimen tests.

We carried out 149,892 radiology procedures in our hospitals.

9471 people had free diabetes checks.

38,004 women underwent screening with Breastscreen Waitemata Northland.

43,252 people had a first medical or surgical outpatient appointment, and there were a further 87,378 follow up appointments.

140,778 people visited outpatient clinics.

414,726 school dental treatments were given to children.

We saw 24,841 mental health clients.

District nurses carried out 86,338 home visits, while specialist nurses carried out 4956 home visits.

8341 people had acute procedures.

13,087 people had elective treatment.

17,111 needs assessments were carried out by the Needs Assessment and Service Co-ordination Service (NASC).

There were 11,303 mental heath home visits and 17,223 allied health home visits.

Year in review

Our people

Waitemata DHB employs around 6300 people and more than 80 per cent of our staff are doctors, nurses and allied health employees working directly with patients. Clinician involvement from ward level to Board level is critical in all we do.

Recruitment of key medical staff, especially resident medical officers, continues to be a challenge for all DHBs, but we have deployed a number of strategies to aid recruitment and have experienced considerable success in some key areas over the past year.

Early in the year, a targeted recruitment campaign carried out for Waitemata DHB by Auckland Regional RMO Services (ARRMOS) attracted 33 resident medical officer applications for general medicine.

In January we welcomed an intake of nearly 80 new resident medical officers and while some were to carry out the standard six-month rotation, a number were also assigned to Waitemata DHB for a full year. In July, the biggest intake of overseas resident medical officers ever to arrive in the Auckland region at one time all started work at Waitemata DHB.

Of the 21 new doctors from the UK, 17 began work at North Shore Hospital while the remaining four spent their first, three-month rotation at Waitakere Hospital. At a time when DHBs nationally are feeling the effects of the junior doctor shortage, these sizeable intakes were hugely positive for us as we worked hard to attract and retain staff.

Seventeen of the 21 resident medical officers who arrived from the UK in July.

In February we also welcomed 33 general, 11 primary care and 17 mental health nurses to our new graduate programme and, by the end of the year, were already oversubscribed for our September 2010 intake.

In June our Board approved the first phase of a Health Campus facility based at North Shore Hospital.

The Health Campus will be a major step forward in strengthening our position as a teaching DHB – an environment where health professionals can train, work and develop professionally as researchers and educators. It will allow us to deliver excellence and innovation in health care and help us attract and retain the best staff. In January the Board also approved, in principle - and subject to a legal review, ministerial approvals and the securing of an appropriate funding source – Waitemata DHB's participation as a foundation partner in the Auckland Regional Health Technologies Hub. This collaborative hub is being established with the Ministry of Economic Development to help grow and develop the health technologies sector in New Zealand, thereby improving New Zealand health and economic outcomes. The potential benefits to Waitemata DHB of participating in the hub include attracting and retaining senior clinicians, identifying and applying technologies that improve service quality and/or reduce costs, and strengthening relationships with other DHBs and tertiary education institutions.

Our new District Nurse Liaison Service started in August with two district nurses working with charge nurses and ward staff across four surgical wards to improve the transfer of patient care to the community setting. We now have two case workers with cultural expertise working alongside our Child Development, Out of Home Respite, and Child Rehabilitation Services to provide targeted support for refugee and new migrant families who have children with disabilities.

Our Primary Health Care Nursing Development Team was also established in July and has already created five workforce development programmes. Previously there were no primary care nursing programmes for professional development working consistently across the Waitemata district. As there are approximately 350 nurses working in general practice settings through primary health organisations, it is essential that we work collaboratively with primary care nurse leaders to optimise the professional development and capacity of primary care nurses. The programmes progressed over the past year have included a Primary Health Care Nursing New Graduate Programme and a Competency Assessment Programme for nurses wishing to return to practice in primary care.

Towards the end of the 2009/10 year, a team of eight new clinical nurse specialists were recruited to work in North Shore Hospital's Emergency Care Centre.

These highly-skilled nurses work in partnership with the emergency doctors and are able to assess, treat and discharge patients with injuries such as minor strains or sprains, minor fractures, burns, lacerations and soft tissue injuries. A similar team is already working at Waitakere Hospital and has proven highly successful.

North Shore Hospital Emergency Care Centre's new clinical nurse specialist team.

This year we have also appointed a new Quality Support and Professional Development Nursing Leader for Age Related Residential Care. Some key responsibilities of this role include identifying the needs of Age Related Residential Care (ARRC) facilities and providing education for new registered nurses working in ARRC. The role also provides links with the New Zealand Nurses Association and Auckland Medical School to identify industry-wide development programmes that may benefit the ARRC sector.

With a key focus on 'growing our own' workforce, Waitemata DHB's Workforce Development Team (WDT) has also carried out a number of initiatives over the past year.

These included implementing the Waitemata DHB Health Scholarship Programme – in its third year – which resulted in another 23 scholarships being awarded to Waitemata residents pursuing careers in health care. The programme supports people to undertake healthcare studies with an accredited New Zealand education provider and is one of the key ways we can work to grow our own workforce. At the end of 2009, three graduating scholarship recipients were successful in obtaining roles with Waitemata DHB.

The Workforce Development Team also undertook promotional activities at schools, aimed at keeping Year 9 and 10 students engaged in sciences and making them aware of the careers and work experience opportunities available in the health sector. We offered the Gateway Programme during the 2009/10 year, which gave 18 secondary school students interested in pursuing nursing or midwifery careers school holiday work placements at Waitakere and North Shore Hospitals. Attendance at careers expos and school visits by clinical staff also took place during the year, along with career development activities for existing staff.

Waitemata DHB workforce development consultant Bradley Clark at September's Health Sciences Careers Expo.

Using innovative methods to boost our workforce is important and a new way of hiring a number of potential health care assistants (HCAs) in one place at one time was tried in 2009, proving highly effective. The new system was first used in July when a group of 13 prospective HCAS were brought together for a half day of assessment activities and interviews. The new assessment format meant that rather than 13 one-hour interviews being required, the entire group was interviewed and put through its paces in role plays of typical ward scenarios in just five hours. The success of the first session meant a further two followed. In another case of successful innovation, one of two overseas trained doctors trialled in the new role of clinical assistant within our Home and Older Adults Service (HOAS) in 2008/9 went on to pass her New Zealand Registration exam this year and is now available to the regional resident medical officer pool to work as a house officer. The experience gained during her nine months with HOAS contributed significantly to her knowledge of the New Zealand health sector.

Our recruitment team also established a presence on key social networking sites Twitter, Skype, Facebook and LinkedIn during 2009. By adding these sites to our assortment of tools for attracting potential recruits we are better able to reach younger job candidates and new graduates in a highly cost-effective way.

Full time equivalent (FTE) staff	As at June 2009	As at June 2010
Medical	487	538
Nursing	2095	2089
Allied Health	1268	1296
Support Services	114	115
Administration and Management	795	780
TOTAL (FTE)	**4759**	**4818**

Key priorities

Waitemata District Health Board has 10 top priorities for special focus and attention. These 10 priorities encompass the Government's six health targets for DHBs, and four additional targets set for Waitemata DHB by our own Board in February/March this year. The government health targets were established to show how the health system is contributing to maintaining and improving the health of New Zealanders. Of course, all of our services are important, so our focus on the priority areas occurs within the context of achieving and delivering quality health care across all our services and the Waitemata district. Set out below is a review of how we have fared over the year in achieving our priorities. You can read more about how we performed against the other key areas set out in our Statement of Intent in the *Statement of Service Performance* section of this annual report.

Shorter stays in emergency departments

Government health target:

Ninety-five per cent of patients will be admitted, discharged or transferred from an Emergency Department (ED) within six hours.

Waitemata DHB priority:

To achieve the national target of 95 per cent of patients being admitted to, or discharged or transferred from, the Emergency Department within six hours while delivering high quality care.

By the end of the 2009/10 year Waitemata DHB's performance had increased to 74 per cent against the government target of 95 per cent. Though this placed us near the bottom of the national table compared to other DHBs, and there is still work to do, the result represents a significant increase from the starting level of 61 per cent in quarter one. The improvement was also one of the largest increases in performance among the country's DHBs.

A number of activities over the past year have contributed to the improved result. At North Shore Hospital this has included better bed management; streamlining patient movements through the hospital; modifying the emergency department workforce model; improving clerical processes; implementing the *Hardwiring Excellence* programme; introducing volunteers to the ECC waiting room; utilising a gerontology nurse specialist in the ECC to assess appropriate patients as junior medical staff would do; and appointing a team of eight new clinical nurse specialists. As previously indicated under *Our people* (pg 9), these skilled nurses work in partnership with the emergency doctors and are able to assess, treat and discharge patients with minor injuries. They manage less urgent patients, freeing up doctors to see more complex patients and, in turn, contribute to our efforts to improve patient care and achieve the Government's health target. A similar team has been in place and working highly effectively at Waitakere Hospital for some time.

In January, as part of our staged programme to realise full 24/7 emergency care services at Waitakere Hospital, we extended the hospital's Emergency Care Centre opening hours. The move to open the department from 8am to 10pm,

rather than 8am to 6.30pm, allowed us to see more patients and provide a greater level of service to the Waitakere community. We remain committed to providing a clinically and economically sustainable 24/7 emergency care service at Waitakere Hospital.

To help achieve this, we have carried out a $1.7 million refurbishment of the hospital's ECC which began in April and enabled the introduction of 24/7 emergency care services for children.

This means around 3000 Waitakere children a year will no longer need to travel to Starship Children's Hospital for paediatric care.

At Waitakere Hospital we also opened an Admission and Planning Unit in the Karekare Ward, allowing us to streamline the flow of medical patients through the Emergency Care Centre. GP referred patients and those triaged as being less urgent cases are seen and attended to in this unit. Patients generally stay no longer than 36 hours and, since the unit's introduction, compliance with the six-hour target at Waitakere Hospital has been 94 per cent.

Another major initiative currently under way (and due for completion over the next 18 months) is construction of the Lakeview Development at North Shore Hospital.

This extension, at the Lake Pupuke end of the Hospital, will make a positive and significant impact on patient care and our performance against the emergency care health target. Construction started in October and, once complete in 2011, the development will comprise a new 50-bed Assessment and Diagnostic Unit (ADU), a redesigned, purpose-built Emergency Department and a new first-floor area for future development. The new facilities, and models of care that will operate within them, will support the delivery of more timely patient care, enable earlier diagnosis and treatment and allow faster turnaround times for those being discharged. Shorter waiting times for inpatient beds and a reduction in avoidable admissions and readmissions will also be possible. For more information see *Facilities Modernisation*.

An artist's impression of Lakeview.

In addition, preparations for the start of a Patient *Smart Quality Improvement Rigour* programme began in June. This programme aims to deliver a better, smarter quality of service for Emergency Care Centre patients. Ultimately, the expected benefits are a reduction in unnecessary delays and overcrowding, improved patient safety and satisfaction, and improved staff safety and morale. The programme consists of three projects (the first of which will start at the beginning of the 2010/11 year):

- **Australasian College for Emergency Medicine (ACEM) Triage Targets:** Ensuring that all patients presenting at Waitemata DHB ECCs are seen and received treatment within the ACEM triage target timeframes as specified by the Ministry of Health.

- **Speciality Response to Emergency Care Centre:** Improving the response times of the specialist teams to see and treat patients in ECC.

- **Decision to Disposition:** Ensuring that patients meet the one-hour target timeframe from a 'disposition decision' being made to their exit from the department. *NB: A disposition decision describes the choice made about the best pathway for a patient to take from ECC, whether that involves discharge home or admission to a ward.*

Improved access to elective surgery

Government health target:

An increase in the volume of elective surgery by an average of 4000 discharges per year.

Waitemata DHB priority:

To achieve our share of the national target of increasing the volume of elective surgery by 4,000 discharges a year and improve productivity by separating acute and elective surgical services and streaming elective surgery.

By the end of the 2009/10 financial year Waitemata DHB had exceeded the government health target, reaching 106 per cent. This achievement attracted an 'outstanding' rating from the Ministry of Health, indicating the DHB had delivered elective surgery at a level in excess of five per cent over the planned target.

In addition, for the year ended February 2010, Waitemata DHB performed 12 per cent more elective surgery than the year prior - an achievement also noted by the Ministry of Health.

Several factors contributed to this.

At North Shore, the 85 per cent benchmark set internally as a measure of whether operating theatres are being used effectively has been exceeded at various times over the past year. In April 2010, following initiatives to ensure operating sessions consistently started on time, the rate achieved was 91 per cent.

In addition to the extra volume of elective surgery delivered through a number of new initiatives at Waitemata, there were more elective volumes than planned delivered by Auckland DHB for the Waitemata population in 2009/10.

In April a three-month pilot to perform hip replacement operations at Waitakere Hospital for the first time also got under way. The number of operations started at three per day but quickly increased to four within a couple of weeks. Undertaking these surgeries at Waitakere meant better use of the hospital's available theatre space and therefore better productivity. Additional elective gynaecology procedures are also now being performed at Waitakere Hospital instead of being outsourced to private facilities. Though only day stay surgery has been performed to date, this has already resulted in a reduction in the number of women waiting for a tubal ligation, and future planning will see the addition of gynaecological elective procedures that may require an overnight stay.

The establishment of a minor procedures room at Waitakere Hospital has also freed up the main operating theatres for elective surgery, and knee joint replacement surgery will be introduced at the start of the 2010/11 financial year.

Members of the surgical team now carrying out total hip replacements at Waitakere Hospital.

The establishment of an Electives Services Unit to transform the provision of elective surgery is of great importance to the provision of healthcare for Waitemata residents, and work on the business case for this unit has been well advanced this year.

Shorter waits for cancer treatment radiotherapy

Government health target:

Everyone needing radiation treatment will have this within six weeks of their first specialist assessment by the end of July 2010 and within four weeks by December 2010.

Waitemata DHB priority:

By working more closely and proactively with Auckland DHB who provide this service to our district, we will meet the national target of providing radiation treatment to all those patients who need it within six weeks of their first specialist assessment.

By the end of the 2009/10 financial year Waitemata DHB had achieved the government target and sat at 100 per cent.

Compliance with the target had, in fact, been maintained since April – an achievement that has taken a sustained effort on the part of Auckland DHB. Considerable work has been put into resourcing the service and managing cancer waiting times, and there has been an excellent level of regional dialogue and teamwork to attain the positive result against the target.

Over the past year, tools have also been put in place to forecast capacity requirements so that future demand can be met. There are now flexible arrangements in place to support outsourcing of services where necessary to ensure timely treatment for patients. This places us in a good position to meet the new target waiting time of four weeks by December 2010.

Increased immunisation

Government health target:

For 85 per cent of two-year-olds to be fully immunised by July 2010; 90 per cent by July 2011; and 95 per cent by July 2012.

Waitemata DHB priority:

To work closely with the primary care sector to ensure 90 per cent of two-year olds are fully immunised by 2010/11.

By the end of the 2009/10 financial year Waitemata DHB had exceeded the 2009/10 government health target of 85 per cent and 87 per cent of two-year-olds were fully immunised.

Over the past year we have carried out ongoing work to increase our immunisation rates. This has included:

- Supplying primary health organisations with monthly practice level data so that PHO immunisation managers can work with individual practices and discuss specific steps to improve their coverage;
- Regular meetings with PHO immunisation managers to discuss ways of improving coverage and to keep immunisation as a high priority;
- Providing lists of children who have not been fully immunised so practices can follow up and refer families to outreach services if required, and;
- Providing weekly comparison graphs to PHOs so they can monitor progress against the target.

Better help for smokers to quit

Government health target:

Eighty per cent of hospitalised smokers will be provided with advice and help to quit by July 2010; 90 per cent by July 2011; and 95 per cent by July 2012.

Waitemata DHB priority:

To train and encourage staff to ensure 90 per cent of hospital patients who smoke are offered cessation advice.

By the end of the 2009/10 financial year Waitemata DHB had achieved 57 per cent against the Government's 80 per cent target. This was a significant improvement on the second quarter result of 19 per cent and 34 per cent in the third quarter. It also saw Waitemata DHB move from second to last on the national table of DHBs to ninth over the space of the year. Fifty-seven per cent was the overall total for the final quarter and we had in fact achieved 70 per cent during June 2010. In that month we offered 870 people in our hospitals advice to quit. Nationally in that same month 6270 people in hospitals were offered advice. This meant Waitemata contributed almost 14 per cent of the advice given nationally.

The activities that helped achieve these improved results included the introduction of a mandatory smokefree section to all our Electronic Discharge Summary templates; centralised recording of advice and support; implementation of a simplified smokefree triage, support and referral form, and the introduction of mandatory capture of electronic 'smoking/help to quit' data to mental health services. We also provide an outpatient service for smokers who are at risk of readmission from a smoking-related disease, but who have little or no confidence in their ability to quit. Over the last four years, we have achieved a quitting success rate of one in three.

As well, we now have a smokefree co-ordinator and two smokefree facilitators working together to deliver our staff Smokefree Training and Support programme, which started in September. Based on the national **ABC** programme (**A**sk

all patients if they smoke – Provide **B**rief advice to quit to all smokers – Offer **C**essation support to all patients), the aim is to increase our staff's knowledge, skill and confidence, enabling them to address the subject of smoking with their patients in a supportive way. By the end of the year, the team had visited over 2000 of the 2300 North Shore and Waitakere Hospital staff it had intended to visit by June 2010.

Members of Waitemata DHB's Smokefree Team.

By the end of 2009 all Waitemata DHB hospital facilities and sites had become smokefree.

This was a major milestone in protecting the health of our consumers, staff and visitors. Nicotine replacement therapy and other resources, education, and the creation of supportive environments helped achieve this smokefree success, which also resulted in some staff taking the opportunity to quit smoking.

In 2009 we also signed contracts with our Waitemata district PHOs to ensure smokefree programmes were being delivered to our primary care populations. As a result, each PHO now has a smokefree co-ordinator who ensures each GP practice has smokefree systems and policies in place, and who also provides smoking cessation training for the practice's health professionals.

Waitemata (and Auckland) DHB's contract with the Auckland Regional Public Health Service to deliver a Pacific Smoking Cessation Service also continued this year. Smoking rates among Pacific people are much higher than national rates and this programme offers ongoing support for at least three weeks, including smokefree promotion and cessation strategies; designated Pacific quit-smoking facilitators; face-to-face sessions; and free nicotine replacement therapy.

Better diabetes and cardiovascular services

Government health target:

There are three target indicators: (a) an increased per cent of the eligible adult population will have had their cardiovascular disease risk assessed in the last five years; (b) an increased per cent of people with diabetes will attend free annual checks; (c) an increased per cent of people with diabetes will have satisfactory or better diabetes management.

Waitemata DHB priority:

Heart disease and diabetes are two of the leading causes of illness in our community. We will achieve all health targets relating to CVD risk assessment, diabetes checks and better diabetes management.

For Waitemata DHB the target for:

- *The percentage of people to have received an annual diabetes review is 48 per cent.*
- *The percentage of people with good diabetes management is 78 per cent.*
- *The percentage of people to have received a cardiovascular risk screening is 79 per cent.*

We contract, and work closely with, our Waitemata primary health organisations and general practices to achieve the goals set out above.

By the end of the 2009/10 financial year Waitemata DHB had achieved 68 per cent – the national average – against the government health target.

For the 12 months ending 31 March 2010, the following results had also been achieved:

- The percentage of people to have received an annual diabetes review was 48 per cent.
- The percentage of people with good management was 76 per cent.
- The percentage of people to have received a cardiovascular risk screening was 80 per cent.

This year we have made funding available to PHOs to employ new diabetes co-ordinators and have increased funding for the Diabetes Get Checked programme. Maori and Pacific self-management and education programmes also got under way in February.

These culturally appropriate programmes aim to provide the person with diabetes, and their whanau/family, with self-care skills so they can manage their own condition. Such programmes are known to improve diabetes control.

The Save our Soles programme, aimed at increasing access to community-based podiatry services for people with diabetes, is also ongoing.

In addition, we are jointly involved with our PHOs in a Ministry of Health-funded Long Term Conditions Collaborative Project. Since October 2009, this project has been piloting a quality improvement model to help general practices identify problems with their diabetes service and find potential solutions. This year, 10 general practices from four PHOs have been piloting the model.

During the first three months of the pilot, the focus is on improving the accuracy of practices' diabetes data and increasing the percentage of patients offered an annual Diabetes Get Checked review using:

- Internal alert systems
- Nurse led clinics with care planning
- 'Text to remind' services
- Automated recall systems

The project is due for completion in October 2010 and a final report will be made to the Ministry of Health.

Alongside this project, we have progressed a Diabetes Pathway project which aims to improve the care of people attending general practices to manage their diabetes. The project's focus is on optimising medications; starting insulin; public education resources and GP access to specialist advice. Treatment algorithms for Type 2 diabetes management have been developed as part of this work.

It is estimated that around 20,000 Waitemata residents have Type 2 diabetes and in March a new tool to help GPs and practice nurses start Type 2 diabetes patients on insulin was distributed to Waitemata primary care practices. Starting patients on insulin in primary care sooner, rather than later, reduces the likelihood of complications and the number of

patients who need to be sent to hospital outpatient services for insulin initiation. A 25-minute DVD is the result of a joint effort by Waitemata DHB, Harbour Health PHO, Diabetes Auckland and Novo Nordisk. The resource discusses when to start patients on insulin, shows four methods for beginning the treatment, demonstrates the use of an insulin pen, and features three patients' experiences.

Waitemata DHB diabetes nurse specialist Lisa Stevens (center), Diabetes Services operations manager Ellen Sumpter (left), and research nurse Narrinder Shergill (right), star in the new DVD with diabetologist Dr Rick Cutfield (on screen).

We also provide a number of services to reduce the impact of cardiovascular disease, including the *Cardiovascular and Diabetes Risk Assessment and Management Programme*. This programme provides cardiovascular risk assessments to eligible people (determined by age, ethnicity and national guidelines) and helps manage the care of those people identified as being at high risk.

Over the past year, we have also reviewed all of the agreements designed to help us meet our targets and made a range of changes to ensure we are better able to deliver evidence-based clinical care, drive performance and closely monitor outputs.

Devolution to primary care

Waitemata DHB priority:

To deliver selected services that are currently provided in hospital in a primary care setting – but only if it will improve patient outcomes, is more convenient and will not cost more.

There has been extensive work carried out over the past year in relation to primary care and to the ways in which some services can be effectively devolved to primary care.

A significant milestone occurred in November when the *Waitemata Primary Health Care Plan 2010-15* was signed off by the Board.

The purpose of the plan is to set the future direction for primary health care within the Waitemata District. It sets out eight work streams that, together, create the *Waitemata DHB Primary Health Care Work Programme* to be progressed over the next five years. The work includes designing and developing Integrated Family Health Centres, developing the primary health care workforce and developing new models for integrated care delivery.

The Waitemata Primary Health Care Plan 2010-15 provides the strategic framework to achieve devolution to primary care - a transition that is directly linked to the Government's *Better, Sooner, More Convenient* health care policy. This policy's aim is to provide more personalised primary care, closer to home, that helps to takes the pressure off our hospitals.

In September the Ministry of Health called for Expressions of Interest (EOIs) from PHOs who felt they were able to deliver the Government's *Better, Sooner, More Convenient Healthcare* approach. Of the nine successful submissions across New Zealand, three were selected from the metropolitan Auckland region to develop business cases. Work is ongoing with each of these business cases to better meet the Government's policy for the delivery of primary health care and to identify opportunities for service devolution. Eight work streams are currently under development, some of which will result in the devolution of services from the hospital to the community (for example, plans are under way to improve access to diagnostics directly from primary care).

As a result of feedback from the *Better, Sooner, More Convenient* business case process, a regional Primary Health Care District Annual Plan was also developed. This has been approved by the three Auckland region DHBs and outlines goals for the 2010/11 year related to direct access to radiology; more minor surgery in the community; reduced pressure on hospitals; after hours care; clinical pathways; pharmaceuticals; Maori provider development; and regional health targets.

In May, our Board also approved a recommendation to consult with key stakeholders on its proposal to reconfigure the primary health structure in the district. The Minister of Health had requested that we review our Primary Health Organisation (PHO) configuration with a view to reducing the number of PHOs. The purpose of a new configuration would be to better meet the Government's *Better, Sooner, More Convenient* policy, better enable Waitemata DHB to meet its priority of devolving services to primary care, and to create a more optimal environment for implementing the Waitemata Primary Health Care Plan. A final decision is expected before Christmas 2010.

Additional work is being undertaken with Whanau Ora providers to identify opportunities for devolution. Again, a plan is expected to be completed by Christmas 2010.

Finally, work has this year begun on developing locality based planning. This will be piloted in North Rodney and should lead to the provision of some services, particularly some outpatient appointments, being transferred to general practice locations.

Facilities modernisation

Waitemata DHB priority:

To modernise outdated and inadequate facilities to provide high quality and productive health services.

After six months of site preparation activities, the main construction phase of North Shore Hospital's major Lakeview Development started in October 2009.

Due for completion in 2011, the extension at the Lake Pupuke end of North Shore Hospital will comprise a new 50-bed Assessment and Diagnostic Unit (ADU), a redesigned, purpose-built Emergency Department, and a new first-floor area for future development.

The development will also encompass an expansion of Radiology with another Computed Tomography (CT) room. Population growth and the associated demand for services, especially during winter periods, has placed the North Shore Hospital Emergency Care Centre under significant pressure at times over recent years.

However, once complete, the Lakeview Development will help transform acute and emergency care services at the hospital.

The new facilities, and models of care that will operate within them, will support the delivery of more timely patient

care, enable earlier diagnosis and treatment and allow faster turnaround times for those being discharged. Shorter waiting times for inpatient beds and a reduction in avoidable admissions and readmissions will also be possible. The development is expected to create around 80 additional jobs.

Construction of the Lakeview Development is well underway. It will be completed by November 2011.

Also in October we began construction of a new 1000 sq-metre, 25-bed medical ward at North Shore Hospital. Less than a year later, on June 21, the ward was officially opened and subsequently began accepting patients on July 1. Up to 10 of the ward's beds are available for acute stroke patients, allowing us to co-locate these patients together in the hospital for the first time and to more easily deliver specialist services to them in one place.

Waitemata DHB Board Chair Dr Lester Levy, clinical director of Medicine Hamish Hart and Associate Minister of Health Hon Dr Jonathan Coleman officially open Ward 2.

In December, our BreastScreen Waitemata Northland (BSWN) service launched New Zealand's first digital mobile breast screening unit. Commissioned by BSWN, the unit brings together the latest in truck-building, digital x-ray and satellite technology and began operating in January. It operates from Te Kao in the far north to New Lynn in west Auckland and ensures better access to breast screening services, especially for women living in remote rural communities.

New Zealand's first digital mobile breast screening service is launched.

During December and January we refurbished Ward 10 at North Shore Hospital, improving work flow and creating a new, updated care environment for patients and staff. The ward reopened on February 2.

In April, we began North Shore Hospital's Theatre Refurbishment Project which involves upgrading two operating theatres, scrub bays and anaesthetic rooms. The work is expected to take eight months and be complete in November 2010. This upgrade will future-proof these theatres at North Shore Hospital, ensuring they meet operational needs, statutory regulations and hospital requirements.

Also around April we began the $1.7 million refurbishment of Waitakere Hospital's Emergency Care Centre to enable the mid-year introduction of 24/7 paediatric emergency services for children, with 24/7 emergency medical services for adults also planned for the very near future. The refurbishment added a new, five-bed paediatric extension, an extra paediatric resuscitation room and a four-bed observation area for adults. The work also involved another eight beds being added to the Rangitira Unit – Waitakere Hospital's children's ward.

After several years of planning, June saw the start of Waitemata DHB's $13 million, three-year programme to introduce community oral health services and replace outdated school dental clinics with new, state-of-the-art facilities.

By the end of the 2009/10 year construction work had started on a new two-chair fixed clinic at Te Atatu South's Edmonton School, and on a large four-chair clinic at Glenfield Intermediate School. By the project's end (in 2012), 11 new fixed clinics plus a fleet of transportable and driveable mobile units will replace old facilities that no longer support modern dentistry. In addition, three existing mobile clinics will continue operating until they reach the end of their life spans.

By 2012 there will also be an extra 18 dental therapists and 27 dental assistants working across the Waitemata district, taking the totals to 64 and 36 respectively.

Waitemata DHB's programme of activity is part of a national overhaul of the School Dental Service set in motion by the 2006 release of the Government strategy *Good Oral Health, for All, for Life*. The work currently being undertaken

will help create the best possible environment for working together with families to help keep children's teeth and mouths healthy.

By June we were also finalising plans to commission Theatre 4 for use at Waitakere Hospital. The additional theatre will enable the transfer of elective surgery from North Shore Hospital and allow additional inpatient surgery to be provided, reducing the need to outsource elective surgery to private providers.

Specialist Services for Older Adults (SSOA)

Waitemata DHB priority:

To create a new way of providing care for our older population by integrating and streamlining services and developing 'one point of entry' to all specialist services for older adults.

In March the Waitemata DHB Board signed off a new *Specialised Services for Older Adults Model of Care.* The model of care's vision is for older people to receive integrated healthcare that is timely, equitable, needs based, comprehensive and of high quality. It promotes seamless care across a wide range of services that support older adults to stay living at home.

It also reflects this year's decision to merge general and mental health services for older adults. This decision fully aligns with the Ministry of Health's 2004 *Guideline for Specialist Health Services for Older People* ('DHBs should develop an integrated approach to delivering specialist geriatric and psychiatry of old age services') and we are now preparing to implement this combined service approach at the start of the 2010/11 year.

In the meantime, progress has been made in other areas. At the start of the year, having established a governance group at the end of the 2008/9 year, a Stakeholders Network was created and, together, the two groups have developed a work plan and identified priority areas such as health promotion work and a single point of entry to services.

Following on from the highly successful and popular Registered Nurse Care Guides for Residential Aged Care, a series of Care Giver Guides for Residential Aged Care has also been developed. The guides cover topics of delirium, depression and dementia; falls, fractures and accidents;intake and output; pain; skin and vital organs. They are designed to support front line caregivers in residential aged care and provide prompts for when a registered nurse should be consulted. The guides are available to download from the *Health Professionals* page of the Waitemata DHB website: www.waitematadhb.govt.nz

In addition, the June opening of the new Ward 2 at North Shore Hospital – with its 10 acute stroke beds – means that staff with an interest and expertise in stroke can work closely together implementing best practice and continually updating their knowledge and practice.

Those patients over 65 years old who require rehabilitation following their acute stroke episode also continue to be streamed as early as possible to the stroke rehabilitation ward.

Leading indicators

Waitemata DHB priority:

To develop a set of leading indicators to allow real-time management of all clinical services.

Since March we have set about developing a concentrated and meaningful set of leading indicators for the clinical services Waitemata DHB provides. The purpose of the leading indicators is to allow timelier reporting and access to a performance snapshot that can be used to quickly analyse and address specific performance issues.

The key indicators will enhance the Board, management, and clinicians' ability to guide and monitor health service provision for our patients. Traditionally this has been a challenging task and the health sector has struggled to develop

a performance framework that covers all DHB roles and functions. Similarly, it is difficult to link high level outcome measures with day-to-day activities. However, as we reached year-end, we had progressed work on an organisational framework that links our Statement of Intent (the document that outlines to Parliament and the general public the performance that we will deliver each year) to our day-to-day activity. Our aim, in early 2010-11, is to finalise a one-page 'score card' that captures this information in a way that enables us to identify areas of success and those needing further investigation and possible improvement.

Other activities and highlights

It was a challenging start to the 2009/10 year with the Influenza A H1N1 - 'Swine Flu' – outbreak seriously impacting our hospitals and others around the country. This placed additional pressure on health services at a time of year which is already made busier by the winter season. The increased demand H1N1 put on our intensive care unit at North Shore Hospital affected the elective surgery we were able to undertake and the number of people presenting to our North Shore Hospital Emergency Care Centre averaged 150 per day during July - higher than the 130 people a day seen in July 2008, and higher than any previous July numbers. However our services did cope during this period of increased pressure, with some of our staff also contributing significantly to the regional pandemic response.

In September Labtests took over the collection, testing and reporting of community laboratory samples for the Auckland region. The community laboratory transition to Labtests attracted controversy from the time the decision was made back in 2006. Despite an intensive review and monitoring process, the transition was not smooth, creating some anxiety among clinicians and the public. In conjunction with Counties Manukau and Auckland DHBs, Waitemata worked to expedite immediate and substantive improvements by Labtests, establishing a Quality and Safety Turnaround team to ensure a safe and responsive community laboratory service for patients. The previous provider, Diagnostic Medlab Limited, was retained to process specialist referred tests.

However, there were also positive developments to offset these challenges.

On September 1 the General Practice Palliative Care Pilot Project began in Rodney.

This programme provides a package of care that GPs can access on behalf of patients to compliment the palliative and end-of-life services they provide. The first patients were enrolled in January 2010. The In Home Palliative Care pilot being run in west Auckland has also continued and both projects will be evaluated in the next financial year.

Also in September, an inpatient unit, funded by Waitemata DHB, opened at Hibiscus Hospice in the Rodney District.

Planning for a new comprehensive Renal Service at Waitemata DHB started in late 2009 after the Board gave the go-ahead for a three-phase plan to be carried out over a five-to-ten year period. In phase one of the programme, Waitemata renal inpatients currently treated at Auckland DHB will be transferred to Waitemata's care from 2011, and a new renal unit will be established. Already this year significant progress has been made in developing this service. On June 1 governance and management of the 12-chair satellite haemodialysis unit on the Waitakere Hospital site was transferred back to Waitemata DHB.

By the end of the 2009/10 year, work was also about to start on a new $9.2 million Renal Unit on the North Shore Hospital site that will accommodate up to 48 haemodialysis patients a day.

A number of new service staff have also been recruited including nephrologists, dietitians, clinical nurse specialists and haemodialysis clinical technicians. There are more than 200 Waitemata residents who currently have to travel to Auckland DHB several times a week for dialysis treatment. The advent of the new Renal Service will bring this type of care closer to home.

An artists impression of the new $9.2m Renal Unit at North Shore Hospital.

In January, the Honourable Paula Bennett, Minister for Social Development and Employment and local Waitakere City MP, officially opened mental health facility Wharerata, the new Intensive Support Beds Service for people aged over 65 years. And in February we launched our Waitemata Mental Health and Addictions Plan. This plan will inform the planning and delivery of mental health and addiction services over the next five years (to 2015) so that the needs of our growing and changing population are met.

In March we learned that North Shore Hospital had successfully achieved all the requirements of the Medical Council for continued accreditation and the accreditation committee commented on the excellent progress that had been made.

We also performed a total of 1200 operations at North Shore Hospital – the highest ever number of operations performed in a month. And on March 27, the highly successful Enua Ola Festival was held in Waitakere City. The event was one part of the Enua Ola programme that is targeted at our Pacific communities and aims to increase physical activity levels, improve nutrition, reduce obesity and create healthier church and community group cultures and environments. Currently contracts with around 28 churches and groups are in place, and evaluation of the programme is carried out by the University of Auckland's School of Population Health and Department of Pacific Health. The latest evaluation across 12 church groups (692 people) found that 43 per cent had repeat weight measurements and, of these, 41 per cent had lost weight, 32 per cent had maintained their weight and 27 per cent had gained weight. There are around 1200 people participating in the programme. In a similar vein, the South Asian Community Healthy Lifestyle programme was launched in November. The weekly, Indian-style aerobics sessions are popular, with an average of 70 participants joining the classes each week. A Chinese Healthy Lifestyle programme also started in February with weekly dance aerobics and fortnightly badminton classes being held in Waitakere City and North Shore City.

The Enua Ola festival held in Waitakere City.

In 2010 we also embarked on a joint venture with Starship Children's Health and AUT University to provide a Children's Gait/Motion Analysis Service. Modelled on successful laboratories overseas, the purpose of the analysis is to capture the movements, muscle activity and forces the eye can't see. This is valuable for patients with cerebral palsy or other conditions that affect walking because it helps the orthopaedic surgeon to determine suitable treatments for making walking and movement easier. Prior to the motion analysis (based at AUT's North Shore campus) children undergo an evaluation at the Wilson Centre in Takapuna. A typical gait analysis takes 2-3 hours and Waitemata DHB has a contract for 80 procedures a year.

Both North Shore and Waitakere Hospitals retained their Baby Friendly Hospital Initiative (BFHI) status this year. The BFHI project provides education and support for both breastfeeding and non-breastfeeding mothers with an emphasis on encouraging more women to breastfeed for at least the first six months of their child's life. Breastfeeding makes a positive contribution to the health of both mothers and babies. As of April, the exclusive breast feeding rate at North Shore Hospital was 77 per cent and, at Waitakere Hospital, 85 per cent. In addition, ethnic-specific antenatal breastfeeding classes have been established and have proven very worthwhile, being particularly well attended and appreciated by Asian women.

In April we were pleased to have two staff start work in Eating Disorders Liaison roles. These roles are funded by the Government for the implementation of the Northern Region Eating Disorders Plan 2008-2013. The positions will work closely with the Regional Eating Disorders Service, local mental health teams and primary care to improve responsiveness to, and treatment for, this population group. Their appointment is among the first steps in establishing a full regional service, including residential places and designated hospital beds.

In May, the Board Chair and CEO established a new *Chair, CEO Clinical Governance Panel* to ensure clinician involvement in all major decisions made at Waitemata DHB.

The panel comprises 21 clinicians and meets regularly to consider complex issues faced by the organisation, to test decision-making processes and to identify and assess the consequences of particular decisions before they are taken.

Also in May our Asian Health Support Service in conjunction with Organisational Learning and Development, launched its Cultural and Linguistically Diversity e-learning tool. This enables health professionals to access cultural competence training 24 hours a day, seven days a week, and responds to growing concerns about miscommunication between practitioners and their CALD clients. Such miscommunication can result in misdiagnosis and poor treatment and compliance. This initiative was the overall winner of the oral section of the June Waitemata Health Excellence Awards 2010. The annual Awards are a chance to showcase primary, secondary and community health initiatives from across the Waitemata district that are making a healthy difference to local residents.

Waitemata DHB chief financial officer Rosalie Percival with Asian Health Support Services manager Sue Lim and Dr Annette Mortensen of the Northern DHB Support Agency at the 2010 Waitemata Health Excellence Awards.

In June Waitemata DHB was also the first of the Auckland region DHBs to start implementing the Newborn Hearing Screening programme – part of the Universal Newborn Hearing Screening and Early Intervention programme to detect hearing loss early and provide timely referral to audiology specialists.

The programme began at Waitakere Hospital and Helensville's primary birthing unit, and work got under way to also introduce the initiative at North Shore Hospital and Warkworth's primary birthing unit.

Youth health is one of our priorities. This year we finalised a strategic direction for youth health and the actions we need to take to ensure high quality and effective youth-friendly services for our young people. Adolescence is frequently associated with increased risk taking and lifestyle choices that adversely impact on short, medium and long term wellbeing. *The E Tu Taitamariki Ma – Strategic Direction for Youth Health* plan sets out five strategic directions and a range of proposed actions to be carried out between 2009 and 2014. Among the key objectives are improving access to primary health care; delivery of consistent, high-quality school-based health services; considering community-based youth 'one-stop-shops' and ensuring young people receive a fair share of health services. Among the activities we have carried out so far this year is a review of 26 services that make up our youth health programme in the Waitemata district. Recommendations from this review will be presented to the Board for approval in the next financial year.

Breastscreening coverage has continued to increase over the year and the overall screening of eligible women (aged 45-69 years) among the Waitemata population has increased from 34 per cent at March 2006 (when the BreastScreen Waitemata Northland programme began) to 63 per cent by June 2010.

It is expected that the 70 per cent coverage target will be reached, as planned, in the 2010/11 financial year. It is also recognised that, in addition to the DHB service, a significant proportion of women are accessing private mammography services. Screening rates for Maori and Pacific women have also climbed, from the low thirties in September 2006, to the high fifties by January 2010. Our breast screening service also successfully implemented an electronic results system for GPs this year, ensuring results are recorded more accurately and reliably in primary care so that improved screening coverage data is available.

Quality Use of Medicines team

Throughout the year our Quality Use of Medicines team has been working on seven projects to promote the safe and quality use of medicines. These include:

- Producing patient information booklets — in English, Korean, Chinese, and Samoan — for people using medicines to manage heart failure, coronary artery disease, and for patients starting insulin;
- Piloting and implementing a pictorial asthma medication plan designed for Pacific children and their families;
- Creating an on-line education tool for resident medical officers to encourage safe prescribing;
- Preparing a medication safety leaflet for patients coming into Waitemata DHB hospitals.

We continued to implement the *Releasing Time to Care* quality improvement programme across many of our wards. The programme, initially piloted in Ward 11 at North Shore Hospital, has proven very successful in improving staff satisfaction and care for patients. The programme's aim is to 'deliver high quality care to patients, using no extra resources' through better organisation, simplifying processes, and reducing interruptions. The result is more direct care time for patients, safer and more reliable care, and a reduced length of stay in hospital.

E-learning

A number of e-learning initiatives have been developed in 2009/2010.

Working in collaboration with the Medical Education Training Unit and Funding and Planning, two e-learning modules were designed and delivered for first-year house officers.

The two modules are 'Informed Consent', which went live on 30 November 2009, and 'Safe Prescribing', which went live on 11 January 2010.

The Medical Council noted that 'the development of e-resources, particularly modules on informed consent and safe prescribing, are innovative and helpful'.

A process to identify further areas for the development of e-learning packages was also undertaken in 2010. A multi-disciplinary team from across the DHB was involved in the selection process and the following successful applications will be developed into packages in 2010.

The six successful modules chosen were:

1. Nicotine Replacement Therapy (aligned to the Health Target on smoking cessation)
2. Hand Hygiene
3. Occupational Health and Safety
4. Enteral Nutrition Programme for Dietitians
5. Infection Control
6. Incident Reporting System

Careers and training for RMOs

A focus on improving the working and training experience for RMOs has also been prominent in 2009/10.

Organisational Learning and Development, working in collaboration with the Associate Chief Medical Officer, have established a careers development service specifically for RMOs. This new service aligns to the lifelong learning objective under the scholarship domain of practice for medical officers, and is provided to retain medical staff and provide focused career planning and development support to year one and two house officers.

Alongside the development of the Careers Service for RMOs, further work has been done to provide a responsive and focussed modular programme for RMOs. Modules in this programme are short (about two hours) and open to any RMO able to turn up on the day.

This programme is a three-tier modular programme which repackages core advanced cardiac life support learning: basic life support, airway management, defibrillation, cardioversion and pacing, cannulation and NEWS score/medical emergency management. The modules are offered on a rotating basis.

With the purchase of two new manikins, a second tier of training has been implemented that covers chest drain insertion, naso-gastric insertion, tension pneumothorax decompression, cricothyroidotomy, arterial blood gases, CPAP, suturing, lumbar puncture, diabetes management, and catheter insertion.

Both tier one and two programmes are facilitated by an interdisciplinary team of SMOs, nurse specialists, clinical educators, RMOs and a consultant. A similar programme for SMOs will be considered in 2010-2011.

Waitemata DHB Board Members

Dr Lester Levy	Board Chair
Max Abbott	Deputy Board Chair
Brian Neeson	Chair, Audit and Finance Committee
Wyn Hoadley	Chair, Hospital Advisory Committee
Warren Flaunty	Chair, Community and Public Health Advisory Committee and Chair, Three Harbours Health Foundation
Lynne Coleman	Chair, Quality and Risk Management Committee
Mary-Anne Benson-Cooper	Chair, Disability Support Advisory Committee (from November 2009)
Gwen Tepania-Palmer	Chair, Maori Health Gain Advisory Committee
Pat Booth	
Wendy Lai	(Appointed January 2010)
Robert Khan	(Resigned October 2009)
Mary Lythe	(Resigned October 2009)

Dr Lester Levy (chair)

Dr Levy has extensive management and governance experience in both the public and private health sectors having been Chief Executive and Chairman of a number of health organisations including South Auckland Health (now Counties Manukau District Health Board), the New Zealand Blood Service and the Mercy Ascot group of Hospitals. He is a graduate of Medicine, a MBA and a Fellow of the New Zealand Institute of Management and has previously been awarded the prestigious King's Fund International Fellowship. He is currently Chief Executive of the New Zealand Leadership Institute and professor (adjunct) of Leadership at the University of Auckland Business School, Chairman of Tonkin & Taylor (the international engineering consultancy) and Deputy Chairman of Health Benefits Limited (charged by the Government to save $700M from combined District Health Board expenditure through shared services over the next five years).

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, 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 a Human Rights Tribunal commissioner and an elected community board member for Waitakere City Council and managing director of two private investment companies.

Wyn Hoadley

Wyn is a barrister. She is a former city and regional councillor, former member of the Earthquake Commission and has 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. Wyn was awarded a Companion of The Queen's Service Order (QSO) for public services in 2004.

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, a trustee of the West Auckland Hospice and The Trusts Charitable Foundation and the immediate past 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 University of 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.

Pat Booth

Pat Booth (OBE) is consulting editor, editor emeritus and contributing columnist to Fairfax Suburban Newspapers in the Auckland region. 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.

Mary-Anne Benson-Cooper

Mary-Anne was educated at Carmel College, Milford, Auckland. Mary-Anne is a graduate of Auckland School of Nursing, holds a Bachelor of Health Science from AUT, and a post graduate certificate in health and safety. She chairs the Disability Committee for the DHB. She was previously involved in the disability sector as health and safety manager with Focus 2000. She has an extensive background in health and safety. She is also a member of the Occupational Health Nurses Association. She was awarded the grand prior by the Order of St John, and serves her community as a Justice of the Peace.

Wendy Lai

Wendy is a consulting partner, responsible for the strategy and operations service in Deloitte (NZ). She has been involved with the healthcare sector since the early 1990s, working primarily for secondary and tertiary care providers. In addition to the Waitemata District Health Board, she currently serves as a board member for Deloitte (NZ).

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 2010. The organisations marked with an asterisk received payments from or made payments to 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 or make payments to organisations in which they are involved. See also Note 20 to the Financial Statements: Related Parties.

Board Member	Involvements with other organisations during all or part of 2009/10
Dr Lester Levy – Chair	Shareholder – Proteus Group Holdings Limited Shareholder – Medical Consulting Limited Shareholder – Healthcare Holdings Limited (through Onco Holdings Limited) Shareholder & Director – Onco Holdings Limited Shareholder & Director – The Three-on-top Company Limited Shareholder & Director – Healthcapital Management Limited Board Member – Shared Services Establishment Board Independent Chairman – Tonkin & Taylor
Max Abbott	Pro Vice-Chancellor (North Shore) and Dean – Faculty of Health and Environmental Sciences, AUT University* Patron – Raeburn House* Board Member – Health Workforce New Zealand (previously the Clinical Training Agency)
Mary-Anne Benson-Cooper	General Manager/Health Safety Manager – Focus 2000* Director – Health Safety Service (hearing tests, lung function, pre-employment medicals) Committee Member – Occupational Health Nurses Human Resources Health and Safety Advisor, Marine Industry
Pat Booth	Consulting Editor – Fairfax Suburban Papers in Auckland and Northland*
Lynne Coleman	General Practitioner and shareholder CHS Ltd, Harbour PHO Ltd* Director – Apollo Health Ltd* Trustee – Harbour Sport* Member – Wilson Home Trust Management Committee* Member ProCare North PHO* Director – Primary Holdings Ltd Director – Primary Medical Centre Ltd* Shareholder – Shorecare Medical Services Ltd*

Board members' interests *continued*

Board Member	Involvements with other organisations during all or part of 2009/10
Warren Flaunty	City Councillor – Waitakere City Council Trustee – West Auckland Hospice* Chair – Waitakere Licensing Trust Shareholder – Metlifecare* Shareholder – EBOS Group* Shareholder – Pharmacy Brands Ltd (previously Life Pharmacy Ltd)* Shareholder – Westgate Pharmacy Ltd* Trustee – Three Harbours Health Foundation*
Wyn Hoadley	Member – Earthquake Commission Member – North Shore Hospital Foundation Advisory Committee Board Member – North Shore Community Health Voice* Trustee – Three Harbours Health Foundation*
Wendy Lai (Commenced January 2010)	Partner – Deloitte* Board Member – Rodney Health Link*
Brian Neeson	Board Member – Waitakere Health Link* Member – Human Rights Review Tribunal
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 Director – Manaia Health PHO, Whangarei*
Robert Khan (Resigned October 2009)	Shareholder (100 per cent) – 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 (Resigned October 2009)	Member – Gambling Commission (Ministry of Health) Member – Wilson Home Trust Management Committee* Clinical Services Manager – Alzheimers Auckland Inc* Board Member – Rodney Health Link*

Note: *Dr Lester Levy took up his position of Board Chair in June 2009. Before being appointed as Board Chair he had resigned all his directorships in the private health sector operating businesses and had issued transfer notices for all share holdings in health related companies. By July 2010 the termination of his interests in all of these companies had been completed.*

Attendance at Board & Committee meetings

Board Member	Board 11 Mtgs	CPHAC 11 Mtgs	HAC 11 Mtgs	DiSAC 4 Mtgs	Audit & Finance 9 Mtgs	MaGAC 6 Mtgs	Quality & Risk 9 Mtgs	Wilson Home 11 Mtgs	Three Harbours 4 Mtgs
Dr Lester Levy	9	9	9	1	9	1	x	x	x
Max Abbott	10	10	9	3	x	x	x	x	x
Mary-Anne Benson-Cooper	9	10	10	4	x	x	7	x	x
Pat Booth	11	11	11	4	x	x	x	x	x
Lynne Coleman	9	9	8	x	x	x	8	6	x
Warren Flaunty	10	11	11	x	8	x	9	x	4
Wyn Hoadley	10	9	9	x	7	x	8	x	1[(2)]
Wendy Lai **From 1 January 2010**	6	5	5	x	3[(1)]	x	x	x	x
Brian Neeson	10	11	11	x	9	x	x	x	x
Gwen Tepania-Palmer	10	9	9	x	x	5	5	x	x
Robert Khan **Resigned effective from 31 October 2010**	2	4	4	x	4	x	x	x	3
Mary Lythe **Resigned effective from 31 October 2010**	3	4	4	1	x	1	2	4	x

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.

x = not a member of committee

[(1)] Wendy Lai was appointed to the Audit and Finance Committee, March 2010

[(2)] Wyn Hoadley was appointed to Three Harbours Trust, April 2010

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 is committed to meeting its legal and ethical obligations to be a good employer. The Good Employer Framework is used to guide the core objectives of the Waitemata DHB Human Resources Strategic Plan.

Waitemata DHB is a member of the EEO Trust and the organisation'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.

These commitments are demonstrated and supported by Human Resources at a regional, organisational and service level through various activities. Key initiatives and programmes include:

- 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.

- A staff satisfaction survey to identify and implement ways to improve morale and job satisfaction.
- Provision of occupational health and safety 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.
- Access to an independent and confidential Employee Assistance Programme to which employees may self refer and have ready access.
- Provision of clinical skill development opportunities to enhance patient safety, with an emphasis on emergency management and 'moving and handling'.
- Tertiary level accreditation with ACC which means that Waitemata DHB staff can be confident of a safer workplace, and timely in-house management of workplace incidents.
- Access to a comprehensive range of education and learning opportunities designed to meet professional, clinical and career aspirations and needs.
- A dedicated culturally and linguistically diverse learning programme to focus specifically on diversity and inclusion to enhance good working relationships.
- Commitment to providing flexible working practices where appropriate.
- Workforce development strategies designed to build a workforce which reflects the diverse nature of the Waitemata DHB population.
- Professional placements and other scholarship and career development opportunities provided by the DHB to recognise the aims, aspirations, cultural differences and employment requirements of our diverse population.
- Waitemata DHB's Disability Strategy Coordinator role which advises the DHB on ways of removing barriers to employing people with disabilities.

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 *(NB: the number of DHBs reduced to 20 in 2010 with the merger of Otago and Southland DHBs. These DHBs now form a single entity – Southern DHB)*. Waitemata DHB is categorised as a Crown Agent under section 7 of the Crown Entities Act 2004.

Our DHB ensures the promotion, provision, monitoring and evaluation of health and disability support services in line with national health and disability strategies and local population health needs. The role of a DHB is complex and covers the key areas: planning, funding, promotion and providing.

The DHB's planning and funding role is responsible for planning, promoting and undertaking service contracting with organisations including our own hospital services (North Shore and Waitakere Hospitals). However, we do not deliver all services ourselves within our own hospitals. Our DHB also contracts services from other providers, including other DHBs who often provide more specialist services. One example is the provision of specialist cancer treatment, only offered at some hospitals. Some services are funded and contracted directly by the Ministry, for example breast and cervical screening as well as the provision of disability support services for people aged less than 65 years. Our DHB is responsible for monitoring and evaluating service delivery, including audits of the full range of funded services.

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 12 months 1 July 2009 to 30 June 2010.

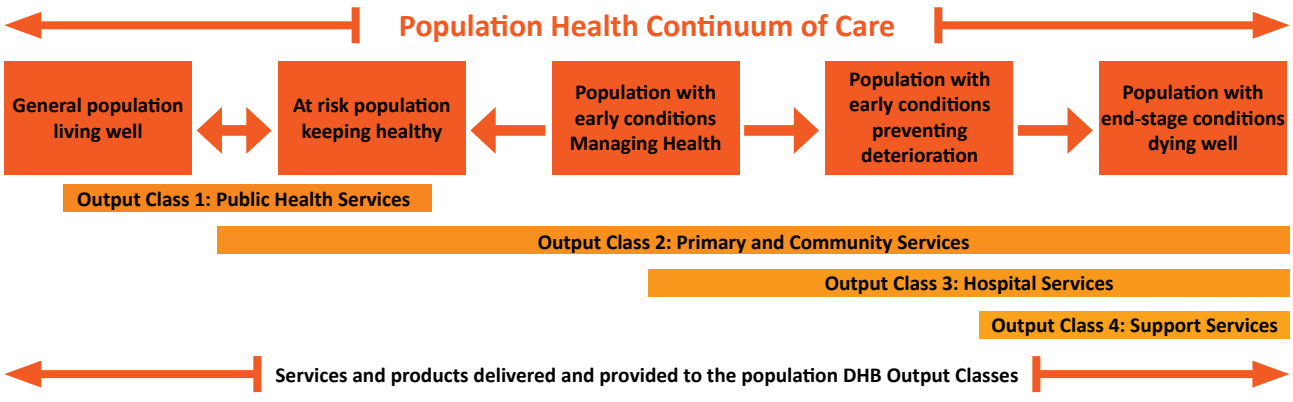
The Statement of Service Performance in the SoI included a range of key performance measures, covering the range of DHB responsibilities. Waitemata DHB's achievements against these measures are reported in more detail in the following sections.

Output Classes

All DHB services can be divided into four Output Classes:

- Public Health Services
- Primary and Community Services
- Hospital Services
- Support Services

The four Output Classes assist DHBs to provide the story regarding the impacts population based funding, Government priorities, national decision-making and Board priorities have on the health of the DHB population. All DHBs follow an intervention logic that shifts costs toward the public health end of the models of care, because these interventions are cheaper, have fewer side effects and are shown to have significant benefit to the population. The expectation is that this will result in healthy citizens that require fewer health interventions. Over time it will be possible, using this framework, to demonstrate 'shifts' in resources from one end of the population health continuum of care to the other.



For each of the four output classes there are agreed national performance measures and targets. Some of these measures, including the national Health Targets, have been included in the Statement of Service Performance. Where national measures do not exist we have included our own targets and measures to monitor the outputs we provide and the impacts they have. The output measures chosen reflect a picture of our activity and our progress towards achieving our desired outcomes.

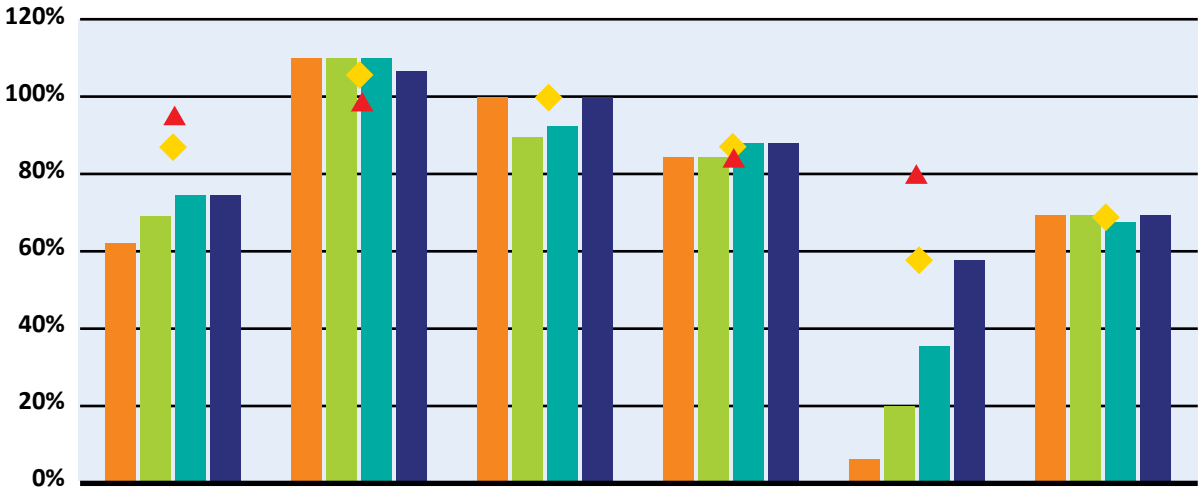
Cost of Service Statement

	Hospital $		Support $		Primary $		Public $		Total $	
	Actual	**Budget**	**Actual**	**Budget**	**Actual**	**Budget**	**Actual**	**Budget**	**Actual**	**Budget**
Total Revenue	**697,291,883**	**711,207,271**	**166,104,614**	**166,671,159**	**373,912,360**	**345,933,945**	**23,702,398**	**27,682,810**	**1,261,011,254**	**1,251,495,185**
Expenditure										
Personnel	330,585,052	326,304,917	26,926,369	26,965,395	65,974,923	64,229,968	11,329,027	12,630,134	434,815,371	430,130,414
Outsourced Services	35,371,280	36,723,984	3,409,769	3,346,010	7,944,821	7,516,525	1,240,764	1,654,646	47,966,634	49,241,164
Clinical Supplies	56,616,093	52,768,087	4,322,599	4,028,807	10,815,058	10,079,995	1,924,589	1,793,781	73,678,338	68,670,669
Infrastructure & Non-Clinical Supplies	75,078,558	72,280,444	6,225,400	6,230,593	15,168,052	14,465,762	2,578,876	2,990,633	99,050,886	95,967,432
Payments to Providers	225,416,658	230,755,673	124,131,893	126,682,582	257,551,262	251,098,417	7,090,899	8,872,846	614,190,712	617,409,518
Total Expenditure	**723,067,641**	**718,833,105**	**165,016,030**	**167,253,386**	**357,454,116**	**347,390,666**	**24,164,154**	**27,942,040**	**1,269,701,941**	**1,261,419,197**
Net Surplus / (Deficit)	**(25,775,758)**	**(7,625,834)**	**1,088,583**	**(582,227)**	**16,458,244**	**(1,456,721)**	**(461,756)**	**(259,230)**	**(8,690,687)**	**(9,924,012)**

Health Targets

Health Targets are a set of six national performance measures specifically designed to improve the performance of health services. The targets reflect important priorities and focus accountability and effort on achieving progress. The Health Targets form part of the Board's set of top 10 priorities and are discussed in greater detail in the *Key Priorities* section.

Waitemata DHB Health Target Performance 2009/10



	ECC waits	Elective surgery	Radiotherapy	Immunisation	Smoking	CVD & Diabetes
Q1	61%	110%	100%	83%	5%	69%
Q2	68%	110%	89%	83%	19%	68%
Q3	74%	110%	92%	87%	34%	67%
Q4	74%	106%	100%	87%	57%	68%
Target	95%	100%	100%	85%	80%	
National Q4	87%	105%	99%	87%	57%	68%

The Ministry of Health takes the fourth quarter (April – June 2010) position as the end of year result, therefore the figures reported below are all for Q4 2009/10 performance, unless stated otherwise. Overall, Waitemata DHB has gained an 'achieved' or 'outstanding' rating for 3 of the 6 Health Targets in 2009/10. A further two Health Targets were given a partially achieved rating.

Shorter stays in emergency departments

The target is 95% of patients will be admitted, discharged or transferred from an emergency department within 6 hours.

2008/09	Target	Result	Achieved
new target	95%	74%	No

This target was not achieved. Overall 74 per cent of patients presenting at the DHB's emergency departments stay less than six hours. This is a significant improvement on the 61 per cent reported at the beginning of the year, but still considerably less than the MOH target of 95 per cent.

There remain marked differences between the two emergency departments – 93 per cent of patients presenting at the Waitakere Hospital site are admitted, discharged or transferred within 6 hours, compared with only 64 per cent at North Shore Hospital. Winter demand, staff vacancies, and ongoing bed capacity issues have impacted on the DHB's performance against this target. A number of initiatives to increase staff numbers are being implemented and the building of the Lakeview Development will ultimately improve bed capacity.

Improved access to elective surgery

	2008/09	Target	Result	Achieved
The target is national increase in the volume of elective surgery, equating to 11,824 discharges for Waitemata DHB residents.	109%	100%	106%	Yes

Nationally the target called for an increase in the volume of elective surgery by 4000 discharges across the country. Waitemata DHB has achieved 12,506 elective surgical discharges for the financial year exceeding the target of 11,824 by six per cent.

Shorter waits for cancer treatment

	Q4 2008/09	Target	Result	Achieved
The target is everyone needing radiation treatment will have this within six weeks of their first specialist assessment by the end of July 2010.	90.3%	100%	100%	Yes

Performance in this indicator has greatly improved over the year with no one needing radiotherapy treatment waiting more than six weeks for capacity reasons by Q4.

Increased immunisation

	Q4 2008/09	Target	Result	Achieved
The target is that 85 per cent of two year-olds will be fully immunised by July 2010.	86%	85%	87%	Yes

Overall this target was exceeded, with 87 per cent coverage for children who have completed age-appropriate immunisations by the age of two years. The target was not quite met for Maori, with coverage rates of 82 per cent but excellent Pacific coverage rates (89 per cent) meant an overall positive result.

Better help for smokers to quit

	2008/09	Target	Result	Achieved
The target is that 80 per cent of hospitalised smokers will be provided with advice and help to quit by July 2010.	new target	80%	57%	PA

This target was partially achieved as although the target was not met, significant progress was made throughout the year. There was a strong focus on providing smokers with help to quit in the last two months of 2009/10, and the month of June saw performance reach 70 per cent.

Better diabetes and cardiovascular services

	Q4 2008/09	Target	Result	Achieved
The target is to increase the average progress made towards three target indicators:			68%	PA
• **An increased percentage of the eligible adult population will have had their cardiovascular disease risk assessed in the last five years.**	77%	79%	80%	Yes
• **An increased percentage of people with diabetes will attend free annual checks.**	39%	48%	48%	Yes
• **An increased percentage of people with diabetes will have satisfactory or better diabetes management.**	78%	78%	76%	No

This target was partially achieved as the local target for diabetes management showed a slight underperformance. The DHB continues to work to ensure that diabetes services provided by PHOs, through the self management and diabetes coordinator services, and the performance programme, improve the management of people known to have diabetes. The diabetes indicators are based on data from April 2009-March 2010, as reporting is always one quarter in arrears.

Public Health Services

Public Health care aims to improve population health through prevention, detection and informed communities.

Public health services are the domain of many organisations across the region:

- Ministry of Health, principally as a funder of public health services, and also a regulator and planner.
- Auckland Regional Public Health Service, as a provider of services.
- District Health Boards, in both funding and provision.
- Primary Health Organisations, mainly in the area of provision of primary health care services, but with some public health functions such as immunisation, screening and health promotion.
- A significant array of private and non-government organisations, including Maori and Pacific providers. These services include environmental health, communicable disease control, tobacco control and health promotion programmes.
- Local and regional government.

The Auckland Regional Public Health Service (ARPHS) is managed by Auckland DHB and provides regional public health services to Waitemata DHB, Counties Manukau DHB, and Auckland DHB areas under contract from the Ministry of Health. The service is responsible for improving population health outcomes and reducing inequalities. ARPHS aims to keep people well through preventing disease, prolonging life and promoting health. This work helps to reduce downstream demands on DHBs for personal health services.

Key initiatives in 2009/10

The key public health initiatives that we delivered in 2009/10 were:

- Continuing the roll-out of the 'Warm 'n' Well' housing insulation programme.
- Working with local councils on long term planning of social wellbeing initiatives.
- Implementation of the immunisation action plan to increase the number of children who receive their childhood immunisations.
- Rollout of nutrition and physical activity programmes including the Food 4 Sport health promotion pilot and breastfeeding peer counselling for Maori and Pacific mothers:
  Waitemata DHB in partnership with NZ Rugby League has begun a health promotion in sport pilot project. Rugby league clubs are implementing changes in their club environment such as encouraging drinking water, responsible alcohol consumption and improving sideline behaviour.
  Six community organisations have trained staff in the La Leche League NZ breastfeeding Peer Counsellor Programme. These staff are training and supporting new mums to facilitate mum-to-mum breastfeeding support groups in their communities.
- Breast and cervical screening programmes.
- Human Papillomavirus Virus Immunisation programme:
  The HPV immunisation programme continues to be delivered in schools and primary care, although nationwide uptake has been lower than expected. Waitemata DHB has instigated several measures to increase uptake, including: Health promotion education sessions to assist health promoters in the community give the correct message and share creative ideas to help engage with youth; Public Health nurses in schools follow up all girls who have not returned consent forms; catch up programmes are offered in school holidays for those who have missed doses at school; and incentive payment is offered to PHOs for girls who have completed all three doses in primary care.

- B4 School checks programme.
- Pacific smoking cessation programme:
  A total of 142 smokers from the Waitemata DHB area were enrolled in the Pacific Smoking Cessation service from August to June 2010, a monthly average of 12 clients. During the first six months, the majority of these enrolments were the result of promotion and active recruitment by the Pacific Smoking Cessation team. Initial figures show a 76 per cent quit rate at three months.
- Family violence initiatives.
- Rollout of the Home Interaction Programme for Parenting Youngsters (HIPPY).
- Hospitalised smokers were provided with advice and help to quit:
  A huge focus was placed on providing hospitalised smokers with advice and help to quit in 2009/10. In Q1, IT solutions were implemented so that smokers could be correctly identified and training programmes were launched for staff on providing quit advice. The DHB now receives weekly reports on progress against the target, down to ward/service level. By the end of June 2010 70 per cent of hospitalised smokers were receiving advice and help to quit.

Public Health Service Output Measures

This section outlines the Public Health services we intend to deliver to our population.

These outputs are aggregated into: Health Protection services; Health Promotion services; Population Screening services; Communicable Disease Control; Immunisation services.

Measures	Base-line*	2009-10 Target	2009-10 Actual	% Variance from target	Achieved	Comments
Health Protection Services						
Number of health assessments of Early Childhood Education Centres completed.	73	Up to 70	59	(16%)	No	Regional public health services provided by ARPHS. Drinking water activity is demand driven and a lower number means there were less incidents that needed investigating.
Investigations to monitor/ improve the quality of drinking water.	139	100-130	84		Yes	
Health Promotion Services						
The proportion of "never smokers" among year 10 students.	64.80%	60.90%	69.40%	14%	Yes	The proportion of 'never smoking' students has increased significantly. Data from 2009 CY, baseline 2008 CY.
Prevalence of exposure of non-smokers to second hand smoke inside the home.	7.50%	< 5%			n/a	Baseline from 2006 Census. Updated data not available until 2011 Census.
Number of people participating in the Pacific smoking cessation programmes: Waitemata DHB district.	new measure	180	142	(21%)	No	Programme not officially started until August 2009 so result does not reflect a full year's activity.
Healthy Housing (Warm n Well) project:						
No. of houses insulated	430	380	479	26%	Yes	Changes were made to funding streams in 2009/10, increasing the number of homes included in the project, yet we still exceeded the target.
No. of assessments completed	586	380	453	19%	Yes	

Public Health Service Output Measures *continued*

Measures	Base-line*	2009-10 Target	2009-10 Actual	% Variance from target	Achieved	Comments
Number of families who have joined HIPPY (Home Interaction Programme for Parents and Youngsters)	new measure	20	140	600%	Yes	2009 calendar year. 100 families were included in the programme in 2010.
Increase the proportion (%) of infants exclusively and fully breastfed;						Two of the three breastfeeding targets have been met, and the six week target was only narrowly missed. WDHB has implemented many community and hospital based initiatives to increase the numbers of breastfed infants. Data from 2009 calendar year provided by Plunket and WellChild providers. Baseline 2008 CY.
At six weeks	69%	71%	69%	(2%)	No	
At three months	57%	58%	58%	0%	Yes	
At six months	27%	28%	28%	1%	Yes	
Population Screening Services						
BreastScreen Aotearoa coverage of WDHB Maori women aged 45-69 years for 24 months to June 2010	48.7%	67.0%	58.6%	(13%)	No	BreastScreen Waitemata Northland has the second best Maori and Pacific Island coverage in the country, and within the WDHB catchment population coverage has increased from 34% in March 06 to over 63% in 2010. BSWN will continue to work closely with local Maori and Pacific community based organisations and PHO/GPs to ensure the service achieves 69% in 2010-2011. (The baseline is coverage in the two years to December 2008).
BreastScreen Aotearoa coverage of WDHB Pacific women aged 45-69 years for 24 months to June 2010	48.5%	67.0%	66.1%	(1%)	No	
BreastScreen Aotearoa coverage of all WDHB women aged 45-69 years for 24 months to June 2010	55.5%	67.0%	63.1%	(6%)	No	
National Cervical Screening Programme coverage of all WDHB women aged 20-69 years for 36 months	72%		74%	(8%)	Yes	
National Cervical Screening Programme coverage of WDHB Maori women aged 20-69 years for 36 months	42%	Work towards 2011/12 target of 80% as set by NCSP	45%	(44%)	Yes	An improvement in the cervical screening rate has been seen in all population groups. Waitemata DHB is currently ranked 14th out of 21 DHBs for total coverage. Coverage includes eligible women screened by the programme in the 36 months to January 2010. The baseline is coverage for the 36 months to August 2008.
National Cervical Screening Programme coverage of WDHB Pacific women aged 20-69 years for 36 months	47%		53%	(33%)	Yes	
National Cervical Screening Programme coverage of WDHB Asian women aged 20-69 years for 36 months	44%		49%	(39%)	Yes	
National Cervical Screening Programme coverage of WDHB other women aged 20-69 years for 36 months	86%	Maintain rate	88%	10%	Yes	

Public Health Service Output Measures *continued*

Measures	Base-line*	2009-10 Target	2009-10 Actual	% Variance from target	Achieved	Comments
Communicable Disease Control Aid patient management, enhance surveillance, detect outbreaks and assist outbreak management (TB a priority) for all cases.	100% of cases	100% of cases	100%	0%	Yes	
Immunisation Services % of children fully immunised by 24 months.	86%	85%	87%	9%	Yes	Health Target
The rate of immunisation for years 8,12 & 13 girls for the Human Papilloma Virus vaccine (dose 3).	new measure	50%	19%	(76%)	No	The HPV Immunisation Programme continues to be delivered in schools and primary care. The uptake of the vaccine has been significantly less than expected across New Zealand likely due to negative media coverage and pressure on school boards of trustees to not immunise their students.

Primary and Community Services

A strong primary health care system (as outlined in the Primary Health Care Strategy) is central to improving New Zealanders' overall health, and to reducing health inequalities between different groups. New Zealand is experiencing a growing prevalence of long-term conditions including diabetes and cardiovascular disease. Some groups of New Zealanders suffer from these conditions more than others, for example, Maori and Pacific people, older people and those on lower incomes. Long-term conditions require an increased focus across the primary/secondary interface to ensure that they are recognised early and managed effectively.

The three key goals from the national Primary Health Care Strategy are:

- **Transparent national priorities –** DHBs, Primary Health Organisations (PHOs) and the Ministry focused on national health priorities and working collaboratively to improve sector performance.
- **Collective stewardship and governance –** Communities and PHOs engaged to identify population needs and target responses consistent with national priorities.
- **Enhanced delivery –** A continuum of accessible services focused on reducing the incidence and impact of chronic conditions.

Waitemata DHB funds six Primary Health Organisations (PHOs) within the district. The DHB's role is to support and collaborate with PHOs to ensure:

- Good access to appropriate, affordable and timely services, particularly for more vulnerable populations.
- Improved health outcomes for the people of Waitemata.

- Improved service across the primary/secondary interface.
- A broad range of coordinated services are delivered, through improved team work and multidisciplinary approaches to patient care.
- Quality of service is maintained through effective clinical governance processes.
- The development of workforce capacity.

Key initiatives in 2009/10

The key primary and community care initiatives that we delivered in 2009/10 were:

- Completing the planning for the development of a clinical pathway for skin lesions to move from secondary care into primary care. *A process is underway to identify GPs who meet the criteria and are interested in doing this work. Regionally work is underway on several other pathways.*
- Continued implementation of the Waitemata DHB After Hours Implementation Plan. *This work was initiated as a Waitemata project but it has now morphed into a regional workstream as part of the Regional Primary Care DAP. It is expected that a project plan with be completed early in 2011 once there has been regional agreement on the strategy.*
- Implementation of the district Primary Health Care Plan: *In November 2009 the Waitemata Primary Health Care Plan 2010-15 was signed off the by the Board. The purpose of the plan is to set the future direction for primary health care within the Waitemata District. It sets out eight work streams that, together, create the Waitemata DHB Primary Health Care Work Programme to be progressed over the next five years. The streams include designing and developing Integrated Family Health Centres, developing the primary health care workforce and developing new models for integrated care delivery. The Waitemata Primary Health Care Plan 2010-15 provides the strategic framework to achieve devolution to primary care a transition that is inextricably linked with the Government's Better, Sooner, More Convenient health care policy.*
- Ensuring all PHOs have and are implementing Maori health plans.
- Implementation of the long-term conditions collaborative in collaboration with PHOs and general practices and with the Ministry of Health.
- Service redesign of Primary Options for Acute Care to address avoidable hospital admission rates.
- Implementing and establishing the primary health care nursing professional development team.
- Development of a centre of excellence for rural primary health care.
- Continuation of the rollout of the Cardiovascular/Diabetes risk assessment and management programme across the district.
- Continuation of initiatives aimed at improving diabetes 'Get Checked' rates and improved diabetes management, for example – establishment of diabetes nurse-led clinics in practices, establishment of PHO Get Checked co-ordinators.
- Commencement of a Pacific specific cancer patient navigation pilot. *This became operational on July 1 2010.*
- Ensuring all PHOs have an identified smokefree co-ordinator and a smokefree plan and policy.
- Implementation of the first year of the oral health business case: changing the way we deliver oral health services to children and adolescents, birth – 17 years: *In 2006 the Government announced new funding and a major new direction for oral health services in New Zealand. The Waitemata District Health Board business case sets out a proposed plan for improving oral health in the district via new, or redeveloped facilities, an updated model of care,*

and various strategies related to issues such as workforce recruitment and retention. The re-orientation of the service will focus on a population-based emphasis on education prevention and early intervention. It will see an increase in mix of service providers, including DHBs, PHOs, Māori and Pacific providers and will provide a multi-disciplinary approach to oral health. WDHB intends to close all 78 current school dental clinics and construct 11 new fixed clinics and to supplement these with an expanded fleet of diagnostic and treatment mobiles (including 15 new Transportable Dental Units and seven Diagnostic Vans) feeding the fixed clinics.

In 2009 the Ministry of Health asked for expressions of interests from PHOs to assist in implementing the Better, Sooner, More Convenient Primary Healthcare initiative. Better, Sooner, More Convenient Primary Healthcare is the Government's initiative to provide more personalised primary health care closer to home that makes New Zealanders healthier and reduces pressure on our hospitals. Nine expressions of interest were accepted for development into business cases, of which Waitemata PHOs were involved in two. The Greater Auckland Integrated Health Network (GAIHN) is developing an alliance of the three Auckland DHBs and PHOs including ProCare Network North, Harbour PHO, and HealthWest PHO that covers 1.25 million people. GAIHN has agreed seven clinical projects to focus on in the 2010/11 year including increased access to Primary Options, skin lesion surgery in primary care, better primary care access to diagnostics, and developing clinical pathways. Te Puna PHO is a member of the National Maori PHO Collective which will focus on Whanua Ora delivery, long term conditions and Mama, Pepe, Tamariki (antenatal care and well children).

The DHB is committed to working with its PHOs to plan for the devolution of some secondary outpatient and diagnostic services to primary care. The scoping and planning work has occurred over the 2009/10 year, with implementation of pilots continuing into the following year.

Primary and Community Services Output Measures

Some primary and community services are provided by the DHB, while others are funded by us through a range of contracts and provided by PHOs and other NGOs. These services include personal health services, mental health services, Maori and Pacific health services and disability support services.

Measures	Base line*	2009-10 Target	2009-10 Actual	% Variance from target	Achieved	Comments
Waitemata DHB Primary & Community Services						
Better Diabetes and Cardiovascular Services:			68%		Partially achieved	The following three indicators are components of the 'Better Diabetes and Cardiovascular services' Health Target.
Diabetes annual check						
Maori	45%	55%	50%	(9%)	No	The diabetes indicators are based on data from April 2009-March 2010, as reporting is always one quarter in arrears. The Annual Check indicator reports the proportion of the assumed WDHB diabetic population (based on MOH prevalence statistics) who have had free annual checks in primary care. The Diabetic Management target reports the proportion of diabetics who have attended annual checks that have good blood glucose management (an HbA1c of <8). This data is provided directly by PHOs. WDHB has implemented several initiatives to increase the number of diabetic patients with good management, including: Establishing a local care pathway to improve primary care management of diabetics with poor blood sugar management; Supporting primary care nurse led diabetes clinics through peer support and case management; Supporting initiation of early insulin start clinical pathway in primary care.
Pacific	41%	52%	61%	18%	Yes	
Other	39%	47%	47%	0%	Yes	
Total	39%	48%	48%	1%	Yes	
Diabetic patients with good blood sugar management						
Maori	67%	56%	64%	14%	Yes	
Pacific	59%	61%	59%	(4%)	No	
Other	82%	83%	80%	(4%)	No	
Total	78%	78%	76%	(3%)	No	

Primary and Community Services Output Measures *continued*

Measures	Base line*	2009-10 Target	2009-10 Actual	% Variance from target	Achieved	Comments
Increase the proportion of individuals with one or more FLG, and one or more glucose or one or more HBA1c test in a five year period of those Waitemata DHB domiciled people 79 years old or younger who are "eligible" for CVD risk assessment, enrolled in any PHO						The PHO Performance Programme includes an indicator based on cardiovascular disease (CVD) risk assessment in primary care, which is reported by GP's patient management systems and forwarded to PHOs. However this data is not yet sufficiently robust nationwide, therefore it has been decided to use an interim indicator for CVD based on national laboratory warehouse data. This indicator assumes that whenever a CVD risk assessment is performed, the individual must have had a fasting lipid group test (FLG) and a serum glucose or HBA1c (if the person has diabetes). The national laboratory warehouse data will be used to identify the proportion of individuals with one or more FLG, and one or more glucose or one or more HBA1c test in a five year period.
Maori	69.0%	71.00%	71.0%	0%	Yes	
Pacific	69.2%	72.00%	75.2%	4%	Yes	
Other	78.4%	80.40%	80.9%	1%	Yes	
Total	77.2%	79.20%	79.9%	1%	Yes	
Increase the proportion of the eligible Waitemata population who have been CVD risk assessed	~20%	25%	32%	28%	Yes	Based on July 2009-April 2010 data, as Q4 not yet available. This indicator measures the actual number of CVD risk assessments performed in primary care, as per the PHO Performance Programme (see comment above).
Admissions to hospital that are avoidable or preventable by primary health care for those aged:						For most groups, targets are being achieved (the goal is for the actual value to be equal to, or lower than, the target). A number of measures are in place to address unnecessary hospital admissions. This is calculated as an indirectly standardised ratio. Indirect standardisation compares the actual numbers of avoidable admissions seen at WDHB with the expected numbers (the NZ average) and calculates a ratio. Values lower than 100 indicate fewer admissions were observed than expected, and values above 100 indicate more admissions than expected. This data is sourced from the Ministry of Health non-financial report POP-15 Amubulatory Sensitive Admissions.
0-74 years: Maori	112.9	107	97	9%	Yes	
Pacific	109.9	99	90	9%	Yes	
Other	101.7	103	106	(3%)	No	
<5 years: Maori	96.5	<95	75	21%	Yes	
Pacific	101	<95	72	24%	Yes	
Other	73.4	<95	63	33%	Yes	
45-64 years: Maori	117.6	115	106	8%	Yes	
Pacific	107.8	99	104	(5%)	No	
Other	115.2	113	126	(12%)	No	
PHO Capitated Services						
Percentage of Maori and Pacific enrolled in WDHB PHOs	67%	75%	71%	(5%)	No	Audit and analysis work carried out by the DHB suggests low enrolment figures for Maori may be due to misclassification of ethnicity coding in general practices. Enrollment figures as at January 2010. Baseline January 2009.
Other PHO services						
Care plus enrolled population	59% (lowest)	70%	80%	15%	Yes	

Hospital Services

The hospital services that Waitemata DHB provides comprise six major groups:

MEDICAL SERVICES AND HEALTH OF OLDER PEOPLE

Waitemata DHB provides medical services including general medicine, gastroenterology, cardiology and respiratory medicine, as well as emergency medicine at both North Shore and Waitakere hospitals. The DHB also provides rehabilitation services which are ward and outpatient based. A range of community based services – such as district nursing – are also provided as well as needs assessment services to determine the level of care that patients will need on discharge from our facilities.

SURGICAL AND AMBULATORY SERVICES

A range of both acute and non-acute surgical services is offered through Waitemata DHB facilities, including orthopaedics, general surgery etc. The DHB also provides breast screening services, x-ray and other radiology services and outpatient services.

MENTAL HEALTH AND ADDICTIONS SERVICES

As well as providing mental health services to the district (including Whitiki Maurea Maori mental health services and Pacific mental health and alcohol and drug services), Waitemata DHB is the provider of forensic psychiatry and community alcohol and drug services for the greater Auckland region.

CHILD, WOMEN AND FAMILY SERVICES

Both inpatient and outpatient/community including primary school based services are provided for children and babies, including rehabilitation services for disabled children and support for their families/whanau. Child, women and family services also encompass maternity care and family health. Waitemata DHB is the regional provider of dental services for children aged 0-13 years old.

HOSPITAL OPERATIONS AND FACILITIES AND DEVELOPMENT SERVICES

These two groups provide efficient, effective, quality support to the teams responsible for providing care to patients, including hospital catering, laboratory, pharmacy, security and parking services.

Key initiatives in 2009/10

Acute Services

The demand for acute and emergency care services continues to increase. The public and the Government expects better, sooner and more convenient access to high quality services to be provided without excessive waiting times for treatment. To enable this, Waitemata DHB delivered the following in 2009/10:

- Developed a plan for improved triage performance. Introduced a monitoring system following the agreement of a national definition regarding ED length of stay.
- Planned and implemented an appropriate and sustainable form of emergency service at Waitakere Hospital: *Paediatric emergency care at Waitakere Hospital opened 24 hours a day in July 2010, where previously emergency services for children were only available from 8am to 10pm. It is intended that the service will be available to adults 24/7 in the first quarter of 2011.*

- Agreed models of care for all specialties staffing models for the new Assessment and Diagnostic Unit and Emergency Department.
- Working group established and initial report on key system constraints and bottlenecks produced in Q1. Plan for the improvement of acute admission processes agreed in Q2.
- Implementation of specific measures to reduce ED waiting times including:
  - Appointment of seven nurse specialists/practitioners in Emergency Medicine.
  - Piloting of revised AT&R and General Medicine bed configurations at North Shore Hospital and Waitakere Hospital.
  - Establishing an additional medical ward at North Shore Hospital:
    Ward 2 opened to patients in July 2010. The modern 25-bed ward has up to 10 beds available for acute stroke patients, meaning it is easier to deliver specialist services to these patients.

Elective Services

The key elective services initiatives we delivered in 2009/10 were:

- Delivering volumes as agreed in the schedules, the agreed base and additional volumes in all specialties by year end (Q4).
- Increased elective volumes (FSAs and elective surgery) in line with Ministry targets (Q4): *Waitemata DHB exceeded the elective surgery target by six per cent.*
- Compliance with Elective Services Patient Flow Indicators (ESPI) requirements was achieved in all quarters except for Q2. *Compliance was achieved in all quarters, except for Q2 when outpatient waiting times were exceeded.*
- Working with Counties Manukau DHB to increase access to elective Plastics services for the Waitemata DHB population, utilising available additional elective funding. *This has not been achieved as CMDHB are unable to achieve increased access for reasons of service capacity, primarily workforce. Additional specialists have been recruited to service in 2010. There are plans to progress increased local access to the Plastics service in 2010/11 at North Shore Hospital.*
- Working with Auckland DHB to increase access to elective Cardiothoracic Services for the Waitemata DHB population, utilising available additional elective funding.
- Continue to subcontract Cataract Initiatives volumes to Auckland DHB for the Waitemata DHB population.
- Investigate medium term options to maintain and increase elective capacity for the population including establishment of an Elective Service Unit on the North Shore Hospital site and/or exploration of significant public-private partnerships: *WDHB has developed a business case for the development of a dedicated elective facility on the North Shore site that will compromise four theatres, four outpatient clinics and 40 additional inpatient beds. The final approval and timing of this development is subject to ongoing discussion with stakeholders.*

Other Hospital Based Services

- Worked more closely with the Auckland regional provider of cancer services (Auckland DHB) to ensure that patients do not wait longer than six weeks between diagnosis and the commencement of radiation treatment by July 2010 and no longer than four weeks by December 2010.
- $599,816 was used to provide longer post-natal stays to help establish breastfeeding and provide new mothers with greater confidence: *The average postnatal stay increased to close to the target of 2.5 days; patients received comprehensive assessment prior to discharge using criteria in the Maternity Facility Service Specification.*

- Satisfaction with length of post-natal stay was monitored monthly via consumer satisfaction surveys. *The majority of surveys indicated that women felt their post natal length of stay was "just right".*
- Monthly monitoring of average length of postnatal stay by facility.
- Ensure DHB and primary birthing unit utilisation to full capacity.
- Increase numbers of eligible people undertaking cardiac rehabilitation programmes.
- Ensuring that 95 per cent of people in contact with mental health services for two or more years have relapse prevention plans.
- Analyse DNA and readmission data for geographic and ethnic patterns to inform strategies to reduce rates.
- Establishing hospital data systems for recording smoking status and interventions.
- Ensure that hospitalised smokers are routinely provided with advice and help to quit.

Hospital Services Output Measures

Hospital services include all personal health services, mental health services, Maori health services, services for older people and disability support services provided by Waitemata DHB's hospitals, or other providers we fund to care for our population.

Measures	Base line*	2009-10 Target	2009-10 Actual	% Variance from target	Achieved	Comments
Inpatients						
Reduce the raw average length of stay (days)	4.28	4.25	4.11	3%	Yes	The LOS target was exceeded and the readmissions target was very nearly achieved. Sourced from DHB Hospital Benchmark Information. Four quarter rolling average April 2009-March 2010 (Q4 2009/10 not yet available).
Reduce acute readmissions within seven days of discharge (per 1,000)	65.4	65.0	65.9	(1%)	No	
Increase surgical elective discharges (total)	12,164	11,823	12,506	6%	Yes	Health Target
Increase average length of stay of new mothers (days)	~2.2	2.3	2.36	3%	Yes	The length of stay has been increasing throughout the year, and by June 2010 had reached 2.46 days.
Percentage of adults in contact with mental health services for two or more years with relapse prevention plans:						
Maori	87.45%	90%	100%	11%	Yes	Data sourced from MOH non-financial report POP-17 Improving Mental Health Services. Baseline March 2009 data.
Pacific	91.49%	90%	99%	10%	Yes	
Other	81.82%	90%	96%	6%	Yes	

Hospital Services Output Measures *continued*

Measures	Base line*	2009-10 Target	2009-10 Actual	% Variance from target	Achieved	Comments
The average number of people domiciled in the DHB region, seen per year by Mental Health Services, rolling every three months (reporting delayed three months) for:						The 20-64 years target has been met and increases on 2008/09 performance were seen in most groups. Recent initiatives have been implemented to strengthen access across lifespan and cultural groups. Data sourced from MOH non-financial report POP-06 Access to Mental Health Services.
0-19 years	2.20%	2.90%	2.47%	(15%)	No	
20-64 years	3.03%	2.90%	3.41%	18%	Yes	
65+ years	2.56%	2.90%	2.82%	(3%)	No	
Hospitalised smokers are provided with advice and help to quit.	new measure	80% (by July 2010)	57%	(29%)	Partially achieved	Health Target
Non-Admitted Patients						
Did not attends (DNAs).	10.38%	10%	10.43%	(4%)	No	Sourced from DHB Hospital Benchmark Information. Four quarter rolling average April 2009-March 2009 (Q4 2009/10 not yet available).
100% of patients wait less than six weeks between first specialist assessment and the start of radiation oncology treatment by July 2010 and within four weeks by December 2010.	90.3%	100%	100%	0%	Yes	Health Target. This indicator excludes priority D patients, and counts only those waiting for greater than six weeks for capacity reasons (or no reason given) as exceeding the maximum wait time.
Emergency Department Attendances						
The proportion and number of people whose emergency department length of stay is less than six hours:	new measure	Work towards 95%	74%	(22%)	No	Health Target
Emergency triage rates:						
Triage 1: all seen immediately	100.0%	100.0%	100.0%	0%	Yes	
Triage 2: seen within 10 minutes (emergency)	55.6%	60.6%	67.0%	11%	Yes	
Triage 3: seen within 30 minutes (very urgent)	34.5%	39.5%	40.0%	1%	Yes	Triage time guidelines from ACEM - Australian College of Emergency Medicine.
Triage 4: seen within 60 minutes (urgent)	29.0%	34.0%	41.0%	21%	Yes	
Triage 5: seen within two hours (non urgent)	40.0%	45.0%	64.0%	42%	Yes	

Hospital Services Output Measures *continued*

Measures	Base line*	2009-10 Target	2009-10 Actual	% Variance from target	Achieved	Comments
Assessment, Treatment & Rehabilitation The proportion of people who have suffered a stroke event, admitted to Waitemata DHB and seen by the mobile stroke service with a LOS of at least 1 day	84%	85%	84%	(1%)	No	Target not achieved due to medical staff shortages. WDHB now has a permanent stroke unit which the majority of acute stroke patients are admitted to.

Support Services

Waitemata DHB's aim is to have a fully inclusive community, where people are supported to live with independence and can participate in their communities.

To achieve this aim, following their needs being assessed, support services are delivered to people with long-term disabilities; people with mental health problems and people who have age-related disabilities. These services encompass home-based support services; residential care support services; day services; and palliative care services.

Support services are provided by the DHB and non-DHB sector ie residential care providers, hospice, and community groups.

Key Initiatives

The key support services initiatives that we delivered in 2009/10 were:

- Review current palliative care service provision against new Specialist Palliative Care Tier 2 Specifications including the development of a prioritised plan of initiatives and funding requirements. *These specifications were not published in 2009/10 but work on delivering the draft specifications has begun in 2010/11.*
- Initiate the Gold Standards Framework Pilot Project (now called General Practice Palliative Care Project).
- Present a business case to the Board for additional palliative care beds in the district. *A business case was presented to the Board and WDHB will continue to work with the Provider to meet the specific conditions of the Board.*
- Ensure contracted respite care beds (so that the elderly can stay in their own homes for longer) meet the Minister's requirements. *There was an increase in the number of respite palliative care beds, but these were provided through hospice, rather than aged residential care facilities.*
- Improve the quality of nursing and supervision in rest homes: *In February 2010 WDHB appointed a Quality and Professional Development Nurse Leader for Aged Residential Care. She has instigated educational and development programmes for staff in aged residential care and is working on a number of projects around quality.*
- Evaluate the Residential Care Integration service, as identified in the Waitemata DHB Health of Older People Strategy.
- Implement activities identified in the Home Based Services Plan, through collaborative mechanisms.

Support Services Output Classes

This section outlines the support services we delivered to our population. Each aggregate includes people with long-term disabilities; people with mental health problems and people who have age-related disabilities.

Measures	Base line*	2009-10 Target	2009-10 Actual	% Variance from target	Achieved	Comments
Needs Assessment & Service Co-ordination						
% of new needs assessment and co-ordination (NASC) clients assessed within six weeks	96%	96%	95%	(1%)	No	This is an annual figure. The target was met by June 2010.
Home-Based Support Services						
Home-based support services (HBSS) utilisation/1000 population aged 65+	88.5	88.5	80.0	(10%)	No	This target has historically been calculated using utilisation rates from the last month of the financial year. For this reason the actual is based on June 2010 activity. The number of people receiving HBSS has declined, due in part to the Needs Assessor reviewing a number of historical packages, many of which were found to be no longer necessary/ appropriate.
% of clients aged 65+ with high needs supported at home	35%	36%	34%	(6%)	No	This is a 'point in time' result taken at the end of June 2010. Even though the actual provision is slightly lower than the target, the DHB is confident that all high needs clients for whom home-based support is appropriate received the service.
% of home-based support services clients reassessed	36%	37%	54%	46%	Yes	Number of clients who received an annual review in 2009/10.
Age Related Residential Care Support Services						
% of facilities with ≥ three year certification	new measure	new measure	75%			Over the 12 month reporting there has been a decline in facilities receiving three year certification (from 86% to 75%). This is partly due to a number of new or assigned facilities where initial certification is given for a 12 month period only.
Residential care placements /1000 population aged 65+	4.1	4.2	4.6	10%	Yes	This target has historically been calculated using utilisation rates from the last month of the financial year. For this reason the actual is based on June 2010 activity. This service shows seasonal variation, with the winter months showing more activity than the summer months. The 2009/10 average was 4.3 placements per 1000.

Support Services Output Classes *continued*

Measures	Base line*	2009-10 Target	2009-10 Actual	% Variance from target	Achieved	Comments
Residential care utilisation /1000 population aged 65+:						
RH = Rest Home level	14.0	14.0	12.3	(12%)	No	
De = Rest Home Dementia	2.7	2.8	2.4	(14%)	No	Many more older people with high needs are receiving support which enables them to stay at home longer before entering residential care. Therefore the drop in utilisation is not necessarily a negative outcome.
PH = Continuing Care (Private Hospital)	16.1	16.3	14.6	(10%)	No	
PG = Specialised Continuing Care (Psychogeriatric)	1.0	1.0	1.2	20%	Yes	
Average age at first placement	83	83	83	0%	Yes	
Reduce the ratio of residential care expenditure to HBSS expenditure	3.1:1	3.0:1	2.7:1	10%	Yes	
Day Care Services						
Number of attendances at day care services per month	23	100	109	9%	Yes	There is one contracted over-65 daycare provider. These figures reflect the number attending day care services in June 2010.
Respite Services						
No. of people receiving respite care packages	2,649	2,650	1,293	(51%)	No	This is the total number of clients receiving respite care and carer support in 2009/10 and uses a different method of calculation to that used to derive the target and baseline. As there has been an increase in funding in 2009/10, more people have received care/ support than in previous years.
Palliative Care Services						
No. of GPs participating in the Gold Standards Framework	0	15	77	413%	Yes	

* Unless otherwise stated, baseline figures for all output classes are from 2008/09. Health target baselines relate to Q4 2008/09, unless stated. Variances shown are the percentage the actual varied from the target, not the value of the difference between the actual and the target. Positive variances are considered favourable against the target, negative variances (those in brackets) are considered unfavourable.

Board's Financial Performance

Results and distributions

	$000
Group operating surplus / (deficit) for the year	(7,924)
Share of associated company results	0
Net surplus / (deficit) attributable to the crown	(7,924)

Financial position

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

	2010 Actual $000
Current Assets	66,744
Current Liabilities	(141,613)
Net Current Liabilities	**(74,869)**
Non-Current Assets	**424,406**
Non-Current Liabilities	**(183,238)**
Crown Equity	**166,299**

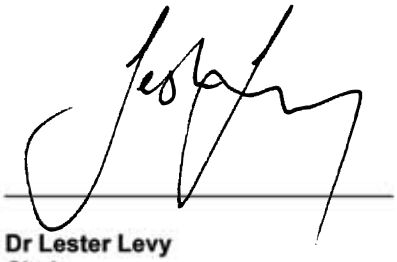
Parent and Group

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. Audit New Zealand has been contracted to provide these services.

For and on behalf of the Board, which authorised the issue of the financial report on 27 October 2010.



Dr Lester Levy
Chair

Brian Neeson
Board Member

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

Statement of comprehensive income

For the year ended 30 June 2010

in thousands of New Zealand Dollars

	Note	Group		Parent		
		2010 Actual	2009 Actual	2010 Actual	2010 Budget	2009 Actual
Income		$000	$000	$000	$000	$000
Revenue	1	1,239,344	1,185,493	1,240,690	1,236,104	1,186,799
Other income	2	19,540	17,683	17,441	12,003	15,641
Finance income	5a	3,327	5,576	2,880	3,388	5,263
Total income		**1,262,211**	**1,208,752**	**1,261,011**	**1,251,495**	**1,207,703**
Expenditure						
Employee benefit costs	4	434,815	415,737	434,815	429,380	414,623
Depreciation and amortisation expense	7,8	22,814	22,001	22,814	21,833	22,001
Outsourced Personnel		12,387	14,712	12,387	7,818	14,712
Outsourced services		35,579	37,045	35,579	42,627	37,045
Clinical supplies		68,268	64,771	68,268	63,781	64,771
Infrastructure and non-clinical expenses		53,206	54,201	53,206	51,718	54,201
Payments to health providers		614,192	579,885	614,192	617,410	579,885
Other expenses	3	3,697	1,526	3,315	2,298	2,072
Finance costs	5b	10,633	12,430	10,582	11,274	12,184
Capital charge	6	14,544	13,441	14,544	13,280	13,441
Total expenditure		**1,270,135**	**1,215,749**	**1,269,702**	**1,261,419**	**1,214,935**
Surplus / (Deficit)		**(7,924)**	**(6,997)**	**(8,691)**	**(9,924)**	**(7,232)**
Other comprehensive income						
Interest rate swaps	13	0	2,206	0	0	2,206
(Loss) / gain on land and property revaluation	7	(12,200)	6,178	(12,200)	0	6,178
Total other comprehensive income		**(12,200)**	**8,384**	**(12,200)**	**0**	**8,384**
Total comprehensive income		**(20,124)**	**1,387**	**(20,891)**	**(9,924)**	**1,152**

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 2010

In thousands of New Zealand Dollars

	Note	Group 2010 Actual $000	Group 2009 Actual $000	Parent 2010 Actual $000	Parent 2010 Budget $000	Parent 2009 Actual $000
Assets						
Inventories held for distribution	9	5,568	5,745	5,568	5,000	5,745
Other investments	11	2,548	2,051	0	0	0
Trade and other receivables	12	24,718	42,025	24,386	31,350	41,289
Cash and cash equivalents	13	33,910	27,358	33,900	17,381	27,321
Total current assets		**66,744**	**77,179**	**63,854**	**53,731**	**74,355**
Property, plant and equipment	7	414,160	416,401	414,160	434,400	416,401
Intangible assets	8	7,805	5,304	7,805	2,639	5,304
Other investments	11	2,441	1,751	0	0	0
Total non-current assets		**424,406**	**423,456**	**421,965**	**437,039**	**421,705**
Total assets		**491,150**	**500,635**	**485,819**	**490,770**	**496,060**
Liabilities						
Bank overdraft	13	0	0	0	0	0
Trade and other payables	17	82,881	80,447	82,813	77,220	80,368
Employee benefits	16	58,732	53,661	58,732	58,400	53,661
Total current liabilities		**141,613**	**134,108**	**141,545**	**135,620**	**134,029**
Interest-bearing loans and borrowings	15	165,796	165,796	165,796	171,615	165,796
Employee benefits	16	17,442	16,685	17,442	17,700	16,685
Total non-current liabilities		**183,238**	**182,481**	**183,238**	**189,315**	**182,481**
Total liabilities		**324,851**	**316,589**	**324,783**	**324,935**	**316,510**
Equity						
Crown equity		92,203	89,826	92,203	89,826	89,826
Asset revaluation reserve		140,885	153,085	140,885	146,907	153,085
Retained earnings		(72,052)	(63,361)	(72,052)	(70,898)	(63,361)
Trust / Special funds	14	5,263	4,496	0	0	0
Total equity		**166,299**	**184,046**	**161,036**	**165,835**	**179,550**
Total equity and liabilities		**491,104**	**500,635**	**485,819**	**490,770**	**496,060**

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 2010

In thousands of New Zealand Dollars

	Note	Parent				
		Public Equity	Asset Revaluation Reserve	Retained Earnings / (Losses)	Trust/ Special Funds	Total
		$000	$000	$000	$000	$000
Equity at 1st July 2008		81,126	146,907	(58,335)	0	169,698
Total comprehensive income		**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**
Total comprehensive income		**0**	**(12,200)**	**(8,691)**	**0**	**(20,891)**
Equity Injections						
Equity contribution from the Crown		2,377	0	0	0	2,377
Total equity transactions		**2,377**	**0**	**0**	**0**	**2,377**
Equity at 30th June 2010		**92,203**	**140,885**	**(72,052)**	**0**	**161,036**

		Group				
		Public Equity	Asset Revaluation Reserve	Retained Earnings	Trust/ Special Funds	Total
		$000	$000	$000	$000	$000
Equity at 1st July 2008		81,126	146,907	(58,335)	4,261	173,959
Total comprehensive income		**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**
Total comprehensive income		**0**	**(12,200)**	**(8,691)**	**767**	**(20,124)**
Equity Injections						
Equity contribution from the Crown		2,377	0	0	0	2,377
Total equity transactions		**2,377**	**0**	**0**	**0**	**2,377**
Equity at 30th June 2010		**92,203**	**140,885**	**(72,052)**	**5,263**	**166,299**

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 2010

In thousands of New Zealand Dollars

	Note	Group		Parent		
		2010 Actual	2009 Actual	2010 Actual	2010 Budget	2009 Actual
Cash flows from operating activities		$000	$000	$000	$000	$000
Cash receipts from Ministry of Health and patients		1,372,594	1,289,405	1,370,089	1,247,868	1,287,605
Cash paid to suppliers		(880,370)	(872,220)	(878,613)	(783,820)	(870,212)
Cash paid to employees		(433,667)	(402,881)	(433,667)	(427,719)	(402,881)
Interest received		2,655	9,728	2,242	3,388	9,674
Interest paid		(9,843)	(13,115)	(9,843)	(11,274)	(13,115)
Goods and services tax paid		794	(3,661)	794	0	(3,661)
Capital charge paid		(13,345)	(12,386)	(13,345)	(13,180)	(12,386)
Net cash flows from operating activities	13	**38,818**	**(5,130)**	**37,657**	**15,263**	**(4,976)**
Cash flows from investing activities						
Proceeds from sale of property plant and equipment		0	17	0	0	17
Proceeds from sale of investments		0	132	0	0	0
Acquisition of property, plant and equipment		(31,748)	(19,308)	(31,748)	(37,549)	(19,308)
Acquisition of other investments		(1,188)	0	0	0	0
Acquisition of intangible assets		(1,707)	(2,866)	(1,707)	(3,848)	(2,866)
Net cash flows from investing activities		**(34,643)**	**(22,025)**	**(33,455)**	**(41,397)**	**(22,157)**
Cash flows from financing activities						
Proceeds from equity injection		2,377	8,700	2,377	0	8,700
Proceeds from borrowings		0	0	0	5,819	0
Repayment of borrowings		0	0	0	0	0
Net cash flows from financing activities		**2,377**	**8,700**	**2,377**	**5,819**	**8,700**
Net (decrease) increase in cash and cash equivalents		6,552	(18,455)	6,579	(20,315)	(18,433)
Cash and cash equivalents at beginning of year		27,358	45,813	27,321	37,696	45,754
Cash and cash equivalents at end of year	13	**33,910**	**27,358**	**33,900**	**17,381**	**27,321**

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 2010

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 Public Finance Act 1989 and the Crown Entities Act 2004. WDHB is a public benefit entity, as defined under NZIAS 1.

The WDHB group consists of the parent, Waitemata District Health Board and Three Harbours Health Foundation. The consolidated financial statements of WDHB for the year ended 30 June 2010 comprise WDHB and its subsidiaries (together referred to as "Group") and WDHB's interest in associates and jointly controlled entities. The WDHB group consists of the parent, Waitemata District Health Board and Three Harbours Health Foundation. Associate companies are healthAlliance NZ Limited (50%), Auckland Regional RMO Services Ltd (33%) and Northern DHB Support Agency (34%).

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

The financial statements were authorised for issue by the Board on 27 October 2010.

The entity's owners or others have no power to amend or alter these financial statements after issue.

Statement of compliance

The financial statements 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 third 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 2010 and the comparative information presented for the year ended 30 June 2009.

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 are stated at their fair value: derivative financial instruments (foreign exchange and interest rate swap contracts), financial instruments classified at fair value through comprehensive income 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 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 are eliminated on consolidation. In WDHB's financial statements, investments in subsidiaries are recognised at cost less any impairment losses.

Associates

WDHB 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 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 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 statement of comprehensive income. 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 comprehensive income, 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

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 surplus or deficit

The Group's investments in debt and equity securities are classified as at fair value through the surplus or deficit. An instrument is classified as at fair value through surplus or deficit if it is held for trading or is designated as such upon initial recognition. Financial instruments are designated at fair value through the surplus or deficit 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 when incurred. Subsequent to initial recognition, financial instruments at fair value through surplus or deficit are measured at fair value and changes therein are recognised in the surplus or deficit.

Investments in equity securities

Investments in equity securities held by WDHB are classified as designated at fair value through comprehensive income, 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 financial liabilities and are recorded at amortised cost using the effective interest rate method. Borrowings are classified as current liabilities unless the DHB has an unconditional right to defer settlement of the liability for at least 12 months after balance date or if the borrowings are expected to be settled within 12 months of balance date.

Trade and other payables

Trade and other payables are stated at amortised cost.

Other

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

Derivative financial instruments

WDHB 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 surplus or deficit. 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.

Property, plant and equipment

Classes of property, plant and equipment

Property, plant and equipment consists of:

Operational assets - these include land, buildings, motor vehicles, 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 costs of dismantling and removing the items and restoring the site on which they are located, plus an appropriate proportion of direct overheads.

Revaluations of land and buildings are accounted for on a class-of asset basis 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. The net revaluation results are credited or debited to other comprehensive income and are accumulated to an asset revaluation reserve in equity for that class of asset. Where this would result in a debit balance in the asset revaluation reserve, this balance is not recognised in other comprehensive income but is recognised in the surplus or deficit. Any subsequent increase on revaluation that reverses a previous decrease in value recognised in the surplus or deficit will be recognised first in the surplus or deficit up to the amount previously expensed, and then recognised in other comprehensive income.

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 surplus or deficit 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 statement of comprehensive income as an expense as incurred.

Depreciation

Depreciation is charged to the statement of comprehensive income 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% – 16.67%
• Leasehold Improvements	3-12 years	8.33% – 33.33%
• Plant, equipment and vehicles	5 to 15 years	6.67% – 20%
• IT Equipment	3 to 5 years	20% – 33.33%

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 statement of comprehensive income 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. The write-down of inventory held for distribution because of loss in service is $Nil (2009 $Nil). The loss in service potential of inventory held for distribution is determined on the basis of obsolescence.

Impairment

The carrying amounts of WDHB's assets 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 statement of comprehensive income.

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.

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 lower 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 comprehensive income.
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 surplus or deficit over the period of the borrowings on an effective interest basis.

Employee benefits

Superannuation schemes

Obligations for contributions to defined contribution plans are recognised as an expense in the statement of comprehensive income as incurred.

WDHB does not contribute to any defined benefit schemes.

Long service leave, sabbatical leave and retirement gratuities

WDHB's 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 WDHB expects to pay. The obligation recognised is in respect of employees' services up to the balance sheet date.

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.

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 statement of comprehensive income 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 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.

Mental health ring-fenced revenue

In accordance with Generally Accepted Accounting Practice and NZIFRS, surpluses of income over expenditure are reported through the surplus and deficit. Where such surpluses are in respect of mental health ring-fenced revenue, the unspent portion of the revenue is only available for funding mental health services in subsequent accounting periods. As at 30 June 2010 there was $5.6m unspent (30 June 2009: $3.0m)

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 statement of comprehensive income on a straight-line basis over the term of the lease. Lease incentives received are recognised in the statement of comprehensive income 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.

Changes in accounting policies

There have been no changes in accounting policies during the financial year.

WDHB and group have adopted the following revisions to accounting standards during the financial year, which have had only a presentational or disclosure effect:

NZ IAS 1 Presentation of Financial Statements (Revised 2007) replaces NZ IAS 1 Presentation of Financial Statements (Issued 2004). The revised standard requires information in financial statements to be aggregated on the basis of shared characteristics and introduces a statement of comprehensive income. The statement of comprehensive income will enable readers to analyse changes in equity resulting from non-owner changes separately from transactions with owners. WDHB has decided to prepare a single statement of comprehensive income for the year ended 30 June 2010 under the revised standard. Financial statement information for the year ended 30 June 2009 has been restated accordingly. Items of other comprehensive income presented in the statement of comprehensive income were previously recognised directly in the statement of changes in equity.

Amendments to NZ IFRS 7 *Financial Instruments: Disclosures*. The amendments introduce a three-level fair value disclosure hierarchy that distinguishes fair value measurements by the significance of valuation inputs used. A maturity analysis of financial assets is also required to be prepared if this information is necessary to enable users of the financial statements to evaluate the nature and extent of liquidity risk. The transitional provisions of the amendment do not require disclosure of comparative information in the first year of application. WDHB has elected to disclose comparative information.

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 2010.

- NZIFRS 9, Financial Instruments – effective for annual periods beginning on or after 1 July 2013
- NZ IAS 23, Borrowing Costs (revised 2007) - effective on or after 1 January 2009

The DHB and group will defer the adoption of NZ IAS 23 Borrowing Costs (Revised 2007) in accordance with its transitional provisions that are applicable to public benefit entities. All borrowing costs are recognised as an expense in the period in which they are incurred.

Notes to the financial statements

Significant accounting policies for the year ended 30th June 2010

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 2010

in thousands of New Zealand Dollars

1 Revenue

	Note	Group		Parent	
		2010 Actual $000	2009 Actual $000	2010 Actual $000	2009 Actual $000
Health and disability services (MOH contracted revenue)		1,148,202	1,095,094	1,148,202	1,095,094
Clinical Training Agency		8,322	10,131	8,322	10,131
ACC contract		8,697	8,174	8,697	8,174
Inter District Patient Inflows		73,589	71,344	73,589	71,344
Other revenue		534	750	1,880	2,056
		1,239,344	1,185,493	1,240,690	1,186,799

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	
	2010 Actual $000	2009 Actual $000	2010 Actual $000	2009 Actual $000
Gain on sale of property, plant and equipment	0	17	0	17
Patient related	3,991	3,976	3,991	3,976
Donations and bequests received	420	334	277	51
Professional fees, training and research grants	4,523	4,409	2,567	2,650
Other	10,606	8,947	10,606	8,947
	19,540	17,683	17,441	15,641

3 Other expenses

	Note	Group		Parent	
		2010 Actual $000	2009 Actual $000	2010 Actual $000	2009 Actual $000
Impairment of trade receivables (bad and doubtful debts)		1,159	550	1,159	550
Audit fees (for WDHB financial statements)		174	191	174	191
Audit fees (for subsidiaries financial statements)		9	8	9	8
Fees for Board Members and co-opted committee members	20	367	382	367	382
Operating lease expenses		1,240	920	1,240	920
Restructuring expense		335	0	335	0
Koha		6	2	6	2
Other		407	(527)	25	19
		3,697	1,526	3,315	2,072

in thousands of New Zealand Dollars

4 Employee benefit costs

	Group		Parent	
	2010 Actual $000	2009 Actual $000	2010 Actual $000	2009 Actual $000
Wages and salaries	431,269	418,581	431,269	417,467
Contributions to defined contribution plans	7,624	6,473	7,624	6,473
Decrease/(Increase) in employee benefit provisions	(4,078)	(9,317)	(4,078)	(9,317)
	434,815	415,737	434,815	414,623

5a Finance income

	Group		Parent	
	2010 Actual $000	2009 Actual $000	2010 Actual $000	2009 Actual $000
Dividends received	13	1	13	1
Interest income	3,127	5,575	2,867	5,262
Net gain on re-measurement of financial assets at fair value through surplus / (deficit)	187	0	0	0
	3,327	5,576	2,880	5,263

5b Finance costs

	Group		Parent	
	2010 Actual $000	2009 Actual $000	2010 Actual $000	2009 Actual $000
Interest expense	10,582	12,184	10,582	12,184
Net loss on re-measurement of financial assets at fair value through surplus / (deficit)	51	246	0	0
	10,633	12,430	10,582	12,184

6 Capital charge

WDHB 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 2010 was 8% per cent (2009: 8% per cent).

The total capital charge for the Group for the year ended 30 June 2010 was $14.544m (2009: $13.441m) of which $1.153m (2009: $1.136m) 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 Improvements	Plant, Equipment and Vehicles	IT Equipment	Work in progress	Total
Cost	**$000**	**$000**	**$000**	**$000**	**$000**	**$000**	**$000**
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)
Balance at 30 June 2009	121,619	241,216	9,044	95,070	30,602	5,690	503,241
Balance at 1 July 2009	121,619	241,216	9,044	95,070	30,602	5,690	503,241
Additions	0	3,390	0	4,950	1,767	20,328	30,435
Disposals	0	0	0	(228)	0	0	(228)
Revaluations	(12,200)	0	0	0	0	0	(12,200)
Balance at 30 June 2010	109,419	244,606	9,044	99,792	32,369	26,018	521,248
Depreciation and impairment losses							
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
Revaluation	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
Balance at 1 July 2009	0	0	2,528	60,540	23,772	0	86,840
Depreciation charge for the year	0	10,282	497	6,941	2,660	0	20,380
Disposals	0	0	0	(132)	0		(132)
Revaluations	0	0	0	0	0	0	0
Balance at 30 June 2010	0	10,282	3,025	67,349	26,432	0	107,088
Carrying amounts							
At 1 July 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
At 30 June 2010	109,419	234,324	6,019	32,443	5,937	26,018	414,160

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. Revaluations are conducted on a cycle not exceeding five years.

A full revaluation was completed at 30 June 2009 and an interim desktop revaluation of land and buildings was carried out as at 30 June 2010 by M E Gamby, an independent registered valuer with Telfer Young and a member of the New Zealand Institute of Valuers. The valuer was contracted as an independent valuer. The findings of the interim valuation of buildings, based upon an inspection of selected properties found no material change since June 2009. However, market research on land values shows a reduction between 10 and 12.5% over the past year.

The total fair value of land and buildings valued by the valuer amounted to $343,743k at 30th June 2010. The net gain / (loss) on revaluation is included in other comprehensive income.

7 Property, plant and equipment (continued)

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 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

	Software	Software Development Costs	Total Software
Cost			$000
Balance at 1 July 2008	26,316	0	26,316
Additions	2,867	0	2,867
Balance at 30 June 2009	29,183	0	29,183
Balance at 1 July 2009	29,183	0	29,183
Additions	1,707	3,228	4,935
Balance at 30 June 2010	30,890	3,228	34,118
Amortisation and impairment losses			
Balance at 1 July 2008	21,982	0	21,982
Amortisation charge for the year	1,897	0	1,897
Balance at 30 June 2009	23,879	0	23,879
Balance at 1 July 2009	23,879	0	23,879
Amortisation charge for the year	2,434	0	2,434
Balance at 30 June 2010	26,313	0	26,313
Carrying amounts			
At 1 July 2008	4,334	0	4,334
At 30 June 2009	5,304	0	5,304
At 30 June 2010	4,577	3,228	7,805

9 Inventories held for distribution

Group and parent

	2010 Actual $000	2009 Actual $000
Pharmaceuticals	480	550
Surgical and medical supplies	4,676	4,585
Other supplies	412	610
	5,568	5,745

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 2010	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)

2010 Actual	Assets	Liabilities	Equity	Revenues	Profit
	$000	$000	$000	$000	$000
healthAlliance NZ Limited	8,738	8,738	0	33,210	0
Northern DHB Support Agency	8,098	7,469	629	9,293	96
Auckland Regional RMO Service Limited	2,085	2,083	2	2,862	0
	18,921	18,290	631	45,365	96

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
	16,452	15,918	534	45,433	251

c) Share of profit of associate entities

	2010 Actual $000	2009 Actual $000
Share of profit/(loss) before tax	32	83
Less: tax expense	0	0
Share of profit/(loss) after tax	32	83

The Group's share of profit and losses shown above has not been accounted for on the grounds of materiality.

11 Other investments

	Group		Parent	
	Actual 2010	Actual 2009	Actual 2010	Actual 2009
	$000	$000	$000	$000
Non-current				
Debt and equity securities classified at fair value through surplus / (deficit)	2,441	1,751	0	0
	2,441	1,751	0	0
Current				
Debt and equity securities classified at fair value through surplus / (deficit)	2,548	2,051	0	0
	2,548	2,051	0	0

12 Trade and other receivables

	Note	Group Actual 2010 $000	Group Actual 2009 $000	Parent Actual 2010 $000	Parent Actual 2009 $000
Trade receivables due from associates	20	250	308	375	384
Trade receivables from non-related parties		1,945	3,818	1,488	3,006
Ministry of Health receivables		4,716	7,868	4,716	7,868
Accrued income		17,670	29,647	17,670	29,647
Prepayments		137	384	137	384
		24,718	42,025	24,386	41,289

Trade receivables are shown net of provision for doubtful debts amounting to $1.334m (2009: $603k) recognised in the current year and arising from analysis of past payment performance. An additional $300k impairment provision is provided for payroll overpayments. (2009: $300k)

13 Cash and cash equivalents

	Group Actual 2010 $000	Group Actual 2009 $000	Parent Actual 2010 $000	Parent Actual 2009 $000
Bank balances	410	358	400	321
Call deposits	33,500	27,000	33,500	27,000
Cash and cash equivalents in the statement of cash flows	33,910	27,358	33,900	27,321

WDHB administers certain funds on behalf of patients which are not included in the statement of financial position. 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 ANZ National Bank Limited, which was established in April 2010. The facility consists of a bank overdraft and revolving multi-option credit facility. The facility was unused at 30 June 2010.

The ANZ working capital facility is secured by a negative pledge. Without ANZ'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 ANZ facility has a limit of $40m.

13 Cash and cash equivalents (continued)

Reconciliation of (deficit)/surplus for the year with net cash flows from operating activities:

	Group		Parent	
	Actual 2010 $000	Actual 2009 $000	Actual 2010 $000	Actual 2009 $000
(Deficit) / surplus for the year	(7,924)	(4,791)	(8,691)	(5,026)
Add back non-cash items:				
Depreciation and assets written off	22,814	22,001	22,814	22,001
Unrealised investment loss	0	155	0	0
Add back items classified as investing activity:				
(Gain)/loss on disposal of property, plant and equipment	0	(17)	0	(17)
Add back items classified as financing activity:				
Interest Rate Swaps	0	2,206	0	2,206
Movements in working capital:				
(Increase) / decrease in trade and other receivables	17,307	(12,185)	16,903	(11,633)
Increase / (decrease) in inventories	177	(838)	177	(838)
(Decrease) / increase in trade and other payables	1,373	(19,444)	1,383	(19,452)
Increase in provisions	5,071	7,783	5,071	7,783
Net movement in working capital	23,928	(24,684)	23,534	(24,140)
Net cash (outflow) / inflow from operating activities	**38,818**	**(5,130)**	**37,657**	**(4,976)**

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 statement of comprehensive income. An amount equal to the expenditure is transferred from the Trust fund component of equity. 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**	2010 Actual $000	2009 Actual $000
Balance at beginning of year	4,496	4,261
Transfer from retained earnings in respect of:		
Interest received	447	313
Donations and funds received	2,149	2,094
Transfer to retained earnings in respect of:		
Funds spent	(1,829)	(2,172)
Balance at end of year	5,263	4,496

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

	2010 Actual $000	2009 Actual $000
Non-current		
Secured loans	165,796	165,796
	165,796	165,796

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

Interest rate summary	2010 Actual	2009 Actual
Crown Health Financing Agency	2.59-7.04%	2.81-7.04%

Repayable as follows:	2010 Actual $000	2009 Actual $000
More than 12 months	165,796	165,796

WDHB 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	2010 Actual $000	2009 Actual $000
Crown Health Financing Agency	165,796	165,796
ANZ	40,000	0
Westpac	0	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 ANZ working capital facility is subject to normal commercial loan covenants such as interest cover.

WDHB uses interest rate swaps periodically, in order to manage interest rate risk. The notional principal or contract amounts of interest rate swaps outstanding at 30 June 2010 were:

$50 million interest rate swap receiving fixed rate, paying floating rate to mature 15 April 2015.
$25 million interest rate swap paying fixed rate, receiving floating rate to mature 15 April 2011.
$25 million interest rate swap paying fixed rate, receiving floating rate to mature 15 April 2012.

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 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.

16 Employee benefits

Group and parent

Non-current liabilities	2010 Actual $000	2009 Actual $000
Long-service leave	4,283	3,556
Retirement gratuities	7,691	7,920
Continuing medical education	3,872	3,913
Other employee entitlements	1,596	1,296
	17,442	16,685

Current liabilities	2010 Actual $000	2009 Actual $000
Long-service leave	85	71
Sabbatical leave	300	300
Retirement gratuities	1,026	1,057
Annual leave	38,752	34,820
Sick leave	655	1,022
Continuing medical education leave	4,666	4,778
Salary and wages accrual	13,248	11,613
	58,732	53,661

17 Trade and other payables

	Note	Group		Parent	
		Actual 2010 $000	Actual 2009 $000	Actual 2010 $000	Actual 2009 $000
Trade payables due to associates	20	(59)	364	(59)	364
Trade payables to non-related parties		62,533	54,796	62,465	54,717
ACC levy payable		3,969	3,151	3,969	3,151
GST and PAYE payable		11,769	9,816	11,769	9,816
Income in advance relating to contracts with specific performance obligations		889	1,546	889	1,546
Capital charge due to the Crown	6	1,153	1,136	1,153	1,136
Other non-trade payables and accrued expenses		2,627	9,638	2,627	9,638
		82,881	80,447	82,813	80,368

Creditors and other payables are non-interest bearing and are normally settled on 30 day terms. Therefore the carrying value of creditors and other payables approximates their fair value.

18 Commitments

Group and parent

Non- lease commitments	Group		Parent	
	Actual 2010 $000	Actual 2009 $000	Actual 2010 $000	Actual 2009 $000
Capital commitments	46,500	5,044	46,500	5,044
Non-cancellable – operating lease commitments				
Not more than one year	4,888	21,234	4,888	21,234
One to two years	3,425	11,674	3,425	11,674
Two to five years	5,285	3,919	5,285	3,919
Over five years	1,125	11,546	1,125	11,546
	14,723	48,373	14,723	48,373

18 Commitments (Continued)

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 and interest rate risks arise in the normal course of WDHB's operations. Derivative financial instruments are used to economically hedge exposure to fluctuations in 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. It is management's view that 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 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.

	Group		Parent	
	2010	2009	2010	2009
	$000	$000	$000	$000
Cash at bank and term deposits	33,910	27,358	33,900	27,321
Debtors and other receivables	24,672	42,025	24,386	41,289
Other investments	2,441	1,751	0	0
	61,023	71,134	58,286	68,610

Credit quality of financial assets

Counterparties with credit ratings Cash at bank and term deposits	Group		Parent	
	2010	2009	2010	2009
	$000	$000	$000	$000
AA	33,910	27,358	33,900	27,321
Total	33,910	27,358	33,900	27,321

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

Trade receivables	Parent		Parent	
	Gross Receivable 2010	Impairment 2010	Gross Receivable 2009	Impairment 2009
Not past due	5,660	(700)	6,306	0
Past due 0-30 days	1,028	0	2,707	(4)
Past due 31-90 days	710	(89)	1,240	(101)
Past due more than 91 days	710	(545)	1,790	(498)
Total	8,108	(1,334)	12,043	(603)

The impairment provision has been calculated based on a review of specific overdue receivables based upon analysis of past collection history and debt write-offs. In summary, trade receivables are determined to be impaired as follows:

Movement in the provision for impairment	Parent	
	Actual 2010	Actual 2009
	$000	$000
At 1 July 2009	603	579
Additional provisions made during the year	1,890	574
Receivables written-off during the period	(1,159)	(550)
At 30 June 2010	1,334	603

Group figures have not been presented, as parent receivables comprise the vast majority of group receivables. Group receivables held by subsidiaries are immaterial. WDHB holds no collateral as security or other credit enhancements over receivables that are either past due or impaired.

19 Financial instruments (continued)

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, it is management's view that 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.

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.

Liquidity risk

		Contractual cash flow		
	Balance sheet	Total	6 mths or less	More than 5 years
2010 Group	**$000**	**$000**	**$000**	**$000**
CHFA loans	165,796	(165,796)	0	(165,796)
Trade and other payables	82,835	(82,835)	(82,835)	0
Total	248,631	(248,631)	(82,835)	(165,796)
2010 Parent				
CHFA loans	165,796	(165,796)	0	(165,796)
Trade and other payables	82,813	(82,813)	(82,813)	0
Total	248,609	(248,609)	(82,813)	(165,796)
2009 Group				
CHFA loans	165,796	(165,796)	0	(165,796)
Trade and other payables	86,916	(86,916)	(86,916)	0
Total	252,712	(252,712)	(86,916)	(165,796)
2009 Parent				
CHFA loans	165,796	(165,796)	0	(165,796)
Trade and other payables	86,837	(86,837)	(86,837)	0
Total	252,633	(252,633)	(86,837)	(165,796)

Future interest payments are estimated on the basis of current and average interest rates for the period of the loan term to 30 June 2020.

Market risk

WDHB 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 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.

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. WDHB 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 fixed and floating rate interest within WDHB's policy. At 30 June 2010, WDHB had interest rate swaps with notional contract amounts of $50m (pay floating) and $50m (pay fixed).

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.

		Group and Parent 2010 Actual						
	Note	Effective interest rate %	Total $000	6 mths or less $000	6-12 mths $000	1-2 yrs $000	2-5 yrs $000	More than 5 yrs $000
Cash and cash equivalents	13	1.75-5.75%	33,910	33,910	0	0	0	0
NZD loans	15	2.59-7.04%	(165,796)	0	(37,000)	0	(106,642)	(22,154)
Effect of interest rate swaps (net)		3.98-5.695%	0	0	(25,000)	(25,000)	50,000	0
			(131,886)	33,910	(62,000)	(25,000)	(56,642)	(22,154)

		Group and Parent 2009 Actual						
	Note	Effective interest rate %	Total $000	6 mths or less $000	6-12 mths $000	1-2 yrs $000	2-5 yrs $000	More than 5 yrs $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)

19 Financial instruments (continued)

Foreign currency risk

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. It is management's view that 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 year.

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 interest rates would have an impact on consolidated earnings.

At 30 June 2010, it is estimated that a general increase of one percentage point in interest rates would decrease WDHB's deficit by approximately $12k (2009: $140k).

At 30 June 2010, it is estimated that a general decrease of one percentage point in interest rates would increase WDHB's deficit by approximately $12k (2009: $140k).

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

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:

2010 Actual Group	Note	Held for trading	Designated at fair value through surplus/(deficit)	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	24,672	0	24,672	24,672
Cash and cash equivalents	13	0	0	33,910	0	33,910	33,910
Other investments	11	0	4,989	0	0	4,989	4,989
CHFA loans *	15	0	0	0	(165,796)	(165,796)	(177,519)
Trade and other payables	17	0	0	0	(82,835)	(82,835)	(82,835)
		0	4,989	58,582	(248,631)	(185,060)	(196,783)

2010 Actual Parent		Held for trading	Designated at fair value through surplus/(deficit)	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	24,386	0	24,386	24,386
Cash and cash equivalents	13	0	0	33,900	0	33,900	33,900
Other investments	11	0	0	0	0	0	0
CHFA loans *	15	0	0	0	(165,796)	(165,796)	(177,519)
Trade and other payables	17	0	0	0	(82,813)	(82,813)	(82,813)
		0	0	58,286	(248,609)	(190,323)	(202,046)

* The fair market value of CHFA loans are based on the Government bond rate plus 15 basis points on mid-market pricing.

19 Financial instruments (continued)

2009 Actual Group	Note	Held for trading	Designated at fair value through surplus/(deficit)	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	41,641	0	41,641	41,641
Cash and cash equivalents	13	0	0	27,358	0	27,358	27,358
Other investments	11	0	3,802	0	0	3,802	3,802
CHFA loans	15	0	0	0	(165,796)	(165,796)	(174,224)
Trade and other payables	17	0	0	0	(86,916)	(86,916)	(86,916)
		0	3,802	68,999	(252,712)	(179,911)	(188,339)

2009 Actual Parent		Held for trading	Designated at fair value through surplus/(deficit)	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	40,905	0	40,905	40,905
Cash and cash equivalents	13	0	0	27,321	0	27,321	27,321
CHFA loans	15	0	0	0	(165,796)	(165,796)	(174,224)
Trade and other payables	17	0	0	0	(86,837)	(86,837)	(86,837)
		0	0	68,226	(252,633)	(184,407)	(192,835)

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 2010 plus an adequate constant credit spread to discount financial instruments. The interest rates used are as follows:

	2010 Actual $000	2009 Actual $000
Derivatives	3.98 - 5.695%	0%
Loans and borrowings	2.59 - 7.04%	2.81 - 7.04%

20 Related parties

Identity of related parties

WDHB 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 $367k were paid to Board members and co-opted Committee Members of Waitemata DHB (2009: $382k).

	2010 Actual $000
Dr Lester Levy (Chair)	57
Max Abbott (Deputy Chair)	37
Brian Neeson	33
Wyn Hoadley	32
Warren Flaunty	33
Lynne Coleman	29
Gwen Tepania Palmer	29
Mary-Anne Benson Cooper	31
Pat Booth	31
Wendy Lai (part year only)	16
Robert Khan (part year only)	11
Mary Lythe (part year only)	11
	350

Co-opted committee members

Community & Public Health Advisory Committee: Tereki Stewart $1,500; Lyvia Marsden $2,500; 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, Deborah Dalliessi and Margaret Willoughby.

Disability Support Advisory Committee: Tina French $1,000; Russell Vickery $1,000; Karl Gatoloia $500; Natalie Brunzel $750; Jan Moss $1,000; Michele Cavanagh $750; Anne Frankland $750; Sonia Thursby $250.

Maori Health Gain Advisory Committee: Gary Brown $1,062; Kate Haswell $1,000; Michele Cavanagh $1,500; Tyrone Raumati $750.

Executive leadership team

	2010 Actual $000	2009 Actual $000
Short-term employee benefits	2,156	2,733
Post-employment benefits	0	0
Other long-term benefits	4	0
Termination benefits	48	0
	2,208	2,733

The Executive Leadership team of 9 members (2009: 13 members) excludes board members.

Members of the Executive Leadership team with related party directorship roles:

Name	Title	Director of:
Dave Davies	Chief Executive Officer	healthAlliance NZ Limited Northern DHB Support Agency Auckland Regional RMO Services Limited
Dale Bramley	Deputy Chief Executive Officer	Northern DHB Support Agency
Rosalie Percival	Chief Financial Officer	healthAlliance NZ Limited

20 Related parties (continued)

Sales to related parties	2010 Actual $000	2009 Actual $000
Three Harbours Health Foundation	1,396	1,358
Auckland Regional RMO Service Limited	8	19
healthAlliance NZ Limited	48	67
Northern DHB Support Agency	1,467	945
	2,919	2,389

Outstanding balances from related parties	2010 Actual $000	2009 Actual $000
Three Harbours Health Foundation	125	76
Auckland Regional RMO Service Limited	3	0
healthAlliance NZ Limited	3	0
Northern DHB Support Agency Ltd	244	308
	375	384

Purchases from related parties	2010 Actual $000	2009 Actual $000
Three Harbours Health Foundation	0	0
Auckland Regional RMO Service Limited	2,270	1,965
healthAlliance NZ Limited	17,430	17,960
Northern DHB Support Agency Ltd	1,415	1,637
	21,115	21,562

Outstanding balances to related parties	2010 Actual $000	2009 Actual $000
Three Harbours Health Foundation	0	0
Auckland Regional RMO Service Limited	0	0
HealthAlliance NZ Limited	(67)	150
Northern DHB Support Agency Ltd	0	214
	(67)	364

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

20 Related parties (continued)

During the 2009/10 financial year the DHB funded or made payments to entities in which Board members or Senior Management had governance, shareholder or other interests as set out in the following table. 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.

			Transactions 2009/10 $000				
			Payments	Receipts	Outstanding at 30-Jun-		
Board member	**Relationship**	**Organisation**	**to**	**from**	**Payable**	**Receivable**	**Nature of Service**
Max Abbott	Pro Vice-Chancellor and Dean, Faculty of Health and Environmental Sciences	Auckland University of Technology	181	515	0	59	Workforce development in nursing, podiatry and other healthcare professions. Evaluation of public health programme.
	Patron	Raeburn House	8	0	0	0	Mental health promotion, networking and information.
Mary-Anne Benson-Cooper	General Manager / Health & Safety Manager	Focus 2000 (Iris Ltd)	1,869	0	150	0	Residential care and support for people with disabilities.
Pat Booth	Consulting Editor	Fairfax Suburban Papers, Auckland and Northland	4	0	0	0	Advertising
Lynne Coleman	General Practitioner. Shareholder of CHS Ltd, an IPA affiliated to Harbour PHO	Harbour PHO	25,320	0	183	0	Total of payments to Harbour PHO, for General Practitioner and related services.
	Member	ProCare North PHO	19,111	0	454	0	General Practitioner and related services
	Chair Shareholder	Shorecare Medical Services Ltd	866	0	61	0	Payments for after hours General Practitioner and related services
	Director	Apollo Health Ltd	151	0	9	0	General Practitioner and related services.
	Trustee	Harbour Sport	88	0	4	0	Physical activity plans and programmes.
	Member	Wilson Home Trust Committee of Management	384	0	0	0	Rental payments for facilities at Wilson Centre.
	Director	Primary Medical Centre Ltd Harbour PHO	3	1	0	0	Nurse training course fees.

20 Related parties (continued)

Board member	Relationship	Organisation	Transactions 2009/10 $000 Payments to	Receipts from	Outstanding at 30-Jun Payable	Receivable	Nature of Service
Warren Flaunty	Trustee	West Auckland Hospice	1,759	0	146	0	For provision of hospice care.
	Shareholder	Metlifecare Ltd	508	0	41	0	Funding of aged care services at Metlifecare facilities
	Shareholder	EBOS Group	24,961	0	2,239	0	For healthcare consumables from EBOS and from its subsidiary, Health Support Ltd.
	Shareholder	Life Pharmacy Ltd (Pharmacy Brands Ltd)	24,239	0	2,131	0	Total of payments to four pharmacies under the Pharmacy Brands umbrella.
	Shareholder	Westgate Pharmacy Ltd	2,046	0	101	0	For provision of community pharmacy services.
	Trustee	Three Harbours health Foundation	1,396	0	0	125	Reimbursement of research nurses salaries and other clinical research costs.
Wyn Hoadley	Board Member	North Shore Community Health Voice	40	0	0	0	Community engagement and advocacy.
	Trustee	Three Harbours health Foundation	1,396	0	0	125	Reimbursement of research nurses salaries and other clinical research costs.
Wendy Lai	Partner	Deloitte	15	0	0	0	Consulting Services (Health and Business Management)
	Board Member	Rodney Health Link	40	0	0	0	Community engagement and advocacy.
Mary Lythe	Member	Wilson Home Trust Committee of Management	384	0	0	0	Rental payments for facilities at Wilson Centre.
	Clinical Services Manager	Alzheimers Auckland Inc	172	0	14	0	Education, care and support for people with Alzheimers disease and their families.
	Board Member	Rodney Health Link	40	0	0	0	Community engagement and advocacy.

20 Related parties (continued)

Board Member	Relationship	Organisation	Payments to	Receipts from	Outstanding at 30-Jun Payable	Outstanding at 30-Jun Receivable	Nature of Service
Brian Neeson	Board Member	Waitakere Health Link	40	0	0	0	Community engagement and advocacy.
Gwen Tepania Palmer	Director	Manaia Health PHO Ltd	1	0	0	0	Home and older people nursing and accommodation costs at conference.
Senior Management							
Dave Davies	Director	Mental Health Programmes Ltd (trading as Te Pou)	1	2	0	0	Payments made for course fees
	Executive Member	District Health Boards New Zealand	9	0	0	0	National job portal development
Jocelyn Peach	Secretary	Nurse Executives of NZ	1	0	0	0	Annual membership fee

in thousands of New Zealand Dollars

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 per cent 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 Employee remuneration

During the year the following numbers of employees received remuneration over $100,000 (including the DHB's contribution to Kiwisaver and other superannuation plans.

Remuneration range ($)	Total	Remuneration range ($)	Total	Remuneration range ($)	Total
100,000 – 109,999	123	270,000 – 279,999	16	440,000 – 449,999	1
110,000 – 119,999	69	280,000 – 289,999	11	450,000 – 459,999	1
120,000 – 129,999	62	290,000 – 299,999	9	460,000 – 469,999	0
130,000 – 139,999	23	300,000 – 309,999	8	470,000 – 479,999	0
140,000 – 149,999	30	310,000 – 319,999	3	480,000 – 489,999	0
150,000 – 159,999	20	320,000 – 329,999	7	490,000 – 499,999	0
160,000 – 169,999	25	330,000 – 339,999	4	500,000 – 509,999	0
170,000 – 179,999	20	340,000 – 349,999	7	510,000 – 519,999	0
180,000 – 189,999	23	350,000 – 359,999	5	520,000 – 529,999	1
190,000 – 199,999	20	360,000 – 369,999	8	530,000 – 539,999	0
200,000 – 209,999	13	370,000 – 379,999	3	540,000 – 549,999	0
210,000 – 219,999	19	380,000 – 389,999	1	550,000 – 559,999	0
220,000 – 229,999	10	390,000 – 399,999	4	560,000 – 569,999	0
230,000 – 239,999	15	400,000 – 409,999	2	570,000 – 579,999	0
240,000 – 249,999	17	410,000 – 419,999	2	580,000 – 589,999	1
250,000 – 259,999	14	420,000 – 429,999	0		
260,000 – 269,999	11	430,000 – 439,999	1	**Grand Total**	**609**

Of the 609 employees who received more than $100,000, 400 were medical or dental officers. If the remuneration of part-time employees was grossed up to the full-time equivalent basis, the total number of employees who received more than $100,000 would be 712 compared to the actual total of 609. Of the 103 additional employees 77 were medical or dental officers.

The remuneration of the Chief Executive was in the $400,000 - $409,999 band.

Notes to the financial statements for the year ended 30th June 2010

in thousands of New Zealand Dollars

21 Employee remuneration (continued)

Termination payments
During the year 55 employees received redundancy or other severance payments. The total amount paid was $1,620,171.

22 Contingent liabilities
In June 2009 WDHB acknowledged a claim made by PSA (Public Service Association) in relation to the interpretations of a minimum break clause in a multi employee collective agreement and related potential back pay. In July 2010 The Employment Relations Authority released its determination which declined this claim and no appeal was lodged.

WDHB or its associates have been notified of five actual or potential claims as at 30 June 2010 which create a contingent liability totalling approximately $175k (2009:$0).

23 Subsequent events
There are no significant events subsequent to balance date.

24 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.

25 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 Statement of Comprehensive Income are due to:

- Revenue for the year $9.5m greater than budget; reflecting additional elective surgery and services purchased by the Crown during the year, as well as specific programmes and interest income.
- Expenditure for the year was $8.3m greater than budget; reflecting 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. Other costs in excess of budget are primarily clinical supply costs; mainly cancer pharmaceuticals, treatment disposables and the increased workload in management of antibiotic resistant infection and H1N1.

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

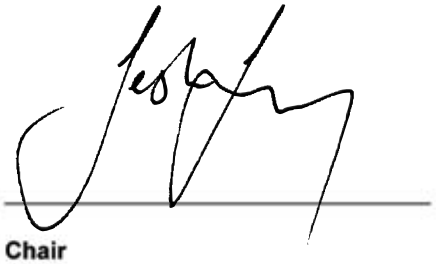
- Cash and cash equivalents – favourable for the year $16.5m due to additional revenue, equity injection for Oral Health project and timing of other major capital expenditure projects
- Trade and other receivables – lower than budget due to timing of receipts and reduction in accrued revenue
- Trade and other payables - increased largely due year end IDF position being net payable
- Property, plant and equipment – less than planned due to timing of major projects
- Employee Benefits – due to greater than budgeted payroll settlements.

Statement of Responsibility
For the year ended 30 June 2010

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 2010 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

Dr Lester Levy

Board Member

Brian Neeson

27 October 2010

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 2010

The Auditor-General is the auditor of Waitemata District Health Board (the Health Board) and group. The Auditor-General has appointed me, Karen MacKenzie, using the staff and resources of Audit New Zealand, to carry out the audit on her behalf. The audit covers the financial statements and statement of service performance included in the annual report of the Health Board and group for the year ended 30 June 2010.

Unqualified opinion

In our opinion:

- The financial statements of the Health Board and group on pages 55 to 90:
  - comply with generally accepted accounting practice in New Zealand; and
  - fairly reflect:
    - the Health Board and group's financial position as at 30 June 2010; and
    - the results of operations and cash flows for the year ended on that date.
- The statement of service performance of the Health Board and group on pages 37 to 54:
  - 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 27 October 2010, 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 2010 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 and group'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

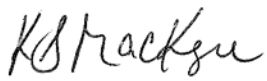
financial year. The Board's responsibilities arise from the New Zealand Public Health and Disability Act 2000 and the Crown Entities Act 2004.

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 New Zealand Institute of Chartered Accountants.

Other than the audit, we have no relationship with or interests in the Health Board or any of its subsidiaries.



Karen MacKenzie
Audit New Zealand
On behalf of the Auditor-General
Auckland, New Zealand

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 Waitemata District Health Board and group for the year ended 30 June 2010 included on the Waitemata District Health Board and group's website. The Waitemata District Health Board and group's Board is responsible for the maintenance and integrity of the Waitemata District Health Board and group's website. We have not been engaged to report on the integrity of the Waitemata District Health Board and group'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 27 October 2010 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.

Waitemata District Health Board

Private Bag 93-503, Takapuna, North Shore City, 0740

www.waitematadhb.govt.nz

Waitemata
District Health Board

Te Wai Awhina